

Company Registration Number: 07984238 (England and Wales)

LEARNING PATHWAYS ACADEMY

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

John O'Shea, Chairman ^{1 2}
Rachel Pritchard ^{1 2}
Andrew Smith ^{1 2}

Trustees

Gavin Bradley ²
Alison Fiala
Lorraine Laudrum ²
Paul Lincoln
Jo Olley
Simon Pratt-Adams ² (Resigned December 2017)
Nick Ridley ²
Chris Smith
Steve Whitfield
Darren Cross ² (Appointed 8 December 2017)
Anthony Davenport ² (Appointed 8 December 2017)

¹ Member & Trustee

² Member of the Financial committee at local governing body level

Senior Management Team

Lyons Hall Primary School

Andrew Smith, Headteacher
Rachel Pritchard, Deputy Head

White Hall Academy

Andrew Smith, Executive Headteacher
Gavin Bradley, Headteacher
Ellie Eames, Deputy Head

Braaiswick Primary School

Andrew Smith, Executive Headteacher
Lorraine Laudrum, Headteacher
Nicola Whybrow, Deputy Head

Company Name

Learning Pathways Academy

Principle and Registered Office

Lyons Hall Primary School
Deerleap Way
Braintree
Essex
CM7 9FH

Company Registration Number

07984238 (England and Wales)

Independent Auditor

MHA MacIntyre Hudson
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Lloyds Bank Commercial Banking
PO Box 1000
BX1 1LT

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Solicitors

Brait Limited
67 Lapins Lane
Kings Hill
West Malling
Kent
ME19 4LE

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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

The trust operates 3 primary academies in Braintree, Clacton and Colchester. Its academies have a combined pupil capacity of 1714 and had a roll of 1583 in the school census on 17 May 2018. Braiswick Primary School has a planned phased increase in intake for the next 3 years, admitting pupils across all years groups for the first year since opening.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Learning Pathways Academy are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Learning Pathways Academy. The three academies within the trust are Lyons Hall Primary School, White Hall Academy and Braiswick Primary School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1734.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited and appointed or elected as outlined in the academies articles of association paragraphs 45-63.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction programme for new Trustees would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to their role. The Board of Trustees meet regularly and any training needs are identified at this time. Trustees will receive training on all matters necessary to enable them to perform their duties effectively.

Organisational Structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Trustees have delegated responsibilities to local governing body committees as outlined in each committee's terms of reference. These committees are Finance & Premises and Curriculum & Personnel.

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The leadership team consisted of the following:

Lyons Hall Primary School

Andrew Smith	Headteacher
Rachel Pritchard	Deputy Headteacher

White Hall Academy

Andrew Smith	Executive Headteacher
Gavin Bradley	Headteacher
Ellie Eames	Deputy Headteacher

Braibwick Primary School

Andrew Smith	Executive Headteacher
Lorraine Laudrum	Headteacher
Nicola Whybrow	Deputy Headteacher

The team control the Academies at an executive level implementing policies and reporting to the Trust Board. The Leadership Team is responsible for the day to day operation of the Academies, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust follows the recommended national pay structures for both Teachers and Local Government and updates the pay policy each year to reflect those changes, also complying with the School Teachers' Pay and Conditions Document. Salary ranges for the Leadership Team are based on the Group size of each school which is set using the table within the STPCD. Any salary changes are approved by the Local Governing Body of each school through the delegated authority from the Trust board.

Trade Union facility time

One member of staff undertook union duties totalling 42 days during the period September 2017 to July 2018. These days were fully reimbursed by Essex County Council at a rate of £170 per day.

Employees and disabled persons

The Academy Trust is committed to equal opportunities in employment and to avoiding unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy.

The Academy Trust makes reasonable adjustments in the recruitment and employment of disabled people. This includes adjustments to recruitment and selection procedures, to terms and conditions of employment, to working arrangements and physical changes to the premises or equipment. In assessing the reasonableness of the adjustment, the Trust considers:

- proportionality and impact of the adjustment on the role;
- the costs/financial support available;
- medical opinion from the employee's doctor and the occupational health advisor; and
- impact on the operational requirements of the school.

Employee consultation takes place throughout the year with respect to pay, policy and procedures through direct email communication, notices and meetings.

Related Parties and other Connected Charities and Organisations

Learning Pathways Academy is part of the Professional Learning Network Teaching School Alliance which promotes the training and development of teachers both within the network of schools and beyond. Its focus is also to deliver the National College of Teaching and Learning's 'Big 6';

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1. Recruitment and training of new entrants to the profession.
2. Peer-to-peer professional and leadership development.
3. Identify and develop leadership potential.
4. School to school support.
5. Designate and broker specialist leaders of education.
6. Engage in research and development.

Lyons Hall Primary School works with Anglia Ruskin University, Canterbury Christ Church, Essex Primary SCITT and Greenwich University for the provision of school leadership training and student teacher placements.

Thinksay Communications has developed new websites for all the academies in the Trust. This contract was agreed in early 2014 as part of the bid for Braiswick Primary School where pricing for marketing and communications was required. Nick Ridley was elected Chair of White Hall Academy governing body in October 2014. Nick Ridley left the governing body of White Hall Academy in December 2017 and became interim Chair of Braiswick governing body.

Paul Lincoln has provided educational consultancy to the Trust Leadership team with his wife Susan Kerfoot since 2014. Paul Lincoln was elected to the board in July 2016.

White Hall Academy worked with The Sigma Trust providing leadership development through the secondment of their headteacher, Gavin Bradley.

Magic Music, part owned by P Nevars site manager of White Hall Academy, repaired musical instruments for White Hall Academy.

