

**REGISTERED COMPANY NUMBER: 07746561 (England and Wales)**

**Report of the Trustees and  
Financial Statements for the Year Ended 31st August 2018  
for  
City Learning Trust**

Hardings  
Chartered Accountants & Statutory Auditor  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

## City Learning Trust

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## City Learning Trust

### Reference and Administrative Details for the Year Ended 31st August 2018

#### Members

Mrs K Smith  
Mrs D Clewes  
Mr D Johnson (resigned 26.10.18)  
Mr M Chadwick (resigned 15.11.18)  
Mr Gurmeet Singh-Kallar (appointed 24.09.18)  
Mrs Joan Walley (appointed 15.10.18)  
Mr Peter Coates (appointed 16.11.18)

#### Trustees (Directors)

Mr D Johnson, (Chair of Trustees)  
Mrs M Sproston (appointed 4.9.17, Vice Chair of Trustees)  
Mr M Brundrett (appointed 14.11.18)  
Mr M Chadwick  
Mr N Dawson  
Mrs W Dean (appointed 15.10.18)  
Mr G Fitzgerald  
Mr F Hughes (retired 05.08.18)  
Mr M Lloyd (appointed 1.9.17, resigned 10.11.18)  
Mrs K Price (resigned 12.03.18)  
Mrs C Shanahan (appointed 1.09.17, resigned 15.05.18)  
Mr K Thomas (resigned 9.11.17)  
Mrs J Walley (resigned 11.10.18)  
Mr C S Ward, (Chief Executive Officer & Accounting Officer)

#### Key Management Personnel

Mr C S Ward	Chief Executive Officer
Mrs S Bates	Headteacher (Mill Hill Primary) & Assistant Chief Executive Officer
Miss S Hughes	Chief Financial Officer
Ms A Mills	Senior Executive Leader
Mr C Crook	Headteacher (Smallthorne Primary Academy)
Mr D Parmar	Principal (Haywood Academy)
Mr M Whittingham	Headteacher (Trentham Academy)

#### Company Name

City Learning Trust

#### Registered Office

Haywood Academy  
High Lane  
Stoke on Trent  
Staffordshire  
ST6 7AB

#### Company Secretary

Mrs J M Shaw

#### Accounting Officer

Mr C S Ward

#### Company Registration Number

07746561 (England and Wales)

#### Auditors

Hardings  
Chartered Accountants & Statutory Auditor  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

**City Learning Trust**

**Reference and Administrative Details  
for the Year Ended 31st August 2018**

**Bankers**

Cooperative Bank PLC  
1 Balloon Street  
Manchester  
M60 4EP

**Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## **City Learning Trust (Registered number: 07746561)**

### **Report of the Trustees for the Year Ended 31st August 2018**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2017 to 31st August 2018. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The City Learning Trust (CLT) previously known as Haywood Academy, made the transition from a single academy to a Cooperative Multi-Academy Trust with the addition of Smallthorne Primary Academy in January 2017. The Trust is now a four academy MAT comprising of two secondary academies (as at the October 2017 census) Haywood Academy and Sixth Form - City College (1165 pupils on roll), Trentham Academy (691 pupils on roll) and two primary academies, Smallthorne Academy (233 pupils on roll) and Mill Hill Academy (517 pupils on roll) which serve pupils aged from 3-19 across the City of Stoke on Trent.

The Trust has also submitted a Free School Application for a new mainstream secondary school (Halle Music Academy) to be located in Stoke on Trent which is fully supported by the Halle Concert Society and the Local Authority.

### **Objectives and activities Objectives and aims**

The mission of the City Learning Trust is to create a world class education system for the communities we serve.

The vision is to be one of the United Kingdom's leading multi academy trusts, providing the best opportunities for children and young people to develop their knowledge, skills and character so that they get the best start in life.

The Trust is guided by the following values:

- Ambition:** Our academies aim to unlock the potential for all learners to achieve their dreams, hopes and aspirations.
- Cooperation:** We value working together in teams, supporting each other, and sharing expertise and accountability to improve standards.
- Commitment:** Our academies are a family of schools with a common bond, dedicated to the communities that they serve.
- Creativity:** We encourage innovation and the use of imagination and original ideas in all our schools.
- Leadership:** We believe in listening to, inspiring and empowering our learning communities so that they can achieve their true potential.
- Respect:** We value all people and organisations abilities', qualities and achievements, and operate using the principles of equality, equity and solidarity.

The Trust's purpose is to support Good schools to move to become Outstanding and ensure the rapid improvement of those schools that need support. Through cooperation and collaboration, we will develop sustainable partnerships that will provide a legacy for tomorrow's generation. This will enable our member academies to become greater than the sum total of their parts.

## **City Learning Trust (Registered number: 07746561)**

### **Report of the Trustees for the Year Ended 31st August 2018**

#### **Objectives and activities**

##### **Objectives and aims**

The Trust is a registered academy sponsor and will act as the lead sponsor for any school which is directed to become a sponsored academy in the Trust by the Department for Education.

