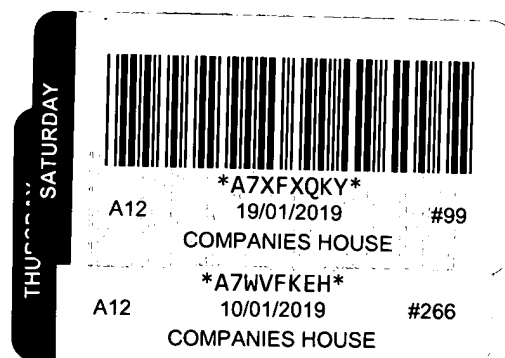


Company Registration No. 11281425 (England and Wales)

THE LEGACY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2018



THE LEGACY LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 46

THE LEGACY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Grieveson
R Broad
L Longstaff
M McTague
N Khan

Trustees

A Crawshaw (Accounting Officer) (Appointed 28 March 2018)
C Jones (Chair) (Appointed 28 March 2018)
L Longstaff (Appointed 28 March 2018)
C McEwan (Appointed 28 March 2018)
M J Pout (Appointed 1 July 2018)
S J Sarwar (Appointed 28 March 2018)
N Worth (Appointed 28 March 2018)

Senior management team

- CEO/Executive Headteacher
- DCEO/ Headteacher
- CFO/ Director of Corporate Services

A Crawshaw
S Lymer
N Flint

Company secretary

P H Daniels

Company registration number

11218425 (England and Wales)

Registered office

Acklam Grange School
Lodore Grove
Acklam
Middlesbrough
TS5 8PB

Academies operated

Acklam Grange School
Linthorpe Community Primary School

Location

Acklam
Linthorpe

Principal

Mr M Laidler
Mrs S Lymer

Independent auditor

Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
83 Linthorpe Road
Middlesbrough
TS1 5BU

THE LEGACY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson LLP
Manchester Office
Spinningfields
Manchester
M3 3EB

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the period 28 March 2018 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust is a Multi-Academy trust (MAT) which during the period operated two schools; Acklam Grange Secondary School and Linthorpe Community Primary School, both serving the catchment of Middlesbrough.

It has a capacity of:

Nursery	78
5-16	2,075

The roll in January 2018 census was:

Nursery	97
5-16	2,052

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 charitable company is known as The Legacy Learning Trust (TLLT).

The trustees of The Legacy Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period, and to the date these accounts 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

Trustees are covered by the Education and Skills Funding Agency's Risk Protection Arrangements. As part of this scheme Trustees and Governors receive unlimited indemnity.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of trustees

Each Trustee's role is linked to a core strand of business e.g. primary/secondary education, finance/business, human resources, marketing/PR. Recruitment activity is driven by a recruitment and selection process which includes formation of role profiles and role specifications which are linked to required skill sets or areas of expertise need as laid out in the DfE Governance Competency Framework.

Positions or vacancies are advertised externally for example through the Academy Ambassadors programme. Applicants are required to submit their skills focussed CV and be interviewed by a selection panel. A competitive recruitment process helps to ensure that the strongest candidates are considered for vacant posts, with the intention of adding value to the skills of the Trust Board.

Subject to the Articles of Association, the constitution of the Trust Board is as follows:

- Up to 9 trustees appointed by ordinary resolution by Members
- The total number of Trustees including the Chief Executive Officer who are employees of the Trust shall not exceed one third of the total number of Trustees
- The Trust will ensure parent participation, utilising Parent Governors on our Local Councils
- We will ensure a minimum of two Parent Governors will sit on each Local Council, with suitable procedures in place for the conduct of Parent Governor elections.

Policies and procedures adopted for the induction and training of trustees

The Trust is provided with support from the Middlesbrough Governor Development Service through a Service Level Agreement. The provision of individual training for Trustees and members of the Local Council through an annual course directory which is reviewed annually to reflect any changes in practice and legislation. Training has also been provided by the Trust and by Baldwin's focussing on trustee induction, roles, responsibilities and financial duties.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Organisational structure

The trust's governance structure consists of three levels:

- Members
- Trustees with two committees – Standards and Resources, Employment and Finance
- Local Councils of each academy

The Members have ultimate control over the Trust and are responsible for:

- Approving the Articles of Association
- Appointment and removal of Trustees
- Securing the highest standards of accountability from Trustees for the provision of all learners in the Multi Academy Trust (MAT)
- Appointment of the Trust's auditors and receipt of the trust's audited annual accounts.

The Trustees have overall responsibility for strategic planning and setting the Trust's policy as well as responsibility for all matters relating to finance and personnel matters. The Trustees have the power to direct change when required.

The Trust Board focuses its monitoring activity through two committees:

- Standards, focusing on matters relating to standards and quality of teaching and learning, personal development, welfare, behaviour including safeguarding.
- Resources, Employment and Finance, focusing on finance, resourcing and personnel matters.