Event Disco Hire, owned by the husband of Ellie Eames Deputy Head of White Hall Academy, provided entertainment for the pupil's end of year parties.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust will provide:

- Excellence in standards for all members of the Academy Community pursued with courage and relentless commitment.
- Collaboration at every level between individuals, teams and academies.
- Outstanding leadership at all levels; valuing and nurturing the contribution of every member of the academy community and planning for succession.
- Outstanding continuous professional development at all levels.
- An outward looking culture - searching for even better answers and innovating with courage.

The Trust will:

- Value the unique identity of each member of the Trust community.
- Underpin all of the above with a strong moral purpose.

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The Academies within the trust will provide:

- Successful and aspirational learning
- Learning provision that actively engages all pupils and offers a sense of fulfilment, enjoyment and challenge.
- Personalised learning that gives enjoyable opportunities for creativity and problem solving.
- Active learning in which there are rich opportunities for learning outside the classroom.
- A resource rich environment that reflects the needs of the pupils and adults.
- Pupil involvement in learning with a strong focus on learning to learn and responsiveness to different learning styles.
- High expectations for learning and behaviour which manifest in a strong ethos of mutual respect from and for all members of the school and wider community.
- A curriculum that is responsive to a changing world
- A strong focus on the individual and SEAL which is embedded in the curriculum.
- An ICT rich, real and virtual environment with a strategic approach to the development of aspirations.
- A positive, physical and emotional learning environment which is safe and nurturing.
- A supportive environment in which children are open to new experiences and feel able to take risks and celebrate mistakes as learning opportunities.
- Support for all members of the community in the continuing skills for life development in order to make a positive contribution locally.
- A highly inclusive environment where every member of the school community is able to access learning and support.
- A focus for sustained extended school services and multi-agency support to all support groups to achieve their potential.
- A strong collaborative ethos, within and between the staff, pupils and the wider community which manifests itself in teamwork, partnerships and learning with and from each other.

Objectives, Strategies and Activities

Objectives for the Academic Year 2018/19:

1. To improve the quality of teaching
2. To improve the rates of progress and attainment
3. To ensure Pupil Premium children make better than expected progress
4. To work in partnership with Essex LA and other agencies to improve education across Essex and beyond
5. To work in partnership with North East Essex Collaborative Academy to help develop a clear system of support for children at risk of exclusion and within alternative provisions to reintegrate effectively into mainstream education (GROW provision).

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Strategies to achieve objectives:

1. Strategic and effective recruitment plan for new staff
2. Collaboration and sharing of resources and expertise across the Trust
3. At senior management expanding into governor level the development and understanding of the trust principles and practices (facilitated by Paul Lincoln and Sue Kerfoot)
4. Developing and Outstanding Teacher Programme
5. Maths Mastery
6. Hive
7. Talk for Writing
8. Kagan
9. Visible Learning
10. Coaching
11. Developing phonics
12. Teaching School status
13. Spelling Programme
14. Reading Programme
15. MAT2MAT support work for CEO's and MATs
16. Mindfulness training for staff

Public Benefit

The key public benefit delivered by Learning Pathways Academy is to maintain and develop the high quality educational provision for children in Braintree, Clacton and Colchester. The trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit.

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STRATEGIC REPORT

Achievements and Performance
Lyons Hall Primary School

Overall achievement at this school is outstanding because:

- The proportion of children attaining the expected standard and higher standard at the end of KS2 is consistently above the national average over a sustained period of time.
- The proportion of children reaching the expected standard in the phonics screening test is well above the national average.
- Taking account of their starting points the proportion of pupils who make and exceed expected progress is above the national average.
- Pupils achieve well because they demonstrate good learning behaviours.

White Hall Academy

Overall achievement at this school is good because:

- The number of pupils passing the national phonics check is above the national figure.
- The progress scores for reading, writing and maths comfortably met the floor standards.
- The number of children achieving age related expectations is in line with national expectations for writing and reading, but below for maths at the end of KS2 (16 pupils did not reach ARE for maths. 8 of these are on the SEN register and 4 have an EHCP)
- Writing outcomes at the end of KS1 dropped in 2018. 19 pupils did not achieve the expected standard (9 of these pupils are SEN with 1 child having an EHCP. 30% of Year 2 pupils are currently on the SEN register)
- It is expected that the school will not be defined as coasting as it meets the average progress measures of -2.5 in reading (-1.5), -2.5 in maths (-1.7), and -3.5 in writing (-1.6).

Braiswick Primary School

Overall achievement at this school is good because:

- The first Ofsted of the school since opening rated Braiswick Primary as Good with outstanding for behaviour and Early Years
- Key Stage 1 outcomes for 2018 were based on a cohort of 57 children, just over half of whom had been in the school since it opened so this is our first cohort of children for whom we have reliable data. Outcomes were around or above the national average.
- Key Stage 2 outcomes for 2018 were based on a cohort of 9 children who had been in school for between one and 2 and a half years.
- EYFS outcomes were above the national average.
- Phonics outcomes were above the national average.

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(ARE – Age Related Expectations, GD – Greater Depth)

Lyons Hall Primary School

Early Years	School 2017	National 2017	School 2018	National 2018
GLD	78.4%	69%	77%	72%

Key Stage 1	School 2017	National 2017	School 2018	National 2018
Reading	ARE = 81% GD = 27%	ARE = 76% GD = 25%	ARE = 85% GD = 32%	ARE = 75% GD = 26%
Writing	ARE = 69% GD = 22%	ARE = 68% GD = 16%	ARE = 75% GD = 19%	ARE = 70% GD = 16%
Maths	ARE = 82% GD = 30%	ARE = 75% GD = 21%	ARE = 82% GD = 32%	ARE = 76% GD = 22%

Year 1 Phonics Test	School 2017	National 2017	School 2018	National 2018
Pupils passed	97%	81%	90%	83%