The Trust is committed to ensuring that all children in our academies receive excellent teaching and make progress. High quality professional development for teachers and school leaders is a key component of our approach.

To support this vision the City Learning Trust has six main aims:

1. The skills and qualifications of our pupils and students will enable them to flourish in whatever vocational or academic setting they want to succeed in.
2. We will develop in our pupils and students the key skills of literacy, numeracy, resilience, resourcefulness, enterprise, technological literacy and adaptability.
3. We will take care of our most vulnerable pupils and students and the City Learning Trust will have an outstanding programme of support for those who need it.
4. We will develop partnerships with great schools locally, nationally and internationally to develop educational practice that connects learners worldwide.
5. Business leaders will be partners in our journey to world class education and will develop joint educational projects that inspire entrepreneurship and promote employability skills.
6. We will develop great leaders and team workers who understand the value of cooperation and play a proactive role in public life.

#### **Leadership and Governance**

Strategic Leadership:

The Trust delivers system leadership through providing and developing strong and capable leaders who will work beyond their own school to support other schools. All our staff are provided with the opportunity to develop their roles within the organisation to enable them to excel, provide outstanding education and deliver high outcomes for our children and young people. The Trust seeks to build trust and respect across all stakeholders involved in our academies.

The principles by which we will manage our operations:

- Embed an effective, clear and supportive governance framework
- Provide a simple and efficient central organisation to provide maximum leadership support directly to schools
- Deliver transparent systems to build trust, accountability and drive improvement
- Ensure efficient, low cost control of our resources to achieve economies, efficiencies and effectiveness across our operations

Earned Autonomy

The Trust Board ethos is that best results will be achieved when each school's Local Governing Committee receives a level of responsibility and autonomy appropriate to its specific circumstances.

It will be a requirement that schools graded in an Ofsted category will be subject to close supervision of all aspects of governance, leadership and curriculum delivery through the Trust's Central Support Team. The LGC will have restricted delegated powers. It would be normal practice for members to be appointed by the Trust Board.

When a school is graded as "Good" or "Outstanding", the level of support through day-to-day supervision by the Trust will be limited to those areas of agreed need and improvement. It would be expected that the LGC will operate with maximum autonomy applied through the Trust's scheme of Local Governing Committee delegation.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Objectives and activities**

**Objectives, Strategies and Activities**

The Trust's objective is to advance, for the public benefit, education across the communities it serves. The Trust achieves this by establishing, maintaining, managing and developing schools which offer a broad and balanced curriculum to their pupils.

The Trust continues to work towards delivering a world-class education for the pupils and students it serves. During the last year, we have continued to focus on improvements of pupil outcomes, pupil destinations, increasing pupil numbers, improving Ofsted judgements and expanding the central support service to facilitate operational and school improvement services.

The City Learning Trust has clear strategic objectives derived from our mission and values. Our five-year corporate business plan sets out the following strategic objectives to ensure that, as a Trust, all stakeholder groups understand and have belief in our approach.

The objectives we have followed during the last year (and will inform future progress) are:

1. Corporate Governance

The Trust will provide a Board of Trustees that acts in the best interests of the Trust and governs lawfully in accordance with its Articles of Association. The Trustees will demonstrate clear governance arrangements and visionary leadership to enhance and embed effective working relationships. The Board will ensure there are effective support structures in place to deliver a clear oversight of academy operations and outcomes.

2. Sustainable Development

To promote ethically driven corporate social responsibility throughout our organisation that connects people, place and environment to help build social capital in our communities.

3. School Improvement

This will be delivered through ensuring that our academies provide the very best leadership, and teaching in order to promote and provide high quality learning for our pupils. The Trust will put effective support in place for teachers to achieve this aim.

4. Continued Professional Development

The Trust will implement a programme of continuous professional development for our academies to ensure that our staff have the right skills to further raise standards, deliver consistently good leadership, teaching and learning and disseminate good practice.

5. New School Provision

The Trust will support the delivery of innovative and exceptional new school provision to meet established need in a manner that connects education, business and culture together so that together they can become greater than the sum total of their parts.

6. Quality Assurance

The Trust will provide a rigorous and robust programme of Quality Assurance that will help build expertise, grow capacity and raise standards in our academies to deliver positive outcomes for children and young people.

7. Integrated Support & Shared Services

The Trust will have business functions that are efficient and effective. They will enable our academies to deliver on their commitments. We will develop strategies to grow, prosper and deliver value for money across all of our operations.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Objectives and activities**

**Objectives, Strategies and Activities**

The Trust has provided school improvement support; CPD opportunities for all staff across all schools; an effective campus leadership team to drive CLT strategy and performance and facilitated a central team to support member academies. The Trust is now moving forward as a mature organisation with a strong foundation for success and confidently looks forward to further success.

