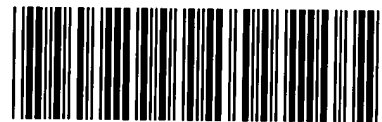


Company Registration No. 09625982 (England and Wales)

ELMWEY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



LD4 *L7YATV7E* #104
31/01/2019
COMPANIES HOUSE

ELMWEY LEARNING TRUST

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ELMWEY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jack Janikowski Allison Lewis (Appointed 14 December 2017) Vicki Macleod Francis Nicholas Alan Wright	
Trustees	Maria Cicero-Scott Anne Cullum (Accounting Officer) Francis Nicholas (Chair of Trustees) Nathan Roberts Guy Solway Alan Wright Helen Cooper	
Senior leadership team	Anne Cullum Peter Manns Alison Shakespeare Rebecca Harris	- Executive Principal - Vice Principal - Vice Principal - Business Manager
Company secretary	Rebecca Harris	
Company registration number	09625982 (England and Wales)	
Independent auditor	Wilkins Kennedy Audit Services Gladstone House 77-79 High Street Egham Surrey TW20 9HY	
Bankers	NatWest Bank Plc 1 High Street Weybridge Surrey KT13 8UA	
Solicitors	Browne Jacobson LLP 77 Gracechurch Street City of London EC3V 0AS	

ELMWEY LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and independent auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Weybridge. It has a pupil capacity of 1138 and had a roll of 1257 in the school census on 5th October 2017.

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 ElmWey 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, and to the date these financial statements are approved, 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

ElmWey Learning Trust is a member of the Department of Education Risk Protection Arrangement (RPA). This indemnified trustees against losses or claims. It is not possible to break down the overall £20 per pupil RPA contribution to reflect the trustees' liability element. Cover is provided up to an aggregate limit of £10 million during any one Membership Year.

Method of recruitment and appointment or election of Trustees

The members of the trust shall comprise no less than 3 persons. Members cannot be employees of the trust. The number of trustees shall not be less than 3, but shall not be subject to a maximum.

Up to 5 trustees may be appointed by the members; the Executive Principal serves as a trustee. A minimum of 2 parent trustees will be appointed unless there is a local governing body that includes at least 2 parent members.

The Board of Trustees is responsible for setting out the terms of reference of the local governing body which is named the Local Advisory Board and formally appointing members of the Local Advisory Board.

The term of office for any trustee shall be 4 years. Subject to remaining eligible to be a particular type of trustee, a trustee may be reappointed or re-elected.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of Trustees

New trustees are provided with an induction pack which includes key information outlining their obligations under Companies and Charities Law. New trustees are registered with an external training provider, Babcock International who are a specialist training organisation which provides training, information and guidance for trustees, directors and governors. New trustees are also invited to a welcome meeting with the chair of the board and the Executive Principal and are provided the opportunity to meet other key members of the executive team.

A Disclosure and Barring Service Check (DBS) is undertaken for all new trustees and all trustees are entered onto the trust's register of interests by completing an appropriate declaration. The register of interests is reviewed annually at the start of each new financial year.

Trustees also complete a skills audit that is reviewed annually each year which helps to identify training needs. An annual training conference is held each March which is attended by the Board of Trustees.

Organisational structure

The trust is governed by the Board of Trustees which delegates functions to the Executive Principal and the Local Advisory Board who are appointed by the trustees as a committee of the Board. There is also a senior leadership team at Heathside School who are supported by a layer of middle managers including subject and pastoral heads. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

A scheme of delegation has been put in place setting out the specific responsibilities of the Board of Trustees, the Local Advisory Board and the Executive Principal.

The trustees are legally accountable to the Department of Education and other statutory bodies for the overall running of the trust. They set the overall vision, strategy and objectives for the trust and identify key performance indicators for both the trust and Heathside School with a key focus on educational improvement. They are responsible for setting trust wide policies on such matters as finance, human resources, safeguarding and overall governance and for reviewing recruitment, performance management and pay progression for the Executive Principal.

The Local Advisory Board monitors individual school performance and levels of student progress, agrees local policies i.e. student attendance and behaviour policies and monitors local finance budgets. The Local Advisory Board oversee performance management and pay progression for Heathside School staff. Members of the Local Advisory Board also attend recruitment interview panels for senior leadership posts.