Key Stage 2	School 2017	National 2017	School 2018	National 2018
Reading	ARE = 90% GD = 35%	ARE = 71% GD = 25%	ARE = 93% GD = 53%	ARE = 75% GD = 28%
Writing	ARE = 97% GD = 43%	ARE = 76% GD = 18%	ARE = 92% GD = 39%	ARE = 78% GD = 20%
Maths	ARE = 100% GD = 53%	ARE = 75% GD = 23%	ARE = 97% GD = 53%	ARE = 76% GD = 24%
GAP	ARE = 100% GD = 63%	ARE = 77% GD = 31%	ARE = 97% GD = 67%	ARE = 78% GD = 34%
Combined	Expected = 87% GD = 27%	Expected = 61% GD = 9%	Expected = 89% GD = 26%	Expected = 64% GD = 10%

Progress KS1 to KS2

Reading	Writing	Maths
4.6	3.5	6.3

White Hall Academy

Early Years	School 2017	National 2017	School 2018	National 2018
GLD	67%	69%	70%	72%

Key Stage 1	School 2017	National 2017	School 2018	National 2018
Reading	ARE = 68% GD = 24%	ARE = 76% GD = 25%	ARE = 66% GD = 12%	ARE = 75% GD = 26%
Writing	ARE = 68% GD = 19%	ARE = 68% GD = 16%	ARE = 60% GD = 7%	ARE = 70% GD = 16%
Maths	ARE = 69% GD = 24%	ARE = 75% GD = 21%	ARE = 69% GD = 12%	ARE = 76% GD = 22%

Year 1 Phonics Test	School 2017	National 2017	School 2018	National 2018
Pupils passed	84%	81%	90%	83%

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Key Stage 2	School 2017	National 2017	School 2018	National 2018
Reading	ARE = 57% GD = 9%	ARE = 71% GD = 25%	ARE = 71% GD = 14%	ARE = 75% GD = 28%
Writing	ARE = 76% GD = 23%	ARE = 76% GD = 18%	ARE = 74% GD = 9%	ARE = 78% GD = 20%
Maths	ARE = 73% GD = 10%	ARE = 75% GD = 23%	ARE = 64% GD = 10%	ARE = 76% GD = 24%
GAP	ARE = 63% GD = 11%	ARE = 77% GD = 31%	ARE = 62% GD = 24%	ARE = 78% GD = 34%
Combined	Expected = 52% GD = 3.4%	Expected = 61% GD = 9%	Expected = 52% GD = 3.3%	Expected = 64% GD = 10%

Progress KS1 to KS2

Reading	Writing	Maths
-1.5	-1.6	-1.7

Braiswick Primary School

Early Years	School 2017	National 2017	School 2018	National 2018
GLD	77%	69%	75%	72%

Key Stage 1	School 2017	National 2017	School 2018	National 2018
Reading	ARE = 88% GD = 8%	ARE = 76% GD = 25%	ARE = 75% GD = 28%	ARE = 75% GD = 26%
Writing	ARE = 33% GD = 17%	ARE = 68% GD = 16%	ARE = 70% GD = 9%	ARE = 70% GD = 16%
Maths	ARE = 42% GD = 8%	ARE = 75% GD = 21%	ARE = 81% GD = 19%	ARE = 76% GD = 22%

Year 1 Phonics Test	School 2017	National 2017	School 2018	National 2018
Pupils passed	78%	81%	88%	83%

Key Stage 2	School 2017	National 2017	School 2018 Cohort of 9	National 2018
Reading	NA	NA	ARE = 89% GD = 11%	ARE = 75% GD = 28%
Writing	NA	NA	ARE = 78% GD = 22%	ARE = 78% GD = 20%
Maths	NA	NA	ARE = 56% GD = 33%	ARE = 76% GD = 24%
GAP	NA	NA	ARE = 78% GD = 56%	ARE = 78% GD = 34%
Combined	NA	NA	Expected = 56% GD = 11%	Expected = 64% GD = 10%

Progress KS1 to KS2

Reading	Writing	Maths
2.7	-0.4	-0.3

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Key Financial Performance Indicators

The Trust uses the following key performance indicators for financial elements of the school organisation:

- Current Reserve & Contingencies
- Total payroll as a % of GAG income
- % payroll split Teaching: Non-Teaching
- Cash flow balance

The cash flow has remained positive and the Trust has a buffer for future years. Whilst the total payroll percentage to GAG funding is higher than average this does not reflect the additional income generated from school to school support, SEN funding and training income.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the ESFA. For the period ended 31 August 2018 the Academy Trust received £5,344,389 in GAG funding. A high percentage of this funding is spent on wages, salaries, and support costs to deliver the academy's primary objective of the provision of education.

The Trust approved the Pay Policy, Financial Regulations, Risk Register and Scheme of Delegation.

Reserves Policy

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

The Trustees believe that the current reserve level provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £980,067 and restricted reserves is £451,017 (excluding pension funds).

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy Trust is recognising a significant pension fund deficit of £3,194,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

At 31 August 2018 the total funds comprised:

Unrestricted	£980,067
Restricted:	
Fixed asset funds	£16,238,576
Pension reserve	(£3,194,000)
Other	£451,017
	<u>£14,475,660</u>

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Investment Policy

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy

Principal Risks and Uncertainties

The trustees assess the principal risks and uncertainties facing the Academy as follows:

Staff retention and recruitment:

The quality of staff (both teaching and support) is crucial in sustaining the high achievements of the academies. An important factor in addressing this risk is the academies emphasis on high quality, personalised professional development for all staff.

Falling rolls:

Unlikely. Academies within the trust are oversubscribed and will be increasing NOR for at least another year.

Budget constraints:

We are now in a period of constrained public spending on education. It will be important to balance expenditure on educational provision with available funding and reserves.