**Public benefit**

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

In particular, Trustees have been provided with the Public Benefit guidance published by the Charity Commission and public benefit is properly taken into account in exercising their powers and duties.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Achievement and performance**

*Charitable activities*

The quality of education within our Trust across all phases - primary, secondary and sixth form phases is good. All academies have been inspected by OFSTED in the last three years, with three out of four being judged as good with some outstanding features.

All our academies are on a continuing trajectory of improvement since joining the partnership and subsequently converting to become an academy in the Trust.

- Mill Hill Academy was sponsored 4 years ago and rapidly went from special measures to good within 15 months. This academy continues to go from strength to strength, with strong progress results year on year.
- Smallthorne Academy joined 4 years ago during a significantly difficult patch as a school that was in an LA category of concern. This academy moved from 'Good' to 'Good with outstanding features' at its last inspection 18 months ago. Its performance remains strong.
- Trentham Academy joined the Trust as an LA school in serious weaknesses. It was inspected by OfSTED 12 months later and moved to 'Requires Improvement', narrowly missing out on 'Good'. Its outcomes are now 'Good' and have moved to this over two consistent GCSE results since its last inspection.
- Haywood Academy has been inspected most recently (December 2017) and was rated as 'Good' in all areas.
- City College was opened as a new 6th form provision for the City 3 years ago. It was graded as Ofsted 'Good' in its first inspection in December 2017. Its results remain strong in both academic and pre-apprenticeship provision. City College was opened across a split site, situated in two Victorian buildings that were refurbished and now offer a successful 6th form provision.

The 2018 provisional examination results show that our academies have improved in most areas in the last year. Systems, practice and culture are strong across our academies with embedded collaborative practice which includes shared systems, leadership, staffing and policies. The trust operates school improvement on a whole-trust basis and has a three year plan for all its academies to become outstanding at their next inspection, and a five year plan to achieve world class provision in the trust for the communities we serve.

This sustained school improvement impact of the Trust has also been formally recognised by the National Schools Commissioner in a recent visit, where he wrote to the Trust to commend it for school improvement work and recognise that such may not be seen in league tables because of conversion issues.

The Trust has a strong track record over time of school improvement and improving outcomes. Its three-year trend across both primary and secondary schools is strong, despite the student national assessment system and its associated attainment and progress measures being in a state of flux that makes it impossible to compare year on year performance data in schools and Trusts. OfSTED in its December 2017 inspection of Haywood Academy provided assurance of comparable data when its data performance unit said that student performance was equal to that of the previous year group in judging student achievement to be good. The inspection was led by former national OfSTED Director, Mike Cladingbowl. The current student outcome results for Haywood have improved further in its GCSE results for 2017/18.

2017/18 examination results at Key Stage 2, 4 and 5:

KS2 SAT, GCSE and 6th form results have continued to show an upward trend across the majority of subjects this year in City Learning Trust academies. It is important to note that all the City Learning Trust academies operate in an area of significant deprivation - indeed, one of the most deprived areas in the United Kingdom. Both secondary academies have a consistently significant minus cohort on entry to Year 7. Despite this, students generally leave these academies in Year 11 with strong broadly average national standards.

Both our primary academies operate in the same significant areas of deprivation and consistently show progress results that are in line or above national standards. The Trust's Sixth Form is unique because it offers both a small A-level provision and a growing pre-apprenticeship program. This year 100% of A-level students achieved a place at their university of choice with 75% of pre-apprenticeship students achieving a full apprenticeship within 12 months of entry to the course.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Achievement and performance**

*Charitable activities*

Achievement and progress summaries for each academy in the last year

Mill Hill Primary Academy:

- Progress in Maths, Reading and Writing is 'average'.
- % of students achieving greater depth standard has increased from 2017 to 2018 in Maths, Reading and Writing and hence also in the combined.
- Across a three-year period, disadvantaged progress scores are in line with or above national in all areas (Reading, writing and Maths).
- % SEND students achieving expected standards in GPS has risen sharply over 3 years and is now in line with national average.
- The Academy serves one of the most deprived areas in the country and is in the lowest quintile for deprivation.

Smallthorne Primary Academy:

- Progress in Reading and Writing is 'average' and has increased since 2017, particularly in Reading.
- All attainment measures see an increase in Reading from 2017 and are now broadly in-line with national.
- % students achieving greater depth standard is above national.
- Progress in writing is in line with national.
- % disadvantaged students achieving greater depth standard in Reading, Writing and Maths has risen and now above national.
- % disadvantaged students achieving greater depth standard in Reading, Writing and Maths has risen and now above national.
- % SEND students achieving expected standard in reading is higher than national.
- The Academy serves one of the most deprived areas in the country and is in the lowest quintile for deprivation.