The senior leadership team at Heathside School oversee the day to day operation of the school and are responsible for implementing the policies laid down by the Board of Trustees and the Local Advisory Board. The senior leadership team are responsible for authorising expenditure within agreed financial limits and for appointing school staff. Some spending control is delegated to middle managers within agreed financial limits set out in the trust's financial policies.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for the Executive Principal is set and agreed each year following a review of performance against objectives by an Executive Principal's performance review committee. The committee comprises of no less than 2 trustees other than the Executive Principal and an externally appointed advisor who provides benchmarking information and guidance to trustees.

For other senior managers performance is reviewed against objectives by the Executive Principal and proposals for pay progression are considered by a salaries and appraisal committee comprising at least three Local Advisory Board members. Pay progression mirrors arrangements set out in School Teachers Pay and Condition document and Surrey Pay for senior leaders who are not members of teaching staff.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.30

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£5,102,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

ElmWey Learning Trust has operated as a Multi-Academy Trust with Heathside School as the single academy since the conversion of Heathside School on 1st September 2015. There is no third party sponsor to the trust.

There were no transactions with related parties during the year ended 31 August 2018.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

The principal objects of the trust are specifically restricted to the following:

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

The Board of Trustees has established the following principles as the core vision and values of ElmWey Learning Trust:

To create a family of local schools committed to excellence and continuous improvement where all pupils are:

- Inspired to learn and develop as rounded individuals able to play a positive role in society
- Encouraged to aim high and know they are valued, regardless of ability or background
- Enabled to take advantage of exceptional opportunities to fulfil their potential within their school and beyond.

Where capable, innovative and inspiring leaders, teachers and support staff are:

- Inspired to want the best for all pupils and schools within the trust
- Encouraged to be innovative, collaborative and inspirational
- Enable to develop themselves and deliver exceptional outcomes.

ElmWey Learning Trust aspires to being a model among trusts in all aspects of education, leadership, people development and governance.

Objectives, strategies and activities

The main objectives for Heathside School during the period ended 31 August 2018 are summarised below:

- to improve achievement for all groups of students, including disadvantaged students
- to ensure all teachers are at least 'good' and delivering differentiated, challenging and inspiring lessons for all
- to develop students' high level of thinking skills through challenging questioning and use of reflection time
- to promote behaviour that is polite, positive and respectful leading to outstanding learning
- to provide a safe, secure environment where discrimination is not tolerated and where students and staff understand safeguarding and have awareness of the need to prevent radicalisation
- to provide outstanding educational experiences and careers information and guidance to ensure that students are well equipped for the next stage of their education, training or employment
- to support the highest aspirations and achievement for all students including disadvantaged students, the most able and those with special educational needs and disabilities
- to support students' spiritual, moral, social and cultural development, enabling them to maintain good mental and physical health and foster their understanding of life in modern Britain and British Values
- to empower leaders and middle leaders to share the core focus of improving teaching and learning and student outcomes through an outstanding curriculum and effective communication.

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

ElmWey Learning Trust has continued its work with the Department for Education on developing plans for the new six form entry 11-16 non-selective Free School which will be called, Heathside, Walton-On-Thames. The new school was granted permission by the Department for Education following a successful application submitted by ElmWey Learning Trust in Wave 11. During the year a public exhibition was held to demonstrate support from the local community for the new school. ElmWey continued to work collaboratively with its other secondary and primary partners. During the year, a head of school at Heathside School was appointed to take up post from September 2018 to release the Executive Principal to develop opportunities to further the growth of the trust.

Heathside School

Heathside School was the founder academy of ElmWey Learning Trust. Heathside is a mixed school with a comprehensive intake and is regularly oversubscribed (1st choice preferences for September 2018 intake were 281 compared to 280 in the previous year). Currently, there are 1245 students on roll (1051 in years 7-11 and 194 in the sixth form).

Partnerships

Via the 14-19 partnership group Heathside worked closely with the other three Elmbridge secondary schools and the two local post 16 colleges. A careers advisor and alternative learning provision were provided through this group. In addition Heathside worked closely with the Weybridge cluster group, which ensured that Weybridge schools shared good practice, moderated standards across phases and ensured smooth transition.

Teacher training

Heathside maintained links with a range of ITT providers to ensure that new entrants to the profession have high quality provision e.g. St Mary's, Brunel and Kingston universities regularly place students to train with Heathside. In addition, Heathside maintained links with Guildford Education Partnership (GEP) in Guildford which provides training for SCITT and Researchers in Schools post graduates. Heathside provided safeguarding training for GEP trainees.