Powers are delegated from the trust Board via a Scheme of delegation, which is reviewed annually.

The overall responsibility for holding school leaders to account and driving forward improvements in performance, attainment, progress in each academy/school is delegated to the Local Councils with their impact overseen and monitored and challenged by the Board of Trustees. Local Councils discharge their functions in line the Trust's Scheme of Delegation.

The Trustees are responsible for ensuring that the academy/school Local Councils fulfil their statutory obligations and principal aims and objectives, ensuring that procedures are in place to ensure regularity, propriety and value for money, setting general policy, adopting the Trust Development Plan and budget, monitoring use of budgets, external and internal review reports and enabling them to make major decisions about the direction of the Trust, capital expenditure and key Trust and Headteacher appointments.

The members of the Local Councils are responsible for adopting an annual School Development Plan, implementing policies laid down by the Board of Trustees. Through the Trust reporting mechanisms, the Trust Board will receive at least termly CEO/Headteacher reports and school dashboards on outcomes of work in each school/academy.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the CEO, Deputy CEO and CFO is decided by the Trust Board. The trust has delegated responsibility to Local Councils of each academy for all other staff, including senior leadership teams in each academy. Local councils make pay related decisions having regard to the national framework of School Teacher's Pay and Conditions Document and the Trust's Pay Policy which takes into account the extent to which staff have achieved their performance objectives.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

-

Full-time equivalent employee number

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

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

-

Related parties and other connected charities and organisations

The Trust is presently made up of two academies and does not work with any other organisation, but is developing links with other schools, academies, colleges and other businesses where these partnerships assist the Trust's objectives.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company, in accordance with the Articles of association is to advance for the public benefit education in the United Kingdom, offering a broad and balanced curriculum education for children of differing ages 5-16.

Vision of the Trust

Placing learners and learning at the heart of all that we do.

The Legacy Learning Trust (TLLT) is founded on firmly held beliefs that education and learning are about high expectation, high aspirations and opportunity regardless of background, where learners should be supported to achieve their very best in the classroom and are encouraged to develop as well rounded individuals who are well prepared for life in modern Britain.

The co-founders of TLLT are the schools of Acklam Grange School and Linthorpe Community Primary School. As two highly successful schools, who individually and more recently in collaboration, have improved outcomes for children, demonstrated financial efficiencies and provided exceptional professional development of staff, we want to secure this partnership and protect our schools going forward.

Guiding Principles of the Trust

- Care for the individual
- Striving for excellence
- Celebration of difference
- Development leaders at all levels
- Upholding the Nolan Principles

Objectives, strategies and activities

Strategic Aims of the Trust

- Develop and nurture outstanding leadership and management in and across The Legacy Learning Trust (KPI3)
- Secure good or better teaching, learning and assessment (KPI2)
- Foster excellent personal development, behaviour and welfare (KPI2)
- Promote excellent spiritual, moral, social and cultural understanding (KPI2)
- Improve and achieve excellent outcomes across each phase (KPI1)
- Be a highly effective MAT with academies which run efficiently, which are well organised and value for money. (KPI4)

The Trust opened as a multi-academy trust on 1 July 2018, so has just put into place Trust Development Plan 2018-21 including an annual plan, which will be a standing item at Trust Board meetings and will be monitored regularly and reviewed annually.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Public benefit

Acklam Grange School is a Teaching School and in this capacity has been able to provide school to school support and extensive CPD opportunities locally and nationally. The Executive Headteacher/CEO is also a National Leader of Education and the Teaching School has a number of Specialist Leaders of Education.

Linthorpe Community Primary School provides school to school support through its creative partnerships strategy offering bespoke support to other schools locally and nationally.

Both schools have a strong community presence. Acklam Grange School offers a sport and leisure provision to its local community on evenings, weekends and during school holidays.

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.

Strategic report

Achievements and performance

Summary of Trust Performance

Primary Phase Headlines 2018:

Currently there is one school within the primary phase: Linthorpe Community Primary School.

Outcomes are good overall.

Y1 Phonics Screen Check:

- 96% pass is significantly above the national average and represents a notable year-on-year school increase.

End of KS1:

- Attainment in all subjects is in line or above (Maths) national figures at both the Expected Standard and Greater Depth and represents an increase in the majority of measures (EXS Writing maintains) from 2017.
- The percentage of pupils in the cohort working at age related expectations increased in each individual subject as well as RWM combined from EYFS.