Haywood Academy:

- Overall P8 is marginally classed as 'below average' (-0.19 would have been average).
- Only 2 outliers using capped progress scores were included in DfE pre-release data. However, 8 students had a significant negative effect on progress 8 scores in 2017/18.
- All attainment measures in English and maths have seen a rise from 2017 to 2018.
- All prior attainment groups make average progress, together with disadvantaged students.
- Maths progress 8 figures improved by +0.29 in the 2017/18 GCSE round.
- Average progress was made in English
- Open pot progress 8 continues to be particularly strong.
- The Academy serves one of the most deprived areas in the country and is in the lowest quintile for deprivation.

Trentham Academy:

- Overall P8 is average.
- Average progress is made in English and is particularly strong in Maths.
- Both attainment and progress in the EBAC pot has seen an increase from 2017 to 2018.
- Science attainment and achievement is well above national average and high performing.

City College (Haywood Sixth Form Academy):

- 80% of Y12 Work Based Learning students have successfully secured an apprenticeship.
- 100% of students gained a place at their chosen university.

Whilst the Trust has a direct impact on the achievement outcomes of its member academies (Haywood Academy, Trentham Academy, Smallthorne Primary Academy, and Mill Hill Primary Academy), it is also worthy of note that it formally supported improved outcomes during the year in: Great Wyrley High School, St Peter's Academy, Glebe Academy, Holden Lane Primary School, Clarice Cliff Primary School, Richard Heathcote Community Primary School and Priory C of E Primary School.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**  
**Achievement and performance**  
*Charitable activities*

*Key performance indicators*

The Key performance indicators for the Trust during the year were:

1. ensure that pupil/student outcomes in its academies remained strong
2. ensure that it provided quality support to its member schools
3. set up the systems and procedures that swiftly moved the CLT to maturity
4. successfully employ integrated curriculum financial planning across the CLT
5. continue to build strong and effective partnerships with a range of external stakeholders and other multi academy trusts
6. create a strong financial outturn that provides sustainable financial health

The above KPIs have been successfully met in what has been a challenging yet fruitful year for the Trust. The CLT has created a strong and sustainable financial base and has put behind it a very long process of protracted academy conversions to move quickly to become a mature and secure Trust.

Every member academy or school receiving support from the Trust that has been Ofsted inspected has improved their grade in the past 12 months and demonstrated a positive shift in improving outcomes for pupils.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Financial review**

*Financial position*

For the period 1st September 2017 to 31st August 2018, the in-year surplus figure is: £192,006, reducing the deficit position to £73,981. £266,148 of CIF monies remain ring fenced within the restricted fixed asset fund.

The past financial year has been a year characterised by consolidation, hard work and innovation to ensure that the financial foundations of the Trust are solid and stable. This has allowed the Trust to mature rapidly in the systems, practice and culture required to be a successful MAT. The Trust now has solid foundations in place following a protracted and difficult period of legal and political land based dispute and discovery. The impact of which has been that many of the schools waiting to join the Trust, as either convertor or sponsored academies, had to wait for conversion between 2 and 4 years. During this period of time, the schools received significant school improvement support from the Trust and all the schools during this 4-year period improved in terms of pupil outcomes and Ofsted report feedback.

Four years ago, the Trust stood at 15 schools who either wished to join or who had been directed. This covered 7,500 students across Stoke on Trent. In response, the Trust took significant but prudent planning steps to ensure it had appropriate infrastructure and plans to adequately serve the needs of the academies as they came on board. All of these schools received school improvement support funded, in the main, by government grants.

The combination of these grants drying up and the continued delay in conversions become too onerous for the Trust to support during the financial year. As a result, the Trust took the difficult decision to halt its growth plans and advise schools wishing to join that they would have to wait indefinitely or choose to join other Trusts.

In addition, the Trust decided to hand back to the RSC the free school that it had been awarded and was in the pre-opening phase (City Enterprise Alternative Provision Academy) due to land and legal delays causing further financial strain.

During the year, the Trust had also continued to make a significant contribution towards school improvement work in St Peter's Academy, a school that was intended to be re-brokered from another Trust over to the CLT following a protracted period of time spent in the Ofsted category of Special Measures. Cited in both special measures monitoring letters and the full inspection report, the City Learning Trust was credited for the support it had provided in moving the academy out of this category and into Requires Improvement.

Despite the progress that St Peter's Academy had made with support from the City Learning Trust, WAT made the decision to keep the Academy within their Trust because it had the opportunity to do so.

The CLT continues in its attempt to recover unpaid school improvement invoices relating to this matter and is confident, following legal advice, that this matter will be concluded during the next financial year.

The impact of this and other delays already referred to resulted in the CLT having to request short term financial support to the value of £507,000 from the ESFA. The loan was received into the Trust in November 2017 and was repaid in full to the ESFA in August 2018. This cashflow injection, allied with a number of successfully delivered school improvement contracts in the year (Richard Heathcote Primary School and Great Wryley High School, both in Staffordshire LA) allowed the CLT to restructure its staffing and finances in an effective, efficient and successful manner to better serve the schools that had finally converted to become academies in the Trust.