Leadership development

Leadership development is extremely important to fulfilling the trust's vision and building succession planning. Many staff have developed through following leadership courses such as NPQH, NPQSL and NPQML. Both teaching and support staff apply, via the professional study grant, to study for M.A.s and other professional external qualifications. Continuous professional development, closely linked to staffs' needs, builds on all elements towards improving teaching and learning. Following an initial drop-in lesson observation, the focus of performance management is developmental with staff aiming for delivering high quality lessons, evidenced via learning walks and further drop-ins where required.

The Executive Principal continued her role as an Ofsted inspector and was able to bring good practice back into the trust. The Future Leaders executive leadership programme continued to provide access to a wide range of best practice and school improvement expertise and tools.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

Heathside School – Key Stage 4 Results 2018

Number of pupils at the end of Key Stage 4	206
Progress 8	+0.41
Attainment 8	58.01
% achieving a strong pass in the English Baccalaureate (grade 5 or above in English/maths & grade C unreformed subjects)	41%
% achieving a standard pass in the English Baccalaureate (grade 4 or above in English/ maths & grade C or above in unreformed subjects). Please note that this is an additional measure and will not be published in October.	51%
% achieving a strong pass in English and maths (grade 5 or above)	76%
% achieving a standard pass in English and maths (grade 4 or above)	88%

Heathside School – Key Stage 5 Results 2018

Number of students at the end of 16-18 studies	115
Average point score per academic entry expressed as an A level grade	B-
Average point score per academic entry (new point system)	36.92
Academic value added score	0.26
% attaining A*-A	40%
% attaining A*-B	68%
% attaining A*-E	99%

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees continues to adopt the going concern basis in preparing the 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 trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2018, the total expenditure of £7,053,000 (2017: £7,077,000) was met by recurrent income of £6,824,000 (2017: £7,069,000).

At 31 August 2018 the net book value of fixed assets was £24,399,000 (2017: £24,556,000) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to students of Heathside School.

The trust's support staff is entitled to membership of the Local Government Pension Scheme. The academy's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the academy balance sheet shows a net liability of £1,722,000 (2017: £1,790,000). Of this sum, £1,472,000 was inherited by the Trust from Surrey County Council on 1 September 2015.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The trustees have determined the appropriate level of free reserves to be equivalent to 4-5% of general annual grant income, approximately £296,000.

The reason for this is to provide sufficient working capital to deal with unexpected emergencies such as urgent maintenance, to cover delays between spending and receipt of grants and to provide a cushion to cover the financial risks facing the trust such as reductions in minimum funding guarantees, removal of the Education Services Grant, the removal of sixth form transitional protections and anticipated fluctuations in sixth form numbers and funding.

As at 31 August 2018, free reserves amounted to £1,067,000 (2017: £994,000), it is anticipated that much of this free reserve balance will be utilised over the course of the next 3 academic years as the trust builds capacity to expand the scope of its operations and further enhances the educational facilities and services of the trust.

In addition to the free reserves at 31 August 2018 the trust held a fixed asset fund valued at £24,525,000 (2017: £24,556,000). This comprised the net book value of the trust's tangible fixed assets plus unspent capital grants.

Other restricted fund balances were £nil at 31 August 2018 (2017: £22,000), with the exception of the LGPS fund, which reflects the deficit of £1,722,000 (2017: £1,790,000).

The trust's restricted pension reserve was in deficit at 31 August 2018. This deficit is not an immediate liability of the trust. Instead, the deficit will be met through increased pension contributions on behalf of staff in the future. The results of the last full actuarial valuation of the Surrey Council Council Local Government Pension Scheme were released in early 2017, and as a result the trust's contribution rate decreased.

Investment policy

Under the Memorandum and Articles of Association the trust has the power to invest funds not immediately required for its purposes in investments upon obtaining appropriate expert financial advice. The trustees have determined to put in place a Special Interest Bearing Bank Account for cash balances surplus to immediate needs. For the year ended 31 August 2018, the trust's cash balances generated an average income return of 0.14%, which in the current economic climate the trustees consider to be reasonable.

Principal risks and uncertainties

The financial risks which ElmWey Learning Trust is exposed to relates primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Fluctuations in student numbers in the sixth form.

A risk arises in relation to the defined benefit pension scheme due to the fact that there is a deficit of £1,722,000.

The trustees have a robust system of mid-term financial forecasting in place. Trustees and senior leaders ensure that they are well informed to ensure early awareness of political and legislative changes impacting on student numbers and cash flow. This combined with the trust maintaining an appropriate level of reserves mitigates the risk and ensures that any changes can be responded to with appropriate and timely financial planning.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees have assessed the major risks to which the trust as a whole and Heathside School are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances. Trustees have implemented a number of systems to assess the risks that both the trust and school face 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. Operational procedures and internal financial controls are in place in order to minimise risk.