Braiswick Primary:

Future growth of pupil numbers will be difficult to predict but we continue to work with Essex County Council regarding financial support for the coming financial year. Pupil numbers were almost at capacity for the second year of opening.

Fundraising

All three academies have parent run Friends Associations who organise fundraising activities such as Fetes, Quiz Nights, children's competitions and other social events on behalf of the academies. Funds raised are used to purchase specific items of educational, sports or play equipment as discussed with each academy. Each Association is a separate registered charity.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue striving to improve the levels of performance of all pupils at all levels. The Trustees recognise that through good financial management they will be able to invest in and improve the quality of educational provision.

The Academy Trust will continue working in partnership with Essex Local Authority and local schools to develop educational opportunities for children in Essex including executive headships and secondments.

The Academy Trust will introduce Mindfulness training for all staff to improve wellbeing and stress management for them. This will then be rolled out to all the pupils across the Trust to improve the emotional wellbeing of the children which will further impact on standards and progress. This links to our work on ACES and Trauma which we are doing in partnership with Essex Local Authority.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

North East Braintree Inclusion Network is a cluster of Primary schools funding the ETAMHS project (Essex TArgeting eMotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance at 31 August 2018 is £167.

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AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

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 the board's behalf by:


.....
John O'Shea
Chair of Trustees

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Learning Pathways Academy 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 Learning Pathways Academy 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John O'Shea, Chairman	1	3
Rachel Pritchard	3	3
Andrew Smith	3	3
Gavin Bradley	3	3
Nick Ridley	2	2
Jo Olley	2	3
Alison Fiala	1	3
Chris Smith	1	3
Simon Pratt-Adams	1	1
Lorraine Laudrum	3	3
Steve Whitfield	3	3
Paul Lincoln	2	3
Tony Davenport	3	3
Darren Cross	1	3

Tony Davenport and Darren Cross were appointed as Directors until March 2019 after taking up the Chair of Governor positions at White Hall Academy and Lyons Hall Academy respectively.

Nick Ridley ceased being a Director in August 2017 following his resignation as Chair of Governors at White Hall Academy but was re-appointed as a Director in March 2018 for one year after taking up the Interim Chair of Governor position at Braiswick Primary.

Responsibility is delegated to the local governing bodies through finance committees. There are representatives from all schools on the board of trustees which has therefore removed the need for a subcommittee of the Trust. The Trust has however bought back into the local authority internal audit package and reports from these reviews are presented at the local governing body meetings with any exceptions further reviewed by the board of trustees.

The senior leadership team have continued to work with Paul Lincoln and Sue Kerfoot to review the governance of the trust through the development of its' Vision and Values and greater depth with regard to the 'non-negotiables'.

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GOVERNANCE STATEMENT (continued)
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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 outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the trusts' 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:

- The purchase of resources across the whole Trust thereby securing economies of scale, for example Maths Mastery, which has a great impact on learning across all three schools and the Visible Learning training programme.
- Continually monitoring pupil progress and achievement against both internal targets and national levels. Ensuring staff are deployed effectively across the Trust to provide high quality teaching and learning, adult-pupil ratio and curriculum management.
- Obtaining quotes for goods and services above £5,000, reviewing annual contract prices and switching suppliers where better value is available.
- At every level across the Trust, applying the four principles of best value; Challenge, Compare, Consult, Compete.

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

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the 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

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trust has bought in the local authority's Internal Controls Evaluation service which gives advice on financial matters and performs a range of checks on the academy trust's financial systems.

In particular, the checks carried out in the current period included:

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

On a termly basis the board of trustees receive reports, through the finance committees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The schedule of works was delivered as planned and findings and any remedial action has been presented to the local governing bodies and board of trustees for review.

REVIEW OF EFFECTIVENESS

As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year/period in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the local governing body Finance Committees and ensure continuous improvement of the system is in place.

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


.....
John O'Shea
Chair of Trustees


.....
Andrew Smith
Accounting Officer

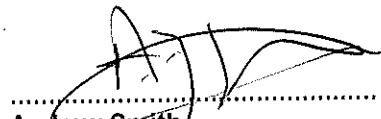
LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Learning Pathways Academy 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 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.


.....
Andrew Smith
Accounting Officer

Date: ~~8 December 2017~~ 13 DECEMBER 2018

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 13 DEC 2018 and signed on its behalf by:



.....
John O'Shea
Chair of Trustees

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

OPINION

We have audited the financial statements of Learning Pathways Academy (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex

CM2 0RE

Date: 17 DECEMBER 2018

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 August 2017 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 Learning Pathways Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learning Pathways Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning Pathways Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Learning Pathways Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LEARNING PATHWAYS ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Learning Pathways Academy's funding agreement with the Secretary of State for Education dated 30 March 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

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



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 17 DECEMBER 2018

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	8,066	-	334,565	342,631	35,365
Charitable activities	5	110,902	7,822,797	-	7,933,699	7,158,110
Other trading activities	3	278,351	-	-	278,351	307,730
Investments	4	1,109	-	-	1,109	1,083
TOTAL INCOME		398,428	7,822,797	334,565	8,555,790	7,502,288
EXPENDITURE ON:						
Raising funds		21,137	-	-	21,137	28,349
Charitable activities		83,527	8,608,292	313,348	9,005,167	8,272,847
TOTAL EXPENDITURE	6	104,664	8,608,292	313,348	9,026,304	8,301,196
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	293,764	(785,495)	21,217	(470,514)	(798,908)
		-	59,298	(59,298)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		293,764	(726,197)	(38,081)	(470,514)	(798,908)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	918,000	-	918,000	67,000
NET MOVEMENT IN FUNDS		293,764	191,803	(38,081)	447,486	(731,908)
RECONCILIATION OF FUNDS:						
Total funds brought forward		686,303	(2,934,786)	16,276,657	14,028,174	14,760,082
TOTAL FUNDS CARRIED FORWARD		980,067	(2,742,983)	16,238,576	14,475,660	14,028,174