End of KS2: (Provisional data, validated December 2018)

- Attainment in Maths, Writing and GPS is in line or above national averages, both at the Expected Standard (EXS) and Greater Depth (GDS).
- GDS Reading attainment is in line with national, but -6% below at EXS.
- Pupils made good progress in Writing (+2 points above the national average) and broadly average progress in Maths and Reading.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

2018 Data Provisional Validated Dec	KS2					KS1			PSC
	Attainment			Progress		Attainment			% W
		EXS	GDS				EXS	GDS	96%
	R	69%	26%	R	-0.4	R	74%	26%	
	W	87%	17%	W	2	W	72%	19%	GLD
	M	79%	26%	M	1.1	M	79%	25%	64%
	RWM	60%	12%						
	GPS	81%	38%						

Attainment				
Measure	National		School 2018	
GLD	72%		64%	
PSC	83%		96%	
KS1	EXS	GDS	EXS	GDS
R	75%	26%	74%	26%
W	70%	16%	72%	19%
M	76%	22%	79%	25%
KS2	EXS	GDS	EXS	GDS
R	75%	28%	69%	26%
W	78%	20%	87%	17%
M	76%	24%	79%	26%
RWM	64%	10%	60%	12%
GPS	78%	34%	81%	38%
Progress				
R	0		-0.4	
W	0		2	
M	0		1	

Compared to national		
Above	In line	Below

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Secondary Phase Headlines 2018: (Provisional data, validated December 2018)

Currently there is one school within the secondary phase: Acklam Grange School

Outcomes are judged to be outstanding overall.

Progress 8 overall is strong for at +0.4, well above national average

- 65% (Nat2017 63%) of all students achieved a good pass (9-4) and 39% (Nat2017 42%) a strong pass (9-5) in Basics measure of Maths/Best English
- Students achieving 5 'Good' GCSE qualifications 5A*-C is 75%
- The percentage of students achieving 3 or more of highest grades is 23% (500+ 7-9/A/A* grades achieved in 2018)
- The percentage of students achieving Ebacc with the newly reformed GCSE is 20% good pass and 12% strong pass
- The percentage of students in each cohort achieving 2+ Sciences at a 4/4 grade is 59% (Nat 2017 55%)
- 10 subjects have increased percentage of students achieving 7-9/A/A* from 2017 with 14 subjects achieving a % of 7-9/A/A* at or above the 2018 national figures
- 7 out of the 12 subjects are above national figures for % 9-5 grades
- 17 subjects have increased percentage of students achieving 9-4/A*-C grades from 2017 with 27 subjects achieving a percentage higher than provisional 2018 nationals
- 22 subjects increased their P8 score from 2017 (27 subjects achieved a positive provisional P8 score)
- 22 subjects have increased the percentage of students making expected progress compared to 2017 results with 26 subjects performing higher than 2017 Nationals
- 18 subjects have increased the percentage of students making more than expected progress compared to our 2017 results with 21 subjects performing higher than the 2017 Nationals.

P8	A8	%E/M		Ebacc	
+0.4	4.86 (4+)	9-4	9-5	9-4	9-5
		65%	39%	20%	12%

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

	Nat 2017	AGS 2018
Attainment 8	4.42	4.86
Progress 8	-0.03	0.40
E&M 9-5	43%	39%
Ebacc 9-5	21%	13%
English 9-5	60%	62%
Maths 9-5	50%	45%
E&M 9-4	64%	65%
Ebacc 9-4	24%	20%
English 9-4	75%	79%
Maths 9-4	72%	70%

	Nat 2017	AGS 2018	AGS 2019
P8 English	-0.04	0.12	-0.49
P8 Maths	-0.02	0.05	0.11
P8 Ebacc	-0.03	0.08	0.12
P8 Other	-0.04	1.14	0.53

Compared to national		
Above	In line	Below

Key Performance Indicators 2018-19

KPI1 Learning Outcomes (LO):

Improve and achieve excellent outcomes across each phase

KPI 2 Teaching and Learning/Personal Development Behaviour and Welfare/Spiritual, Moral Social and Cultural (TL&A/PDBW/SMSC):

Secure good or better teaching, learning and assessment

Foster excellent personal development, behaviour and welfare

Promote excellent spiritual, moral, social and cultural understanding

KPI3 Leadership and Management (L&M):

Develop and nurture outstanding leadership and management in and across The Legacy Learning Trust

KPI4 Strategic management and growth:

Be a highly effective MAT with academies which run efficiently, which are well organised and value for money

Going concern

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

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Financial review

The grants received from the ESFA and associated expenditure from 1 July 2018 to 31 August 2018 are shown as restricted funds in the Statement of Financial Activities.

All of the expenditure in the Statement of Financial Activities is in furtherance of the Trust's objectives.

During the two month period from 1 July 2018 to 31 August 2018, expenditure amounting to £1,990,057 (excluding depreciation and LGPS adjustments) was incurred or accrued. This was offset entirely by grants receivable from the ESFA and other funds.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned. These assets are used primarily for providing the Trust's educational operations and associated support to students.