Where significant financial risk still remains, insurance cover has been put in place. The trust has an effective system of internal financial controls and this is explained more detail in the Governance Statement on Page 11.

The principal risks and uncertainties that ElmWey Learning Trust faces are mitigated by the risk management process that the trust has in place.

Fundraising

Under Section 13 of the Charities (Protection and Social Investment) Act 2016 there are new reporting requirements that require trusts to make a statement regarding their fundraising activities.

ElmWey does not undertake widespread fundraising from the general public, the majority of our income comes from central government grants. However as a school we rely on opportunities to bid for grant funding for example from Community Infrastructure Levy funds and donations from third party organisations e.g. Heathside School Parent Teacher Association. Such amounts receivable are recorded in our accounts within donations and capital grants. In addition we rely on voluntary contributions from parents and carers to fund a range of school activities including school trips, yearbooks and other resources which are to be retained by students at home e.g. revision guides, technology projects etc. All contributions are voluntary and the trust often provides support to families experiencing financial hardship to ensure a fully inclusive approach to such school activities.

In addition there were a number of fundraising activities where students are encouraged to fundraise for house charities, these included a sixth form charity week, mufti days and cake sales. All contributions to these events are voluntary. Any funds raised from these events are passed in full to the relevant charities.

All of our fundraising activity is managed internally. We did not engage the services of professional fundraisers during the year.

ElmWey is committed to observing the highest possible standards when fundraising and comply with all relevant law and regulations. We have received no complaints in relation to our fundraising activities.

Plans for future periods

The trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving Heathside School with regards to continuing in training or formal education. Heathside School will continue its objectives as set out in its development plan to ensure all groups of students consistently achieve their full potential and ensure timely interventions towards these aims.

The trust will continue its plans to open its first Free School, Heathside, Walton-on-Thames and will seek to widen its role in further improving educational outcomes for all students within the family of local schools whether that is through schools joining the trust or through providing support to schools, in terms of leadership and management expertise, teaching capacity, ICT or finance consultancy.

ELMWEY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

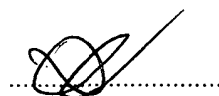
Auditor

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 Wilkins Kennedy Audit Services 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 04/12/2018 and signed on its behalf by:



Francis Nicholas
Chair of Trustees

ELMWEY LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that ElmWey 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 Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between ElmWey 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 Board of Trustees has formally met 4 times during the year. In addition to these formal meetings, the trustees took part in a number of informal working groups throughout the period. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Maria Cicero-Scott	4	4
Anne Cullum (Accounting Officer)	4	4
Francis Nicholas (Chair of Trustees)	4	4
Nathan Roberts	4	4
Guy Solway	4	4
Alan Wright	3	4
Helen Cooper	1	4

A 360 degree style review of trustees and key members of senior staff was undertaken in the spring. This provided valuable feedback to the board on the trust's governance. A similar review is scheduled for the coming year.

The audit and finance committee is a sub-committee of the main Board of Trustees. Its purpose is to provide assurance over the suitability of, and compliance with, its financial systems and controls.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Francis Nicholas (Chair of Trustees)	3	3
Nathan Roberts	3	3
Guy Solway	1	3
Alan Wright	3	3
Helen Cooper	1	3

Review of value for money

As accounting officer the Executive Principal 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.

ELMWEY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer considers how the academy 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:

- delivering consistently higher than national and LA average results at Key Stage 4 and 5
- regular financial monitoring and oversight ensuring a detailed analysis of variance is reported to trustees
- ensuring robust procurement processes utilising public sector frameworks to appoint new cleaning contractors, technical advisors and energy providers
- maximising income through provision of support services, lettings agreements and a successful grant application i.e. the TULK fund
- undertaking a regular review of benchmarking data including the DfE Performance Tables and Academy Benchmarking data to measure, review and where appropriate adjust expenditure levels e.g. through restructuring of staffing provision.

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 ElmWey Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. 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 audit and finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting Key Performance Indicators (KPIs) 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 Wilkins Kennedy as internal auditor.