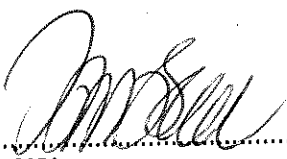
The notes on pages 27 to 54 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984238

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		15,982,337		16,260,333
CURRENT ASSETS					
Stocks	16	18,717		17,308	
Debtors	17	476,054		838,285	
Cash at bank and in hand		1,882,093		1,310,377	
		<u>2,376,864</u>		<u>2,165,970</u>	
CREDITORS: amounts falling due within one year	18	(689,541)		(945,129)	
NET CURRENT ASSETS			<u>1,687,323</u>		<u>1,220,841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,669,660</u>		<u>17,481,174</u>
Defined benefit pension scheme liability	23		<u>(3,194,000)</u>		<u>(3,453,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>14,475,660</u></u>		<u><u>14,028,174</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted general funds	19	451,017		518,214	
Restricted fixed asset funds	19	16,238,576		16,276,657	
		<u>16,689,593</u>		<u>16,794,871</u>	
Restricted funds excluding pension liability				(3,453,000)	
Restricted general funds - pension reserve		<u>(3,194,000)</u>			
Total restricted funds			<u>13,495,593</u>		<u>13,341,871</u>
Unrestricted funds	19		<u>980,067</u>		<u>686,303</u>
TOTAL FUNDS			<u><u>14,475,660</u></u>		<u><u>14,028,174</u></u>

The financial statements on pages 24 to 54 were approved by the Trustees, and authorised for issue, on 13 DEC 18 and are signed on their behalf, by:



John O'Shea
Chair of Trustees

The notes on pages 27 to 54 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>271,394</u>	<u>(104,302)</u>
Cash flows from investing activities:			
Investment income		1,109	1,083
Purchase of tangible fixed assets		(35,352)	(17,767)
Capital grants from DfE Group		<u>334,565</u>	<u>25,690</u>
Net cash provided by investing activities		<u>300,322</u>	<u>9,006</u>
Change in cash and cash equivalents in the year		571,716	(95,296)
Cash and cash equivalents brought forward		<u>1,310,377</u>	<u>1,405,673</u>
Cash and cash equivalents carried forward	22	<u><u>1,882,093</u></u>	<u><u>1,310,377</u></u>

The notes on pages 27 to 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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.

Learning Pathways Academy constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

Learning Pathways Academy is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees Report.

1.2 Going concern

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

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

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

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the Restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to reflect these assets in the Restricted fixed asset fund.

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. 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 costs as detailed in Note 18. 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 instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Agency arrangements

The Trust manages the finances of the Local Delivery Group, an unincorporated charity which provides pastoral support to academies in the local area. Income is received from a number of schools and academies in the region, and Learning Pathways Academy holds these funds in order to make payments on behalf of the Local Delivery Group. The Trust receives no income for the management of the Group's finances. Where funds have not been fully exhausted in the accounting period, an amount will be included within other creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 23, 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.
- Any change in the valuation of the Freehold Property (see Note 15) would impact the total net assets of the Trust.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	8,066	-	-	8,066	9,675
Capital grants	-	-	334,565	334,565	25,690
Total 2018	8,066	-	334,565	342,631	35,365
Total 2017	9,675	-	25,690	35,365	

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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	34,893	-	34,893	40,784
Training course income	45,405	-	45,405	16,598
Provided services income	94,915	-	94,915	61,003
Class sales	18,717	-	18,717	22,969
Music tuition income	29,198	-	29,198	17,720
Other income	34,980	-	34,980	113,262
Nursery fee income	20,243	-	20,243	35,394
Total 2018	<u>278,351</u>	<u>-</u>	<u>278,351</u>	<u>307,730</u>
Total 2017	<u>307,730</u>	<u>-</u>	<u>307,730</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	<u>1,109</u>	<u>-</u>	<u>1,109</u>	<u>1,083</u>
Total 2017	<u>1,083</u>	<u>-</u>	<u>1,083</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,344,389	5,344,389	5,004,714
Pupil Premium	-	595,048	595,048	571,628
Other DfE / ESFA revenue grants	-	246,988	246,988	89,187
	-	6,186,425	6,186,425	5,665,529
Other Government grants				
Local Authority revenue grants	-	1,440,202	1,440,202	1,186,669
Other Government revenue grants	-	21,636	21,636	20,635
Special Educational Projects	-	8,488	8,488	35,269
	-	1,470,326	1,470,326	1,242,573
Other funding				
Other Educational income	110,902	166,046	276,948	250,008
	110,902	166,046	276,948	250,008
Total 2018	110,902	7,822,797	7,933,699	7,158,110
Total 2017	99,046	7,059,064	7,158,110	

There are no unfulfilled conditions or other contingencies attached to the government grants above:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Support costs	-	-	21,137	21,137	28,349
Charitable activities:					
Direct costs	5,739,268	-	771,237	6,510,505	5,913,418
Support costs	1,477,879	290,905	725,878	2,494,662	2,359,429
Total 2018	<u>7,217,147</u>	<u>290,905</u>	<u>1,518,252</u>	<u>9,026,304</u>	<u>8,301,196</u>
Total 2017	<u>6,435,520</u>	<u>630,708</u>	<u>1,234,968</u>	<u>8,301,196</u>	