The principle sources of funding during the year have been provided by the GAG, Pupil Premium and SEND based funding grants. Other income has come from school improvement contracts and a relatively small school improvement grant recovered from Stoke on Trent City Council. All of our expenditure has been used to support the key objectives of the Trust as described in this report and the Trusts corporate business plan.

*Investment policy and objectives*

All cash reserves are currently held in standard current accounts and are committed to contingency funds and school improvement work for the 2018/2019 academic year.

The Trust have approved plans to invest only in low risk bank deposit accounts, which offers the flexibility to invest across a range of account terms in order to balance liquidity and return.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Financial review**

*Reserves policy*

Individual academies are expected to build a contingency into their budget. By the 2018/19 budget period, academy budgets include a 3% reserve. This reserve is held by the Trust. Programmes of work are agreed by the Chief Executive Officer and Senior Leadership team, using these reserve monies to support outcomes for young people. The Trust has ended the year with a growing cash reserve which will be committed in support of the strategic aims of the Trust in the 2018/2019 academic year.

*Going concern*

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the CLT 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.

**Fundraising**

The Trust has not undertaken any form of fundraising during the financial year other than standard PTFA activities which are delegated to constituent academies.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the CLT during the period of the past 12 months have been financial. In the 2017/18 academic year, the Trust has undergone extensive work to improve the financial health, security and sustainability and by 31st August 2018 had reduced creditors to a consistent and manageable amount in line with operational cash flow practice, returned the ESFA loan monies in full within 9 months of receipt and had reduced the brought forward deficit balance significantly to £73,981. This operational deficit is 0.5% of the Trust annual income. The Trust's strategic financial planning has accounted for this repayment and within the first quarter of 2018/19 academic year has already accrued the monies to repay this deficit position completely. The Trust anticipates having an operational cash reserve sitting at 3.9% by the end of the financial year, in line with its reserves policy.

After a protracted period of several years' pending conversions, the CLT is now in a stable and maturing position with sound and confident financial practice and resources.

The one academy inspected by Ofsted during the year remained Good with an additional judgement of Good for the new sixth form provision. Outcomes across the Trust remain in line with previous standards with an increasing number of outstanding pockets of practice. School improvement activities are now underpinned by integrated curriculum financial planning and all academies are benefitting from additional resource and provision as a result whilst retaining an efficient and effective staffing model.

The Trust considers that it has built, and it has shown, that it has significantly strong capacity to support all its schools towards world class outcomes by 2022. The Trust has in the past 3 years supported a number of schools in the partnership (including via sponsorship) to improve from very low outcomes. The Trust continuously reviews its risk register that RAG rates all the risks and uncertainties surrounding its operation on a regular basis.

**Future plans**

The City Learning Trust is working to achieve the aims and objectives of the 5-year corporate plan. As such, the aim of the Trust is to provide a world class education to all of the young people that it serves whilst exercising financial probity and offering value for money for the public benefit.

**Structure, governance and management**

**Charity constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles is the primary governing document of the academy trust. The Trustees of City Learning Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as City Learning Trust.

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

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Structure, governance and management**

**Members' liability**

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

**Trustees' Indemnities**

The Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance provides cover up to £2,000,000 for any one claim. The cost of this insurance is included in the total insurance reported by the Company.

**Recruitment and appointment of new trustees**

The Trust Board consists of eight members as at 31 August 2018.

The number of Trustees of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The Articles of Association set out the categories of Trustees and this includes the following:

- Up to 6 Trustees may be appointed by the Members of the Trust by ordinary resolution.  
The Trustees ensure that there are 2 Parent Governors appointed to LGCs and so Parent Governors are not appointed as Trustees.
- The Trustees may appoint Co-opted Trustees as necessary.  
3 Academy Trustees may be appointed by or elected in accordance with any policy decided by the Trustees for that purpose or from a Local Governing Committee.
- Trustees are appointed based on their skill sets and each appointment considered by the Trustees and appointed by unanimous resolution of the Members.

The term of office for Trustees is 4 years, save this time limit does not apply to the Chief Executive Officer who is an ex-officio member of the Board. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Training and induction of new Trustees is given on an individual basis as appropriate and includes one to one meetings with key management personnel alongside other Trustees and is supported by a governance welcome pack. In addition, the City Learning Trust register all Trustees with the National Governance Association and from there they can access on-line training programmes. Trustees are also invited to any 'in-house' training - including Prevent, Safeguarding, etc.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Structure, governance and management**

**Organisational structure**

The Trustees are responsible for exercising oversight of the governance and management of the Trust. In exercising their responsibilities, Trustees consider the advice given by the CEO, other executive officers and the Chairs of the Local Governing Committees (LGC) as appropriate.