ELMWEY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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:

- a review and reconciliation of grant income to ensure it is spent and accounted for in line with specified criteria.
- a review of accounting systems, policies and procedures to ensure security, robustness and adequate internal controls that comply with statutory guidelines, the funding agreement and the Academies Financial Handbook (AFH).
- an examination of financial roles and responsibilities, the register of pecuniary interests, the induction programme for trustees and the evaluation of their financial competencies
- that assets are correctly capitalised, protected and disposed of
- to ensure payroll is accurately calculated and recorded in the accounting systems
- that the website complies with current requirements for publicising academy documentation.

On a termly basis, the internal auditor reports to the Board of Trustees through the audit and finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Trustees.

The internal auditor executed the agreed programme of work as planned. No material control issues were identified.

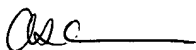
Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 and finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 04/12/2018 and signed on its behalf by:



Anne Cullum
Accounting Officer



Francis Nicholas
Chair of Trustees

ELMWEY LEARNING TRUST

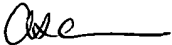
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of ElmWey Learning Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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.



Anne Cullum
Accounting Officer

4/12/2018

ELMWEY LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who also act as governors for ElmWey Learning Trust and are also the directors of ElmWey Learning Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 09/12/2018 and signed on its behalf by:


Francis Nicholas
Chair of Trustees

ELMWEY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of ElmWey Learning Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ELMWEY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

ELMWEY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our 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. 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 auditors' 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 and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

Kevin Walmsley (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

10.12.2018
.....

Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

ELMWEY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by ElmWey Learning Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to ElmWey 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 ElmWey 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 ElmWey Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of ElmWey Learning Trust's funding agreement with the Secretary of State for Education dated 25 August 2015 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ELMWEY LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ELMWEY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Dated: *10.12.2018*

ELMWEY LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	20	-	188	208	235
Charitable activities:						
- Funding for educational operations	4	190	6,367	-	6,557	6,759
Other trading activities	5	58	-	-	58	73
Investments	6	2	-	-	2	2
Total		<u>270</u>	<u>6,367</u>	<u>188</u>	<u>6,825</u>	<u>7,069</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	196	6,505	352	7,053	7,077
Total	7	<u>196</u>	<u>6,505</u>	<u>352</u>	<u>7,053</u>	<u>7,077</u>
Net income/(expenditure)		74	(138)	(164)	(228)	(8)
Transfers between funds	17	-	(133)	133	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	317	-	317	376
Net movement in funds		74	46	(31)	89	368
Reconciliation of funds						
Total funds brought forward		994	(1,768)	24,556	23,782	23,414
Total funds carried forward		<u>1,068</u>	<u>(1,722)</u>	<u>24,525</u>	<u>23,871</u>	<u>23,782</u>

ELMWEY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	26	-	209	235
Charitable activities:					
- Funding for educational operations	4	287	6,472	-	6,759
Other trading activities	5	73	-	-	73
Investments	6	2	-	-	2
Total		<u>388</u>	<u>6,472</u>	<u>209</u>	<u>7,069</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	341	6,404	332	7,077
Total	7	<u>341</u>	<u>6,404</u>	<u>332</u>	<u>7,077</u>
Net income/(expenditure)		47	68	(123)	(8)
Transfers between funds	17	-	(226)	226	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	376	-	376
Net movement in funds		47	218	103	368
Reconciliation of funds					
Total funds brought forward		947	(1,986)	24,453	23,414
Total funds carried forward		<u>994</u>	<u>(1,768)</u>	<u>24,556</u>	<u>23,782</u>

ELMWEY LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	12	24,399	24,556
Current assets			
Debtors	13	175	218
Cash at bank and in hand		1,575	1,489
		<u>1,750</u>	<u>1,707</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(550)	(684)
Net current assets		1,200	1,023
Total assets less current liabilities		25,599	25,579
Creditors: amounts falling due after more than one year	15	(6)	(7)
Net assets excluding pension liability		25,593	25,572
Defined benefit pension scheme liability	19	(1,722)	(1,790)
Net assets		<u>23,871</u>	<u>23,782</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		24,525	24,556
- Restricted income funds		-	22
- Pension reserve		(1,722)	(1,790)
Total restricted funds		22,803	22,788
Unrestricted income funds	17	1,068	994
Total funds		<u>23,871</u>	<u>23,782</u>

The financial statements on pages 21 to 42 were approved by the Trustees and authorised for issue on 04/12/2018 and are signed on their behalf by:



Francis Nicholas
Chair of Trustees

Company Number 09625982

ELMWEY LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by operating activities	20	92	389
Cash flows from investing activities			
Dividends, interest and rents from investments		2	2
Capital grants from DfE Group		178	185
Capital funding received from sponsors and others		10	24
Purchase of tangible fixed assets		(195)	(604)
Net cash used in investing activities		(5)	(393)
Cash flows from financing activities			
New other loan		-	8
Repayment of other loan		(1)	-
Net cash (used in)/provided by financing activities		(1)	8
Net increase in cash and cash equivalents in the reporting period		86	4
Cash and cash equivalents at beginning of the year		1,489	1,485
Cash and cash equivalents at end of the year		1,575	1,489

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

ElmWey Learning Trust is a charitable company limited by guarantee and registered in England and Wales. The address of its registered place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

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

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

1.3 Income

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

Grants

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

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.