In 2017, of the total expenditure of £8,301,196, £204,364 was from unrestricted funds, £7,755,293 was from restricted general funds and £341,539 was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	<u>6,510,505</u>	<u>2,494,662</u>	<u>9,005,167</u>	<u>8,272,847</u>
Total 2017	<u>5,913,418</u>	<u>2,359,429</u>	<u>8,272,847</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. TOTAL SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Defined benefit pension scheme finance cost	84,000	84,000	63,000
Technology costs	30,127	30,127	19,834
Premises costs	290,905	290,905	327,188
Other costs	355,346	355,346	357,579
Governance costs	27,057	27,057	29,108
Support staff costs	1,393,879	1,393,879	1,221,179
Depreciation	313,348	313,348	341,539
At 31 August 2018	<u>2,494,662</u>	<u>2,494,662</u>	<u>2,359,427</u>
At 31 August 2017	<u>2,359,429</u>	<u>2,359,429</u>	

9. GOVERNANCE COSTS

	2018 £	2017 £
Auditors' remuneration - Audit of the financial statements	18,025	17,800
Auditors' remuneration - Other services	9,032	11,308
Total	<u>27,057</u>	<u>29,108</u>

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Trust	313,348	341,539
Auditors' remuneration - Audit of the financial statements	18,025	17,800
Auditors' remuneration - Other services	9,032	11,308
Operating lease rentals	9,550	10,703

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,294,584	4,851,236
Social security costs	412,506	372,318
Pension costs	1,426,057	1,146,816
	<u>7,133,147</u>	<u>6,370,370</u>
Staff restructuring costs	-	2,150
Defined benefit pension scheme finance cost	84,000	63,000
	<u>7,217,147</u>	<u>6,435,520</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	<u>-</u>	<u>2,150</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	89	74
Administration and support	235	234
Management	7	6
	<u>331</u>	<u>314</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £60,821 (2017 - £62,195).

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (continued)

d. Key management personnel

The Key Management Personnel of the Trust comprise of the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by Key Management Personnel for their services to the Trust was £562,009 (2017 - £564,777).

12. CENTRAL SERVICES

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

- Human Resources
- Financial services
- Legal services
- Educational support services
- Others as arising
- Insurance

The Trust charges for these services on the following basis:

- Flat percentage of income (2.5%) of GAG funding, less notional SEN funding.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
White Hall Academy	57,387	48,054
Lyons Hall Primary School	43,908	51,517
Braiswick Primary Academy	22,960	19,529
	<u>124,255</u>	<u>119,100</u>
Total		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
A Smith, Executive Headteacher and Accounting Officer	Remuneration	100,000-105,000	100,000-105,000
	Pension contributions paid	15,000-20,000	15,000-20,000
G Bradley, Headteacher	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	10,000-15,000	10,000-15,000
R Pritchard, Staff Trustee	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
L Laudrum, Headteacher	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	15,000-20,000	10,000-15,000

During the year ended 31 August 2018, expenses totalling £3,408 (2017 - £3,100) were reimbursed to 3 Trustees (2017 - 4).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 is included in total insurance costs for the Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 1 September 2017	3,671,379	13,562,386	263,539	256,982	17,754,286
Additions	-	20,165	-	15,187	35,352
At 31 August 2018	<u>3,671,379</u>	<u>13,582,551</u>	<u>263,539</u>	<u>272,169</u>	<u>17,789,638</u>
Depreciation					
At 1 September 2017	327,923	686,109	263,539	216,382	1,493,953
Charge for the year	68,404	222,028	-	22,916	313,348
At 31 August 2018	<u>396,327</u>	<u>908,137</u>	<u>263,539</u>	<u>239,298</u>	<u>1,807,301</u>
Net book value					
At 31 August 2018	<u>3,275,052</u>	<u>12,674,414</u>	<u>-</u>	<u>32,871</u>	<u>15,982,337</u>
At 31 August 2017	<u>3,343,456</u>	<u>12,876,277</u>	<u>-</u>	<u>40,600</u>	<u>16,260,333</u>

Included in land and buildings is freehold land at valuation of £2,712,000 (2017 - £2,712,000) which is not depreciated.

The leasehold and freehold property of Lyons Hall and Whitehall was valued on conversion by Mouchel, a RICS Registered Valuer using the Fair Value method. The leasehold property of Braiswick Primary School was valued on 18 December 2015 by Lambert Smith Hampton, a RICS Registered Valuer, using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

16. STOCKS

	2018 £	2017 £
Uniform stock	17,949	16,569
Goods for resale	768	739
	<u>18,717</u>	<u>17,308</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2018 £	2017 £
Trade debtors	150,538	138,665
VAT recoverable	45,567	190,159
Prepayments and accrued income	279,949	509,461
	<u>476,054</u>	<u>838,285</u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	183,632	358,118
Other taxation and social security	89,449	82,016
Amounts held as custodian Trustee (Note 28)	85,174	185,598
Pension contributions payable (Note 23)	103,746	90,400
Payroll control account	(298)	(208)
Accruals and deferred income	227,838	229,205
	<u>689,541</u>	<u>945,129</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	197,089	208,085
Resources deferred during the year	176,147	197,089
Amounts released from previous years	(197,089)	(208,085)
Deferred income at 31 August 2018	<u>176,147</u>	<u>197,089</u>

At the Balance Sheet date the Trust was holding funds received in advance of the 18/19 academic year in respect of;

- Funding from the ESFA for Universal Infant Free School Meals
- Growth funding and Nursery funding for Autumn interim fees
- Income received on behalf of school trips