Student numbers across the Trust continue to increase. Trustees expect student numbers to increase further linked to the growing reputation of our academies in the local community based on successful outcomes across all areas. Increased student numbers will secure increased funding in future years, but with an increasing pressure on expenditure, particularly in relation to pay budgets, Trustees prioritise strategic financial planning and multi-year budget planning across the Trust.

The Trust prides itself on offering a value for money educational provision, with all financial decisions made being based on this principle. Financial leadership at all levels is strong across the Trust. Trustees, local councils, executive and senior leadership teams, finance staff and budget holders all have a sound understanding of the value for money principles and how this translates to their role in school and their financial behaviour. There is a strong emphasis on the impact of spending on student outcomes through the Trust's reporting and accountability mechanisms and through strategic development planning and action planning. The Trust's Pupil Premium reports clearly demonstrate the impact of spending in this area on the outcomes of that specific cohort of students.

Reserves policy

Trustees review the level of Trust reserves termly and annually and have agreed that the Trust should aim to hold a prudent level of reserves designed to provide:

- sufficient working capital to cover delays between spending and receipt of grants
- a contingency fund for unexpected emergencies
- funding capacity for future estate maintenance and planned capital investment subject to conditions as set out by ESFA
- funding to cover any future liabilities as outlined in the Financial Statements.

Trustees agree that expenditure of Trust reserves is in line with the short and medium term Trust Development Plans that support academies in the Trust in raising standards.

As of 31 August 2018, the level of Trust reserves are £725,701, all of which was unrestricted at 31 August 2018. Net current assets as at 31 August 2018 was £725,701.

The Trustees believe that the level of reserves held by the Trust as at 31 August 2018 is sufficient to meet the Reserves Policy.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Investment policy

The Trust investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its objectives. Trustees agreed a policy for investment which would cover the running expenses of the largest academy (for how long?) as a contingency fund which ensures that extra funds are available on a regular timely basis to deal with any unforeseen emergencies.

Trustees have agreed to invest when they feel it is prudent to do so, based on the financial performance of each individual academy within the Trust and medium term financial plans. When an investment is made and funds come to maturity Trustees will then make the decision whether to re-invest or whether the funds will be required for urgent necessities or contingencies.

The Trust will not take out any long term deposits until reliable cash flow patterns have been established and medium term budget planning gives ongoing confidence in relation to cash flow and future funding. Monies will only be paid into term deposits not exceeding six months. Trustees have an approved investment policy.

Principal risks and uncertainties

The Trust has in place a risk management strategy and a risk register with the main items of risk being regularly reviewed. The CEO and CFO have lead responsibility for the risk management processes and risk register. The principal risks are as follows:

- 1a) Success/outcome rates drop
- 1b) Ofsted Inspection result of a school/academy in TLLT less than Grade 2, Good
- 2a) Quality of teaching and learning decreases
- 2b) Attendance decreases
- 2c) Exclusions increase
- 3a) TLLT does not have sufficient staff capacity and capability.
- 3b) Leadership/staff capacity compromised e.g. absence.
- 3c) Key management roles remain vacant
- 3d) TLLT unable to recruit sufficient trustees
- 4a) Deficit budget
- 4b) Serious safeguarding issue which is not dealt with effectively.
- 4c) Increase in accidents
- 4d) Compliance issues – GDPR, complaints

In addition, the Trust has a Financial Handbook in place which ensures that the systems are in place to enable sound financial management across the Trust. The Trust will have three internal assurance visits during the year carried out by the external auditor.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Fundraising

The Legacy Learning Trust approaches fundraising under the following categories:

- Student fundraising
- External grant finding
- Support/donations from local partners/ businesses/suppliers

Student fundraising is undertaken under the supervision of staff members. The beneficiary of the fundraising is always known in advance and is clearly communicated to those people who may contribute donations to raise funds. Fundraising activities are not intrusive or persistent and do not put any person under undue pressure to donate.

External grant finding is undertaken by selected staff who have appropriate training. Grant applications are completed according to the specifications and rules of the grant and are quality assured by the CFO or CEO. A log of applications made, their status and the result is kept for internal management purposes to ensure a co-ordinated and coherent approach to fundraising across the Trust.

Support/donations from local partners/businesses/suppliers is considered on a case by case basis. Any offers of donations or support are viewed alongside the Trust's gifts and hospitality policy before acceptance and appropriate records are maintained. Where the Trust has approached these groups for donations for specific projects, full details have been maintained and all appropriate interests are recorded.