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.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 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.

Upon becoming an academy trust, ownership of the school site was transferred to the charitable company. The buildings were recognised in the financial statements at their valuation under the depreciated replacement cost model and the land element on an existing use basis.

1.4 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.

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.

1.5 Tangible fixed assets and depreciation

Individual assets costing £2,000 or more and groups of assets costing £5,000 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 basis over its expected useful life, as follows:

Land and Buildings	2%
Assets under construction	10%
Computer equipment	33%
Fixtures, fittings & equipment	20%

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

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

1.6 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.

1.7 Leasing commitments

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

1.8 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.

1.9 Taxation

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

1.10 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.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

1.11 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 with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary fund with the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

2 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 (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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgement

No other judgments have been made in arriving at the figures disclosed in the trust's financial statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	188	188	209
Other donations	20	-	20	26
	<u>20</u>	<u>188</u>	<u>208</u>	<u>235</u>

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,944	5,944	5,983
Other DfE group grants	-	132	132	159
	-	6,076	6,076	6,142
Other government grants				
Local authority grants	-	105	105	122
Other funding				
Other incoming resources	190	186	376	495
Total funding	190	6,367	6,557	6,759

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	27	-	27	17
Catering income	31	-	31	56
	58	-	58	73

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	2	-	2	2

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2018 £'000	Total 2017 £'000
Academy's educational operations					
- Direct costs	4,422	251	693	5,366	5,512
- Allocated support costs	909	473	305	1,687	1,565
	5,331	724	998	7,053	7,077

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	11	11
- Other services	6	5
Operating lease rentals	10	10
Depreciation of tangible fixed assets	352	332
Net interest on defined benefit pension liability	47	42
	<u> </u>	<u> </u>

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	189	5,177	5,366	5,512
Support costs				
Educational operations	7	1,680	1,687	1,565
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	196	6,857	7,053	7,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	2018 £'000	2017 £'000
Analysis of support costs		
Support staff costs	909	834
Depreciation	101	85
Technology costs	50	42
Premises costs	372	354
Other support costs	174	174
Governance costs	81	76
	<u> </u>	<u> </u>
	1,687	1,565
	<u> </u>	<u> </u>

Included within support staff costs is the uplift in costs in relation to the LGPS Pension Scheme, which amounted to £202,000 (2017 - £138,000).

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	4,020	3,970
Social security costs	397	388
Pension costs	887	851
Staff costs	5,304	5,209
Agency staff costs	4	12
Staff development and other staff costs	23	39
Total staff expenditure	5,331	5,260

Staff numbers

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

	2018 Number	2017 Number
Teachers	67	70
Administration and support	57	60
Management	8	8
	132	138

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

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 £383,654 (2017: £364,149).

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Trustees' remuneration and expenses

The Executive Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as Trustees.

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

A Cullum (Executive Principal)

Remuneration £125,000 - £130,000 (2017: £115,000 - £120,000)

Employer's pension contributions £20,000 - £25,000 (2017: £15,000 - £20,000)

During the year ended 31 August 2018, expenses totalling £1,340 were paid to two Trustees. Of this total, expenses reimbursed to the Executive Principal relating to her School role were £580 and in respect of her role as an Ofsted inspector were £700. The fees from Ofsted received by the Trust during the year exceeded the expenses claimed.

11 Trustees and officers insurance

The 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 Trust business, and provides cover up to £10 million. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme for the period ended 31 August 2018.