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	686,303	398,428	(104,664)	-	-	980,067
Restricted general funds						
General Annual Grant (GAG)	336,810	5,344,389	(5,442,480)	59,298	-	298,017
Pupil Premium	-	595,048	(595,048)	-	-	-
Other DfE / ESFA revenue grants	-	246,988	(246,988)	-	-	-
Local Authority revenue grants	181,404	1,440,202	(1,468,606)	-	-	153,000
Other Government revenue grants	-	21,636	(21,636)	-	-	-
Special Educational Projects	-	8,488	(8,488)	-	-	-
Other Educational income	-	166,046	(166,046)	-	-	-
Pension reserve	(3,453,000)	-	(659,000)	-	918,000	(3,194,000)
	<u>(2,934,786)</u>	<u>7,822,797</u>	<u>(8,608,292)</u>	<u>59,298</u>	<u>918,000</u>	<u>(2,742,983)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,260,333	-	(313,348)	35,352	-	15,982,337
DfE / ESFA capital grants	16,324	334,565	-	(94,650)	-	256,239
	<u>16,276,657</u>	<u>334,565</u>	<u>(313,348)</u>	<u>(59,298)</u>	<u>-</u>	<u>16,238,576</u>
Total restricted funds	<u>13,341,871</u>	<u>8,157,362</u>	<u>(8,921,640)</u>	<u>-</u>	<u>918,000</u>	<u>13,495,593</u>
Total of funds	<u>14,028,174</u>	<u>8,555,790</u>	<u>(9,026,304)</u>	<u>-</u>	<u>918,000</u>	<u>14,475,660</u>

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

The General Fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS - CURRENT YEAR (continued)

The Pupil Premium fund has been established to recognise the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other DfE / ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The Other Government revenue grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational income fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS - CURRENT YEAR (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
White Hall Academy	526,311	417,752
Lyons Hall Primary School	561,456	554,306
Braiswick Academy	340,124	232,459
Learning Pathways Academy Trust	3,193	-
	<u>1,431,084</u>	<u>1,204,517</u>
Total before fixed asset fund and pension reserve		
	16,238,576	16,276,657
Restricted fixed asset fund	(3,194,000)	(3,453,000)
Pension reserve		
	<u>14,475,660</u>	<u>14,028,174</u>
Total		

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
White Hall Academy	2,796,532	665,428	329,689	295,038	4,086,687	4,212,221
Lyons Hall Primary School	2,143,135	576,636	279,600	253,522	3,252,893	2,601,809
Braiswick Academy	790,601	230,815	140,640	89,043	1,251,099	1,026,427
Learning Pathways Academy Trust	9,000	5,000	42,445	65,832	122,277	119,100
	<u>5,739,268</u>	<u>1,477,879</u>	<u>792,374</u>	<u>703,435</u>	<u>8,712,956</u>	<u>7,959,557</u>

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19. STATEMENT OF FUNDS - CURRENT YEAR (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Fund	473,133	417,534	(204,364)	-	-	686,303
Restricted general funds						
General Annual Grant (GAG)	533,133	5,004,714	(5,259,037)	58,000	-	336,810
Pupil Premium	13,157	571,628	(584,785)	-	-	-
Other DfE / ESFA revenue grants	-	89,187	(89,187)	-	-	-
Local Authority revenue grants	123,153	1,186,669	(1,128,418)	-	-	181,404
Other Government revenue grants	-	55,905	(55,905)	-	-	-
Other Educational income	-	150,961	(150,961)	-	-	-
Pension reserve	(3,033,000)	-	(487,000)	-	67,000	(3,453,000)
	<u>(2,363,557)</u>	<u>7,059,064</u>	<u>(7,755,293)</u>	<u>58,000</u>	<u>67,000</u>	<u>(2,934,786)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,584,105	-	(341,539)	17,767	-	16,260,333
DfE / ESFA capital grants	66,401	25,690	-	(75,767)	-	16,324
Total restricted funds	<u>14,286,949</u>	<u>7,084,754</u>	<u>(8,096,832)</u>	<u>-</u>	<u>67,000</u>	<u>13,341,871</u>
Total of funds	<u>14,760,082</u>	<u>7,502,288</u>	<u>(8,301,196)</u>	<u>-</u>	<u>67,000</u>	<u>14,028,174</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	473,133	815,962	(309,028)	-	-	980,067
Restricted general funds						
General Annual Grant (GAG)	533,133	10,349,103	(10,701,517)	117,298	-	298,017
Pupil Premium	13,157	1,166,676	(1,179,833)	-	-	-
Other DfE / ESFA revenue grants	-	336,175	(336,175)	-	-	-
Local Authority revenue grants	123,153	2,626,871	(2,597,024)	-	-	153,000
Other Government revenue grants	-	77,541	(77,541)	-	-	-
Special Educational Projects	-	8,488	(8,488)	-	-	-
Other Educational income	-	317,007	(317,007)	-	-	-
Pension reserve	(3,033,000)	-	(1,146,000)	-	985,000	(3,194,000)
	<u>(2,363,557)</u>	<u>14,881,861</u>	<u>(16,363,585)</u>	<u>117,298</u>	<u>985,000</u>	<u>(2,742,983)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,584,105	-	(654,887)	53,119	-	15,982,337
DfE / ESFA capital grants	66,401	360,255	-	(170,417)	-	256,239
	<u>14,286,949</u>	<u>15,242,116</u>	<u>(17,018,472)</u>	<u>-</u>	<u>985,000</u>	<u>13,495,593</u>
Total of funds	<u>14,760,082</u>	<u>16,058,078</u>	<u>(17,327,500)</u>	<u>-</u>	<u>985,000</u>	<u>14,475,660</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	15,982,337	15,982,337
Current assets	980,067	1,140,558	256,239	2,376,864
Current liabilities	-	(689,541)	-	(689,541)
Defined benefit pension scheme liability	-	(3,194,000)	-	(3,194,000)
	<u>980,067</u>	<u>(2,742,983)</u>	<u>16,238,576</u>	<u>14,475,660</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	16,260,333	16,260,333
Current assets	1,631,432	518,214	16,324	2,165,970
Current liabilities	(945,129)	-	-	(945,129)
Defined benefit pension scheme liability	-	(3,453,000)	-	(3,453,000)
	<u>686,303</u>	<u>(2,934,786)</u>	<u>16,276,657</u>	<u>14,028,174</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(470,514)	(798,908)
Adjustment for:		
Depreciation charges	313,348	341,539
Investment income	(1,109)	(1,083)
(Increase)/decrease in stocks	(1,409)	2,670
Decrease/(increase) in debtors	362,231	(430,208)
(Decrease)/increase in creditors	(255,588)	320,378
Capital grants from DfE and other capital income	(334,565)	(25,690)
Defined benefit pension scheme cost less contributions payable	575,000	424,000
Defined benefit pension scheme finance cost	84,000	63,000
Net cash provided by/(used in) operating activities	<u>271,394</u>	<u>(104,302)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,882,093	1,310,377
Total	<u>1,882,093</u>	<u>1,310,377</u>

NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £103,746 were payable to the schemes at 31 August 2018 (2017 - £95,809) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £437,465 (2017 - £388,366).