Plans for future periods

In line with our aims and key objectives our plans for future periods are to:

- Continue to provide high quality, value for money education for all our students across the Trust
- Continually improve the quality of teaching, learning and assessment through for example, curriculum review and outstanding professional development
- Give high priority to PDBW and SMSC ensuring personal development for our students as well as academic achievement.
- Continue to offer exceptional school to school support through the AGS Teaching School and LCPS Creative Partnerships sharing our expertise in the interests of system leadership
- Action growth plans for the Trust as and when appropriate in the local and regional context.

Funds held as custodian trustee on behalf of others

The Trust holds no funds as Custodian Trustee on behalf of others.

Auditor

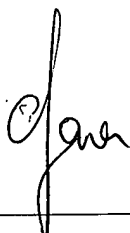
In so far as the trustees are aware:

- 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 Baldwins 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 13 December 2018 and signed on its behalf by:

C Jones
Chair



THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Legacy 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 CEO, 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 The Legacy 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 1 time during the two month period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Crawshaw (Accounting Officer) (Appointed 28 March 2018)	1	1
C Jones (Chair) (Appointed 28 March 2018)	1	1
L Longstaff (Appointed 28 March 2018)	1	1
C McEwan (Appointed 28 March 2018)	0	1
M J Pout (Appointed 1 July 2018)	1	1
S J Sarwar (Appointed 28 March 2018)	1	1
N Worth (Appointed 28 March 2018)	0	1

The Trust Board has established a number of committees including the Resources, Employment and Finance Committee. The board of Trustees has reviewed and agreed key policies and documentation critical to the effective establishment of a Trust in the period from 1 July 2018 to 31 August 2018 including:

- Articles of association
- Scheme of Delegation
- Terms of Reference for Trust Committees and the Local Councils
- Due diligence process and procedure
- Review of individual school progress and results
- Review and monitoring of the Trust strategic planning, including vision and growth planning
- Finance Procedures for the Trust
- Approval of the 2018-19 annual budget

The Trust Board was established on 1 July 2018 and its major challenge, during the 2017-18 period, is to ensure that all processes and procedures are in place, compliant and effective.

Trustees have already undertaken training, and continue to work with the CEO, Deputy CEO and Executive Leadership team to further develop and enhance quality of data and understanding of data.

As a newly formed academy trust a review of governance will be carried out in 2018/19, the impact and outcomes of which will be reported in the next year's governance statement and annually thereafter.

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Review of value for money

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

The accounting officer considers how the 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:

- Re-negotiating a number of contracts on a trust wide basis
- An ongoing review of contracts and service level agreements
- Detailed planning for future central services to serve the whole Trust improving service quality and reducing cost

The impact on educational outcomes has been:

- Savings made have been reinvested into new strategies to improve student outcomes
- Established strategies, which are having a positive impact on student outcomes, can be continued, despite rising costs and funding challenges

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 The Legacy Learning Trust for the period 1 July 2018 to 31 August 2018 and up to the date of approval of the annual report and accounts.

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 July 2018 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Baldwins Audit Services to carry out termly internal assurance reviews.

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

The external auditor's role includes performing a range of checks on the academy trust's financial systems as one of the options under the Academies Financial Handbook.

On a termly basis, the auditor reports to the board of trustees through the Resources, Employment and Finance Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. This will begin in the 2018/19 year as the trust only formed in July 2018.

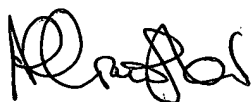
Review of effectiveness

CEO 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 external auditor in supporting academy conversion, MAT formation and set-up;
- 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 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 13 December 2018 and signed on its behalf by:



A Crawshaw
Accounting Officer



C Jones
Chair

THE LEGACY LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2018

As accounting officer of The Legacy 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.



A Crawshaw
Accounting Officer

13 December 2018

THE LEGACY LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2018

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 13 December 2018 and signed on its behalf by:



C Jones
Chair

THE LEGACY LEARNING TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of The Legacy Learning Trust for the period ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

THE LEGACY LEARNING TRUST

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

FOR THE PERIOD 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 period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

THE LEGACY LEARNING TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2018

Use of our report

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

Baldwins

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

19/12/18
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

THE LEGACY LEARNING TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education & 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 The Legacy Learning Trust during the period 28 March 2018 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 The Legacy Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Legacy Learning Trust and 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 Legacy Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Legacy Learning Trust's funding agreement with the Secretary of State for Education dated 28 March 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 28 March 2018 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.

THE LEGACY LEARNING TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 28 March 2018 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.

Baldwin

Reporting Accountant

Baldwins Audit Services

Dated:19/12/18.....