12 Tangible fixed assets

	Land and Buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2017	24,827	-	242	118	25,187
Additions	94	37	29	35	195
	<u>24,921</u>	<u>37</u>	<u>271</u>	<u>153</u>	<u>25,382</u>
At 31 August 2018	24,921	37	271	153	25,382
Depreciation					
At 1 September 2017	486	-	130	15	631
Charge for the year	251	-	73	28	352
	<u>737</u>	<u>-</u>	<u>203</u>	<u>43</u>	<u>983</u>
At 31 August 2018	737	-	203	43	983
Net book value					
At 31 August 2018	24,184	37	68	110	24,399
At 31 August 2017	24,341	-	112	103	24,556

Included in land and buildings above is land valued at £12.257 million, which is not depreciated.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Debtors	2018 £'000	2017 £'000
Trade debtors	8	3
VAT recoverable	50	47
Prepayments and accrued income	117	168
	<u>175</u>	<u>218</u>
	<u>175</u>	<u>218</u>
 14 Creditors: amounts falling due within one year	 2018 £'000	 2017 £'000
Other loans	1	1
Trade creditors	123	269
Other taxation and social security	103	101
Other creditors	94	90
Accruals and deferred income	229	223
	<u>550</u>	<u>684</u>
	<u>550</u>	<u>684</u>
 15 Creditors: amounts falling due after more than one year	 2018 £'000	 2017 £'000
Other loans	6	7
	<u>6</u>	<u>7</u>
 Analysis of loans		
Wholly repayable within five years	7	8
Less: included in current liabilities	(1)	(1)
	<u>6</u>	<u>7</u>
Amounts included above	<u>6</u>	<u>7</u>
	<u>6</u>	<u>7</u>
 Loan maturity		
Debt due in one year or less	1	1
Due in more than one year but not more than two years	1	1
Due in more than two years but not more than five years	3	3
Due in more than five years	2	3
	<u>7</u>	<u>8</u>
	<u>7</u>	<u>8</u>

The Government loan was provided by Salix in 2017 in connection with a roof refurbishment project. The loan is interest free.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	89	83
		<u>89</u>	<u>83</u>
	Deferred income at 1 September 2017	83	122
	Released from previous years	(83)	(122)
	Resources deferred in the year	89	83
		<u>89</u>	<u>83</u>
	Deferred income at 31 August 2018	89	83

As at 31 August 2018, the Trust held £33,000 of grant income (2017: £32,000), £49,000 of trip income (2017: £51,000) and £6,000 (2017: £nil) of other income received in advance for the 2018-19 financial year.

17	Funds	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
	Restricted general funds					
	General Annual Grant (GAG)	-	5,944	(5,811)	(133)	-
	Other DfE / ESFA grants	22	132	(154)	-	-
	Other government grants	-	105	(105)	-	-
	Other restricted funds	-	186	(186)	-	-
	Pension reserve	(1,790)	-	(249)	317	(1,722)
		<u>(1,768)</u>	<u>6,367</u>	<u>(6,505)</u>	<u>184</u>	<u>(1,722)</u>
	Restricted fixed asset funds					
	Transfer on conversion	23,828	-	(262)	-	23,566
	DfE group capital grants	409	188	(17)	-	580
	Capital expenditure from GAG	319	-	(73)	133	379
		<u>24,556</u>	<u>188</u>	<u>(352)</u>	<u>133</u>	<u>24,525</u>
	Total restricted funds	22,788	6,555	(6,857)	317	22,803
	Unrestricted funds					
	General funds	994	270	(196)	-	1,068
		<u>994</u>	<u>270</u>	<u>(196)</u>	<u>-</u>	<u>1,068</u>
	Total funds	23,782	6,825	(7,053)	317	23,871

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Trust. 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 2018.

Other DfE/EFA grants: This includes Pupil Premium, Year 7 Catch Up and Pre-Opening Grant for the free school.

Other government grants: this includes SEN funding and Pupil Premium Funding from Surrey County Council.

Other restricted funds: includes non-grant income received that the Trust must apply for a particular purpose.

Transfers between funds represent tangible fixed assets purchased from GAG funding.

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,983	(5,757)	(226)	-
Other DfE / ESFA grants	-	159	(137)	-	22
Other government grants	-	122	(122)	-	-
Other restricted funds	-	208	(208)	-	-
Pension reserve	(1,986)	-	(180)	376	(1,790)
	<u>(1,986)</u>	<u>6,472</u>	<u>(6,404)</u>	<u>150</u>	<u>(1,768)</u>
Restricted fixed asset funds					
Transfer on conversion	24,107	-	(279)	-	23,828
DfE group capital grants	208	209	(8)	-	409
Capital expenditure from GAG	138	-	(45)	226	319
	<u>24,453</u>	<u>209</u>	<u>(332)</u>	<u>226</u>	<u>24,556</u>
Total restricted funds	<u>22,467</u>	<u>6,681</u>	<u>(6,736)</u>	<u>376</u>	<u>22,788</u>
Unrestricted funds					
General funds	947	388	(341)	-	994
Total funds	<u>23,414</u>	<u>7,069</u>	<u>(7,077)</u>	<u>376</u>	<u>23,782</u>