As a Multi Academy Trust, the management structure within the Trust operates as follows:

- Members
- Board of Trustees
- Key Management Personnel
- Local Governing Committee(s) whose powers are devolved by the Trustees
- The Strategic Steering Group / Forum
- Campus Leadership Team

The Trustees are responsible for setting general policy and establishing the strategic direction for the Trust. The Board delegates, to the CEO, the authority to implement its vision and the day to day leadership and management of the Trust. The Trust adopts an annual plan and budget, monitoring across the Trust by the use of results and budgets and makes major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Accounting Officer is the CEO of the Trust and the Executive Headteacher of Haywood Academy and Mill Hill Primary Academy. The Delegated Authority Framework gives full details of all delegated responsibilities across the Trust, including those delegated to LGCs and Academy leads.

The Trustees implemented an independent internal review process of financial processes and systems of control at the end of the previous financial year. With the results of this work, the last management letter and an interim audit undertaken after period 7 of this financial year, the financial infrastructure is secure and copes well with the changing and growing needs of the Trust.

The key responsibilities of local governing committees is to determine, in cooperation with the Trust, the strategic vision and ethos of their academy, to hold their Headteacher / Principal to account by challenging and monitoring performance particularly regarding the achievement of students and safety of both staff and students. Local governing committees are also responsible for ensuring financial probity and for acting as a responsible employer. At an operational level LGCs regularly monitor the performance of their respective Headteacher / Principal and, alongside the Chief Executive, undertake Headteacher performance management.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Structure, governance and management**

**Arrangements for setting pay and remuneration of key leadership and management**

The Trust has adopted the STPCD as the benchmark and guide for all senior academy based posts. For central Trust posts, we use STPCD guidance and external salary benchmarking as a guide for setting pay.

Annual pay reviews are conducted according to the Trust Pay Policy and Performance Management schedule. A pay award is dependent on the outcomes of a successful appraisal process. For all leadership posts in our academies up to Vice-Principal / Deputy Head level, pay recommendations are from Headteachers / Principals and are moderated and approved by the local governing committee. For Headteachers / Principals, pay recommendations are made by the CEO in conjunction with the local governing committee before being quality assured by the Trust Remuneration committee (a nominated group of Trustees) and then approved by the full Board.

For central Trust leadership posts, pay recommendations are made by the CEO and moderated by the Remuneration committee and approved by the full Board. All central management personnel roles have a job description and salaries are bench marked against similar roles nationally.

The Trust uses a performance management tool for all of its employees, including senior managers and key personnel. All performance related information is stored here and available for analysis across the Trust. Targets for each senior leader are set on an annual basis, taking into consideration; the job description of the role, the Trust priorities, pupil progress across the Trust and the Trust self-evaluation and development plan. A midyear performance review is held to validate progress against targets set. At the end of the year, if targets have been met and overall performance has been good then the appropriate pay awards are made.

The CEO's performance and pay is managed by the Chair of the Board, alongside two other Trustees who are supported by an external independent consultant with experience of assessing educational improvement and achievement. Targets for the CEO are set on an annual basis, taking into consideration the Trust priorities, student outcomes across the Trust and the achievement of Trust KPIs.

**Paid Trade Union Activities**

Trade union facility time

Number of employees who were relevant union officials during the time period	Full-time equivalent employee number
0	0

Relevant union officials

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

Percentage of time spent on facility time

Provide the total cost of facility time	£5,813
Provide the total pay bill	£11,562,777
Provide the percentage of the total pay bill spent on facility time, calculated as:(total cost of facility time / total pay) x 100	0.05%

Percentage of pay bill spent on facility time

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period + total paid facility time hours) x 100	0
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## **City Learning Trust (Registered number: 07746561)**

### **Report of the Trustees for the Year Ended 31st August 2018**

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

##### **Related Parties and other Connected Charities and Organisations**

Although there are a number of professional links to other schools, multi-academy trusts and third party organisations, the Trust is an independent body with no affiliation to outside bodies.

The Trust works closely with a wide variety of charitable organisations in the field of education, including but not restricted to:

- The British Council
- Ambition School Leadership
- Education Development Trust
- Alliance of Leading Learning
- The Prince's Regeneration Trust
- Staffordshire University
- Keele University
- Halle Orchestra
- National Literacy Trust

The City Learning Trust is also a licensed DfE sponsor and offers support to schools outside of the Trust in leadership, teaching, school improvement, finance, governance and HR.

During the year, a transaction for £2,496 with Summit Hospitality was completed. At the time of this transaction, Carol Shanahan was a Trustee of the Board and the Managing Director of the company. This transaction was declared in the Board minutes as the service was provided at cost and for no profit. The transaction had been a necessary purchase to provide services across the whole Trust as it fell between the termination of one contract and the commencement of another.

##### **Funds held as custodian for others**

The Trust holds no funds on behalf of others.

##### **Statement as to disclosure of information to auditors**

Insofar 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.