THE LEGACY LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	1,471	-	-	1,471
Donations - transfer from local authority on conversion	25	768,639	340,485	38,503,128	39,612,252
Charitable activities:					
- Funding for educational operations	4	-	1,961,534	-	1,961,534
- Funding for teaching schools	24	-	5,000	-	5,000
Other trading activities	5	23,515	-	-	23,515
Investments	6	124	-	-	124
Total		793,749	2,307,019	38,503,128	41,603,896
Expenditure on:					
Raising funds	7	64,822	-	-	64,822
Charitable activities:					
- Educational operations	9	955	1,954,524	121,654	2,077,133
- Teaching schools		-	13,756	-	13,756
Total	7	65,777	1,968,280	121,654	2,155,711
Net income		727,972	338,739	38,381,474	39,448,185
Transfers between funds	17	(2,271)	(48,739)	51,010	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	111,000	-	111,000
Revaluation of pension scheme	19	-	(401,000)	-	(401,000)
Net movement in funds		725,701	-	38,432,484	39,158,185
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		725,701	-	38,432,484	39,158,185

THE LEGACY LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£
Fixed assets			
Tangible assets	13		38,432,484
Current assets			
Debtors	14	516,986	
Cash at bank and in hand		1,144,297	
		<u>1,661,283</u>	
Current liabilities			
Creditors: amounts falling due within one year	15	(935,582)	
Net current assets			<u>725,701</u>
Net assets			<u>39,158,185</u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds			<u>38,432,484</u>
Total restricted funds			<u>38,432,484</u>
Unrestricted income funds	17		<u>725,701</u>
Total funds			<u>39,158,185</u>

The accounts on pages 25 to 46 were approved by the trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:


C. Jones
Chair

Company Number 11291425

THE LEGACY LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2018

	Notes	2018 £	£
Cash flows from operating activities			
Net cash used in operating activities	20	(74,284)	
Cash funds transferred on conversion		1,269,467	
		<u>1,195,183</u>	
Cash flows from investing activities			
Dividends, interest and rents from investments		124	
Purchase of tangible fixed assets		<u>(51,010)</u>	
Net cash used in investing activities			<u>(50,886)</u>
Net increase in cash and cash equivalents in the reporting period			<u>1,144,297</u>
Cash and cash equivalents at beginning of the year			<u>-</u>
Cash and cash equivalents at end of the year			<u><u>1,144,297</u></u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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

These accounts have been prepared for the period 28 March 2018 to 31 August 2018 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Acklam Grange School and Linthorpe Community Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. All assets and liabilities have been transferred at their fair value on the date of conversion. Further details of the transaction are set out in note 25.

1.4 Income

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

Grants

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

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £3,000 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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land	125 years
Buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years
Motor vehicles	3 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Land and buildings have been valued by trustees on a depreciated replacement cost basis based on previous values provided by the local authority. Other assets transferred on conversion have been valued based on an estimated book value based on their original purchase cost.

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

1.7 Liabilities

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

1.8 Leased assets

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

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

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

1.10 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.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.12 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 Department for Education Group.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

The actuarial valuation produced an estimated asset. Based on advice from the actuary contained within the valuation report, the asset has not been recognised and an adjustment has been processed at the year end.

Assets on conversion have been estimated based on information provided by the local authority and predecessor schools.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £
Other donations	1,471	-	1,471

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £
DfE / ESFA grants			
General annual grant (GAG)	-	1,751,708	1,751,708
Other DfE group grants	-	199,344	199,344
	-	1,951,052	1,951,052
Other government grants			
Local authority grants	-	10,482	10,482
Other funding			
Teaching schools income	-	5,000	5,000
Total funding	-	1,966,534	1,966,534

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £
Hire of facilities	13,906	-	13,906
Catering income	2,233	-	2,233
Parental contributions	253	-	253
Other income	7,123	-	7,123
	23,515	-	23,515

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £
Short term deposits	124	-	124

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £
Expenditure on raising funds				
- Direct costs	64,822	-	-	64,822
Academy's educational operations				
- Direct costs	1,275,999	-	56,906	1,332,905
- Allocated support costs	288,822	285,010	170,396	744,228
Teaching schools				
- Direct costs	4,045	-	9,711	13,756
	<u>1,633,688</u>	<u>285,010</u>	<u>237,013</u>	<u>2,155,711</u>

Net income/(expenditure) for the period includes:

	2018 £
Fees payable to auditor for:	
- Audit	6,500
- Other services	2,600
Operating lease rentals	7,955
Depreciation of tangible fixed assets	121,654
Net interest on defined benefit pension liability	(1,000)

8 Central services

The trust was only operational for two months and no charges for central services were made in the period.