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	11,927	(11,568)	(359)	-
Other DfE / ESFA grants	-	291	(291)	-	-
Other government grants	-	227	(227)	-	-
Other restricted funds	-	394	(394)	-	-
Pension reserve	(1,986)	-	(429)	693	(1,722)
	<u>(1,986)</u>	<u>12,839</u>	<u>(12,909)</u>	<u>334</u>	<u>(1,722)</u>
Restricted fixed asset funds					
Transfer on conversion	24,107	-	(541)	-	23,566
DfE group capital grants	208	397	(25)	-	580
Capital expenditure from GAG	138	-	(118)	359	379
	<u>24,453</u>	<u>397</u>	<u>(684)</u>	<u>359</u>	<u>24,525</u>
Total restricted funds	<u>22,467</u>	<u>13,236</u>	<u>(13,593)</u>	<u>693</u>	<u>22,803</u>
Unrestricted funds					
General funds	947	658	(537)	-	1,068
	<u>947</u>	<u>658</u>	<u>(537)</u>	<u>-</u>	<u>1,068</u>
Total funds	<u>23,414</u>	<u>13,894</u>	<u>(14,130)</u>	<u>693</u>	<u>23,871</u>

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	24,399	24,399
Current assets	1,624	-	126	1,750
Creditors falling due within one year	(550)	-	-	(550)
Creditors falling due after one year	(6)	-	-	(6)
Defined benefit pension liability	-	(1,722)	-	(1,722)
Total net assets	<u>1,068</u>	<u>(1,722)</u>	<u>24,525</u>	<u>23,871</u>

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	24,556	24,556
Current assets	1,685	22	-	1,707
Creditors falling due within one year	(684)	-	-	(684)
Creditors falling due after one year	(7)	-	-	(7)
Defined benefit pension liability	-	(1,790)	-	(1,790)
Total net assets	994	(1,768)	24,556	23,782

19 Pension 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 Surrey County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2017.

Contributions amounting to £84,000 (2017: £87,000) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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)
- 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%.

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 £465,000 (2017: £467,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.3% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £222,000.

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

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	222	245
Employees' contributions	61	55
Total contributions	283	300
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.4	26.4

	2018 £'000	2017 £'000
Discount rate - 0.5%	457	417
Salary increase +0.5%	104	109
Pension rate +0.5%	346	299

Defined benefit pension scheme net liability

Scheme assets	1,943	1,580
Scheme obligations	(3,665)	(3,370)
Net liability	(1,722)	(1,790)

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	1,399	1,169
Bonds	330	237
Cash	78	63
Property	136	111
Total market value of assets	1,943	1,580

The actual return on scheme assets was £92,000 (2017: £261,000).

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	424	383
Interest income	(43)	(23)
Interest cost	90	65
Total operating charge	471	425
Changes in the present value of defined benefit obligations	2018 £'000	2017 £'000
At 1 September 2017	3,370	3,018
Current service cost	424	383
Interest cost	90	65
Employee contributions	61	55
Actuarial gain	(268)	(138)
Benefits paid	(12)	(13)
At 31 August 2018	3,665	3,370
Changes in the fair value of the academy trust's share of scheme assets	2018 £'000	2017 £'000
At 1 September 2017	1,580	1,032
Interest income	43	23
Actuarial gain	49	238
Employer contributions	222	245
Employee contributions	61	55
Benefits paid	(12)	(13)
At 31 August 2018	1,943	1,580

ELMWEY LEARNING TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(228)	(8)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(188)	(209)
Investment income receivable	(2)	(2)
Defined benefit pension costs less contributions payable	202	138
Defined benefit pension net finance cost	47	42
Depreciation of tangible fixed assets	352	332
Decrease in debtors	43	63
(Decrease)/increase in creditors	(134)	33
Net cash provided by operating activities	92	389

21 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £'000	2017 £'000
Amounts due within one year	11	9
Amounts due in two and five years	14	17
	<u>25</u>	<u>26</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.

23 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.

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018, the brought forward balance from the year ended 31 August 2017 was £2,536, the trust received £8,051 and disbursed £3,865 from the fund. An amount of £6,722 is included in other creditors relating to undistributed funds that are repayable to ESFA.