##### **Auditors**

The auditors, Hardings, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17th December 2018 and signed on the board's behalf by:

Mr D Johnson - Chair of Trustees

## City Learning Trust

### Governance Statement for the Year Ended 31st August 2018

#### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 City Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Trustees have formally met 9 times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Michael Chadwick	7	9
Neil Dawson	9	9
Glenn Fitzgerald	2	9
Melanie Hilton	8	9
Fred Hughes	4	9
David Johnson (Chair of Trustees)	9	9
Mike Lloyd	2	9
Kay Price	0	5
Carol Shanahan	4	6
Karl Thomas	0	1
Joan Walley (Vice Chair of Trustees)	7	9
Carl Ward (Chief Executive Officer and Accounting Officer)	9	9

An effective Trust Board is key to the success of the Trust. Clear governance arrangements are necessary to enable the Board to ensure that appropriate systems and policies are in place, regularly reviewed and provide both legal accountability and the ability to deliver the organisation's objectives. The Board meets regularly to maintain a strategic overview of the Trust's work, specifically they:

- Set the Trust's vision, values and standards of conduct and ensure that obligations to stakeholders are understood, communicated and met.
- Ensure that the Trust complies with its constitution, mandatory requirements and statutory duties
- Oversee the financial performance of the Trust
- Provide effective and proactive leadership of the Trust within a framework of processes, procedures and controls which enable risk not be assessed and managed.

During the year 1st September 2017 to 31st August 2018 the CLT sub-committee boards also met.

They consist of the Business Committee. Key roles are:

- reviewing and agreeing the budget
- monitoring financial performance and expenditure
- monitoring financial procedures in line with reports from internal audit
- authorising expenditure (when required by the Delegated Authority Framework)
- ensuring all ESFA reporting requirements were met
- receiving the reports of the external auditor

## City Learning Trust

### Governance Statement for the Year Ended 31st August 2018

#### Audit & Risk:

- assurance and recommendations to the Trust on the effectiveness of its governance internal control and risk management framework, including ensuring that risk management does not inhibit innovation
- identify any matters where it considers that action or improvement is needed
- make recommendations as to the steps to be taken and report its work

#### Pay, Personnel and Performance:

- assurance and recommendations to the Trust related to remuneration
- monitoring of personnel issues
- internal review and challenge of student outcome data

#### Strategic Steering Group/Forum:

- engagement with stakeholders from across the Trust
- review and management of communication with key stakeholders

Moving forward, Trustees have reviewed and re-considered how they will re-organise their committee structure to meet the changing needs of the organisation going forward. The Board has identified the need to return to a six full board meeting structure with the establishment of a Finance Scrutiny committee, a Remuneration committee and a Trustee 'Raising Achievement and Planning' (RAP) committee which focuses on student achievement and school improvement activities. These will be established at the start of the next financial year. All associated academies within the Trust have a Local Governing committee in place which is in effect a further sub-committee of the Board with delegated responsibilities which support the aims and objectives of the Trust (see Delegated Authority Framework).

The key changes to the composition of the Board of Trustees during this period are as follows:

- Mr K Thomas resigned 9.11.17
- Mrs K Price resigned 12.03.18
- Mrs C Shanahan resigned 15.05.18
- Mr F Hughes retired 05.08.18

Adjustments to the Board of Trustees in 2018/19 academic year are as follows:

- Mr M Brundrett (appointed 14.11.18)
- Mrs W Dean (appointed 15.10.18)
- Mr M Lloyd (resigned 10.11.18)

An external review of governance was undertaken in January 2018 and concluded that the governance of the Trust was sound for the age of the Trust. Recommendations were made to help the Trust move into full maturity and all have been acted on with a comprehensive action plan established and reviewed at Board level in the interim. Further recruitment for key areas has also been acted upon with additional Trustees joining the Board from September 2018.

#### Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

## City Learning Trust

### Governance Statement for the Year Ended 31st August 2018

#### Review of Value for Money

- Reducing expenditure where necessary across individual academy staffing structures
- Reducing the expenditure and reviewing the deployment of central staff roles
- Centralised key roles and responsibilities to ensure no repetition of tasks and boosted capacity across the Trust
- Utilising the skills of "in house" experts to facilitate high quality CPD across the Trust
- Identified goods, supplies and services suitable collective purchasing across the Trust to maximise savings through building economies of scale.
- Initiated integrated curriculum financial planning

#### 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the City Learning Trust for the year ended 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, managing and mitigating the CLT's significant risks. This has been in place for the period 1st September 2017 to 31st August 2018 and runs up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and is led on by one of the CLT Senior Leadership Team. The management of risks is undertaken to mitigate against the likelihood of those risks being realised and the subsequent impact should they be realised.

#### The Risk and Control Framework

The 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:

- Budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and approved by the Trustees.
- Regular reviews by the Trustees of reports which demonstrate financial performance, capital expenditure plans and programmes of expenditure.
- Setting targets to measure financial and other performance.
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Trustees have considered the areas identified in the management letter from the annual accounts 2016/17 and have appointed our external auditors, Hardings, to undertake monitoring audit procedures throughout the year to manage the process and ensure a smooth accounting process during the change management of the financial function of the Trust. This role includes giving advice on financial matters and performing a range of checks on the CLT's financial systems. In particular, the checks carried out in the current period included:

- Review the postings to PSF financials system
- Review balance sheet control, income and expenditure, payroll codes
- Inter-trust postings

## **City Learning Trust**

### **Governance Statement for the Year Ended 31st August 2018**

#### **The Risk and Control Framework**

On a monthly basis, the finance lead meets with two Trustees as part of the ongoing monthly monitoring and scrutiny of financial practice.