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £
Direct costs			
Educational operations	-	1,332,905	1,332,905
Teaching schools	-	13,756	13,756
Support costs			
Educational operations	955	743,273	744,228
	<u>955</u>	<u>2,089,934</u>	<u>2,090,889</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

9 Charitable activities

(Continued)

	Educational operations £	Total 2018 £
Analysis of support costs		
Support staff costs	288,822	288,822
Depreciation	121,654	121,654
Technology costs	59,954	59,954
Premises costs	163,356	163,356
Other support costs	46,339	46,339
Governance costs	64,103	64,103
	<u>744,228</u>	<u>744,228</u>

10 Staff

Staff costs

Staff costs during the period were:

	2018 £
Wages and salaries	1,247,446
Social security costs	118,286
Pension costs	239,558
Staff costs	<u>1,605,290</u>
Agency staff costs	23,039
Staff development and other staff costs	5,359
Total staff expenditure	<u>1,633,688</u>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £19,854. Individually, the payments were: £19,584 made on 5 July 2018.

Staff numbers

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

	2018 Number
Teachers	158
Administration and support	72
Management	21
	<u>251</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

There were no employees whose remuneration was £60,000 or more in the period.

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 and national insurance contributions) received by key management personnel for their services to the academy trust was £213,711.

11 Trustees' remuneration and expenses

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

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

Mrs A Crawshaw (Accounting Officer)

Remuneration £15,001 - £20,000

Employer's pension contributions £1 - £5,000

The above figures relate to a two month period.

12 Trustees and officers insurance

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

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 28 March 2018	-	-	-	-	-
Transfer on conversion	38,442,505	7,280	33,880	19,463	38,503,128
Additions	-	36,250	14,760	-	51,010
At 31 August 2018	38,442,505	43,530	48,640	19,463	38,554,138
Depreciation					
At 28 March 2018	-	-	-	-	-
Charge for the period	118,608	1,411	565	1,070	121,654
At 31 August 2018	118,608	1,411	565	1,070	121,654
Net book value					
At 31 August 2018	38,323,897	42,119	48,075	18,393	38,432,484

14 Debtors

	2018 £
Trade debtors	70,926
VAT recoverable	84,212
Prepayments and accrued income	361,848
	516,986

15 Creditors: amounts falling due within one year

	2018 £
Trade creditors	544,161
Other taxation and social security	172,609
Other creditors	146,961
Accruals and deferred income	71,851
	935,582

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

16	Deferred income	2018
		£
	Deferred income is included within:	
	Creditors due within one year	31,000
		<u>31,000</u>
	Resources deferred in the period	31,000
		<u>31,000</u>
	Deferred income at 31 August 2018	31,000
		<u>31,000</u>

Deferred income consists of pupil income invoiced in advance of the 2018/19 academic year.

17	Funds				
		Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
		£	£	£	£
	Restricted general funds				
	General Annual Grant (GAG)	1,751,708	(1,700,698)	(51,010)	-
	Other DfE / ESFA grants	199,344	(199,344)	-	-
	Other government grants	10,482	(10,482)	-	-
	Teaching schools	11,485	(13,756)	2,271	-
		<u>1,973,019</u>	<u>(1,924,280)</u>	<u>(48,739)</u>	<u>-</u>
	Funds excluding pensions	334,000	(44,000)	(290,000)	-
		<u>2,307,019</u>	<u>(1,968,280)</u>	<u>(338,739)</u>	<u>-</u>
		<u>2,307,019</u>	<u>(1,968,280)</u>	<u>(338,739)</u>	<u>-</u>
	Restricted fixed asset funds				
	Transfer on conversion	38,503,128	(120,647)	-	38,382,481
	Capital expenditure from GAG	-	(1,007)	51,010	50,003
		<u>38,503,128</u>	<u>(121,654)</u>	<u>51,010</u>	<u>38,432,484</u>
		<u>38,503,128</u>	<u>(121,654)</u>	<u>51,010</u>	<u>38,432,484</u>
	Total restricted funds	<u>40,810,147</u>	<u>(2,089,934)</u>	<u>(287,729)</u>	<u>38,432,484</u>
	Unrestricted funds				
	General funds	793,749	(65,777)	(2,271)	725,701
		<u>793,749</u>	<u>(65,777)</u>	<u>(2,271)</u>	<u>725,701</u>
	Total funds	<u>41,603,896</u>	<u>(2,155,711)</u>	<u>(290,000)</u>	<u>39,158,185</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants include pupil premium and universal infant free school meals grants received.

Teaching school income and expenditure is generated as a result of the academy trust's status as a teaching school.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from the Local Authority on conversion. Depreciation on these assets is charged against this fund.

A transfer of £51,010 has been made to reflect assets purchased from GAG funds.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

At 31 August 2018 the academy had restricted general and unrestricted funds of £725,701.