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23. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £547,000 (2017 - £450,343), of which employer's contributions totalled £417,000 (2017 - £333,157) and employees' contributions totalled £130,000 (2017 - £117,186). The agreed contribution rates for future years are 18.5% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

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23. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,679,000	1,313,000
Gilts	141,000	125,000
Other bonds	155,000	78,000
Property	235,000	195,000
Cash and other liquid assets	89,000	62,000
Alternative assets	237,000	154,000
Other managed funds	101,000	86,000
Total market value of assets	<u>2,637,000</u>	<u>2,013,000</u>

The actual return on scheme assets was £139,000 (2017 - £227,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(992,000)	(756,000)
Interest income	59,000	34,000
Interest cost	(143,000)	(97,000)
Total	<u>(1,076,000)</u>	<u>(819,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	5,466,000	4,371,000
Current service cost	992,000	756,000
Interest cost	143,000	97,000
Employee contributions	130,000	118,000
Actuarial (gains)/losses	(838,000)	127,000
Benefits paid	(62,000)	(3,000)
Closing defined benefit obligation	<u>5,831,000</u>	<u>5,466,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,013,000	1,338,000
Interest income	59,000	34,000
Actuarial losses	80,000	194,000
Employer contributions	417,000	332,000
Employee contributions	130,000	118,000
Benefits paid	(62,000)	(3,000)
Closing fair value of scheme assets	<u>2,637,000</u>	<u>2,013,000</u>

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2018 £	2017 £
Balance brought forward at 1 September	3,453,000	3,033,000
Defined benefit pension scheme cost less contributions payable	575,000	424,000
Defined benefit pension scheme finance cost	84,000	63,000
Actuarial (gains)	(918,000)	(67,000)
Balance carried forward at 31 August	<u>3,194,000</u>	<u>3,453,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2018 £	2017 £
Present value of defined benefit obligation	(5,831,000)	(5,466,000)
Fair value of scheme assets	2,637,000	2,013,000
Total	<u>(3,194,000)</u>	<u>(3,453,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	7,115	9,236
Between 1 and 5 years	10,924	5,864
Total	<u>18,039</u>	<u>15,100</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The SIGMA Trust - a Trust in which A Smith (a Trustee of the Trust) is a Director and L Laudrum (a Trustee of the Trust) is a Trustee.

- The Trust sold services to the SIGMA Trust totalling £58,498 (2017 - £25,162) in the period. There were no amounts owed from the Trust at 31 August 2018 (2017 - £NIL).

Thinksay Communications - a company in which N Ridley (a Trustee of the Trust) has a majority interest.

- The Trust purchased services from Thinksay Communications totalling £2,043 (2017 - £806) during the period. The amounts owed from the Trust at 31 August 2018 was £Nil (2017- £806).
- The Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which N Ridley neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2017.

Magic Music - P Nevars (site manager of White Hall) is part owner.

- The Trust purchased services from Magic Music totalling £47 (2017 - £293) during the period. There were no amounts outstanding at 31 August 2018 (2017 - £NIL).
- The Trust made the purchase at arm's length, which P Nevars neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2017.

S Kerfoot - a company whom P Lincoln's (a Trustee of the Trust) spouse owns.

- The Trust purchased services from S Kerfoot totalling £3,011 (2017 - £3,034) during the period. There were no amounts outstanding at 31 August 2018 (2017 - £NIL).
- The purchase was authorised by the Trustees.
- In entering into the transaction the Academy Trust has complied with the requirements of ESFA's Academies Financial Handbook 2017.

Event Disco Hire - a company owned by the husband of E Earnes (Deputy Head of White Hall Academy).

- The Academy Trust purchased services from Event Disco Hire totalling £200 (2017 - £NIL) during the period. There were no amounts outstanding at 31 August 2018 (2017 - £NIL).

S Bradley - the spouse of G Bradley (a Trustee of the Academy Trust) received remuneration of £21,521 during the year. S Millar - the spouse of A Smith (CEO of the Academy Trust) received remuneration of £20,338 during the year. Their remuneration is based on an annual salary review process in which G Bradley and A Smith are not involved.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

26. CONTROLLING PARTY

There is no ultimate controlling party.

27. COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee and does not have any share capital.

28. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust acts as an agent in managing funds for a number separate entities. Payments received, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of these funds.

North East Braintree Inclusion Network is a cluster of primary schools funding the ETAMHS project (Essex Targeting Emotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance owed at 31 August 2018 is £167 (2017 - £3,307) and is included within other creditors.

The Trust holds funds on behalf of South Tendring Primary Partnership, whose members are local schools who contribute to a fund from which education services and training are purchased for the group. The balance owed at 31 August 2018 is £32,691 (2017 - £10,082) and is included within other creditors.

Funds are also held in respect of Schools Direct. The balances owed at 31 August 2018 is £78,454 (2017 - £40,366) and is included within other creditors.

29. MEMBERS' LIABILITY

Each of the Members of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.