Total funds analysis by academy

	2018 £
Fund balances at 31 August 2018 were allocated as follows:	
Acklam Grange School	415,086
Linthorpe Community Primary School	310,615
Total before fixed assets fund and pension reserve	725,701
Restricted fixed asset fund	38,432,484
Pension reserve	-
Total funds	39,158,185

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Acklam Grange School	994,976	199,450	51,174	313,152	1,558,752
Linthorpe Community Primary School	349,890	44,372	15,443	21,600	431,305
	<u>1,344,866</u>	<u>243,822</u>	<u>66,617</u>	<u>334,752</u>	<u>1,990,057</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	38,432,484	38,432,484
Current assets	746,005	915,278	-	1,661,283
Creditors falling due within one year	(20,304)	(915,278)	-	(935,582)
Total net assets	<u>725,701</u>	<u>-</u>	<u>38,432,484</u>	<u>39,158,185</u>

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 Middlesbrough Borough 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 2016.

Contributions amounting to £148,662 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 LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £132,893.

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 16.6% for employers and 5.5% - 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 25) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

The actuarial valuation produced an estimated asset. Based on advice from the actuary contained within the valuation report, the asset has not been recognised and an adjustment has been processed at the year end.

Total contributions made	2018 £
Employer's contributions	59,000
Employees' contributions	21,000
Total contributions	80,000

Principal actuarial assumptions	2018 %
Rate of increase in salaries	3.0
Rate of increase for pensions in payment/inflation	2.0
Discount rate for scheme liabilities	2.8
Inflation assumption (CPI)	2.0

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

	2018 Years
Retiring today	
- Males	22.9
- Females	25.0
Retiring in 20 years	
- Males	25.1
- Females	27.3

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

	2018
Discount rate + 0.1%	6,247,000
Discount rate - 0.1%	6,561,000
Mortality assumption + 1 year	6,218,000
Mortality assumption - 1 year	6,587,000
CPI rate + 0.1%	6,498,000
CPI rate - 0.1%	6,307,000

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

2018
Fair value
£

Equities	4,966,190
Cash	1,224,540
Property	523,831
Other assets	88,439
Reverse asset valuation per actuary	(6,803,000)
Total market value of assets	-

The actual return on scheme assets was £142,000 (: £-).

Amount recognised in the Statement of Financial Activities

2018
£

Current service cost	104,000
Interest income	(31,000)
Interest cost	30,000
Total operating charge	103,000

Changes in the present value of defined benefit obligations

2018
£

Obligations acquired on conversion	6,243,000
Current service cost	104,000
Interest cost	30,000
Employee contributions	21,000
Benefits paid	4,000
Reverse asset valuation per actuary	(6,402,000)

At 31 August 2018

-

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 £
Assets acquired on conversion	6,577,000
Interest income	31,000
Actuarial gain	111,000
Employer contributions	59,000
Employee contributions	21,000
Benefits paid	4,000
Reverse asset valuation per actuary	(6,803,000)
At 31 August 2018	-

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)"	39,448,185
Adjusted for:	
Net surplus on conversion to academy	(39,612,252)
Investment income receivable	(124)
Defined benefit pension costs less contributions payable	45,000
Defined benefit pension net finance income	(1,000)
Depreciation of tangible fixed assets	121,654
(Increase) in debtors	(516,986)
Increase in creditors	935,582
Stocks, debtors and creditors transferred on conversion	(494,343)
Net cash used in operating activities	(74,284)

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 £
Amounts due within one year	28,384
Amounts due in two and five years	83,938
	112,322

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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 11.

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 Teaching schools trading account

	2018	
	£	£
Surplus transferred on conversion		6,485
Direct income		
External funding		5,000
Direct costs		
Staff development	4,045	
Educational supplies and services	9,711	
	<u>13,756</u>	
Total expenditure		(13,756)
Transfers between funds excluding depreciation		<u>2,271</u>
Surplus/(deficit) from all sources		-
Teaching schools balances at 28 March 2018		-
Teaching schools balances at 31 August 2018		<u>-</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

25 Conversion to an academy

On 1 July 2018 the Acklam Grange School and Linthorpe Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Legacy Learning Trust from the Middlesbrough Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion	
Acklam Grange School	Acklam	1 July 2018	
Linthorpe Community Primary School	Linthorpe	1 July 2018	

Net assets transferred:				2018
				£
Freehold land and buildings				38,442,505
Other tangible fixed assets				60,623
Cash				1,269,467
LGPS pension surplus/(deficit)				334,000
Debtors				8,545
Creditors				(502,888)
				<u>39,612,252</u>

	Unrestricted Funds	Restricted funds:		Total
	£	General	Fixed asset	2018
Funds surplus/(deficit) transferred:	£	£	£	£
Fixed assets funds	-	-	38,503,128	38,503,128
LA budget funds	768,639	-	-	768,639
LGPS pension funds	-	334,000	-	334,000
Other funds	-	6,485	-	6,485
	<u>768,639</u>	<u>340,485</u>	<u>38,503,128</u>	<u>39,612,252</u>

Land and buildings are occupied on a 125 year lease and have been capitalised as assets based on local authority valuations. Other assets and liabilities have been transferred under a transfer agreement at their fair value.