#### **Review of Effectiveness**

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

- the work of the ongoing audit process
- the work of the external auditors
- the scrutiny committee assessing finance
- governance self-assessment and review
- the work of the Key Management Personnel within the 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 relevant personnel and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 17th December 2018 and signed on its behalf by:

Mr D Johnson - Chair of Trustees

Mr C S Ward - Accounting Officer

## **City Learning Trust**

### **Statement on Regularity, Propriety and Compliance for the Year Ended 31st August 2018**

As accounting officer of City Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 all 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.

Mr C S Ward - Accounting Officer

17th December 2018

## City Learning Trust

### Statement of Trustees Responsibilities for the Year Ended 31st August 2018

The trustees (who act as governors of City Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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 the 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 board of trustees on 17th December 2018 and signed on it's behalf by:

Mr D Johnson - Chair of Trustees

## **Report of the Independent Auditors to the Members of City Learning Trust**

### **Opinion**

We have audited the financial statements of City Learning Trust (the 'academy trust') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The 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 Report of the Independent Auditors 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

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

## **Report of the Independent Auditors to the Members of City Learning Trust**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

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

Timothy McNeal FCA (Senior Statutory Auditor)  
for and on behalf of Hardings  
Chartered Accountants & Statutory Auditor  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

17th December 2018

## **Independent Reporting Accountant's Assurance Report on Regularity to City Learning Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by City Learning Trust during the period 1st September 2017 to 31st 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 City Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to City Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than City Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of City Learning Trust's accounting officer and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2017 to 31st 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 academy trust's income and expenditure.

### **Conclusion**

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

Hardings  
Chartered Accountants  
6 Marsh Parade  
Newcastle-under-Lyme  
Staffordshire  
ST5 1DU

17th December 2018

**City Learning Trust**

**Statement of Financial Activities  
for the Year Ended 31st August 2018**

				31/8/18	31/8/17
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
<b>Income and endowments from</b>					
Donations and capital grants	2	976	384,476	33,049	418,501
Transfer from Local Authority on conversion		-	-	-	22,313,559
<b>Charitable activities</b>					
Funding for the academy's educational operations	3	-	-	14,881,842	14,881,842
Other trading activities	4	208,863	-	309,156	518,019
Investment income	5	86	-	-	86
<b>Total</b>		<u>209,925</u>	<u>384,476</u>	<u>15,224,047</u>	<u>15,818,448</u>
<b>Expenditure on</b>					
<b>Charitable activities</b>					
Academy's educational operations		-	845,399	15,779,481	16,624,880
<b>Net income/(expenditure)</b>		<u>209,925</u>	<u>(460,923)</u>	<u>(555,434)</u>	<u>(806,432)</u>
<b>Transfers between funds</b>	18	<u>(209,925)</u>	<u>68,485</u>	<u>141,440</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>					
Actuarial gains/losses on defined benefit schemes		-	-	1,185,000	1,185,000
<b>Net movement in funds</b>		-	<u>(392,438)</u>	<u>771,006</u>	<u>378,568</u>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		-	37,795,668	(5,495,987)	32,299,681
<b>Total funds carried forward</b>		<u>-</u>	<u>37,403,230</u>	<u>(4,724,981)</u>	<u>32,678,249</u>

The notes form part of these financial statements

**City Learning Trust (Registered number: 07746561)**

**Balance Sheet  
At 31st August 2018**

				31/8/18	31/8/17
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
<b>Fixed assets</b>					
Tangible assets	13	-	37,137,082	-	37,137,082
<b>Current assets</b>					
Debtors	14	-	-	659,724	659,724
Cash at bank and in hand		-	266,148	215,506	481,654
		-	266,148	875,230	1,141,378
<b>Creditors</b>					
Amounts falling due within one year	15	-	-	(949,211)	(949,211)
<b>Net current assets/(liabilities)</b>		-	266,148	(73,981)	192,167
<b>Total assets less current liabilities</b>		-	37,403,230	(73,981)	37,329,249
<b>Pension liability</b>	19	-	-	(4,651,000)	(4,651,000)
<b>Net assets</b>		-	37,403,230	(4,724,981)	32,678,249
<b>Funds</b>	18				
Unrestricted funds				-	-
Restricted funds				32,678,249	32,299,681
<b>Total funds</b>				32,678,249	32,299,681

The financial statements were approved by the Board of Trustees on 17th December 2018 and were signed on its behalf by:

Mr D Johnson -Chair of Trustees

**City Learning Trust**

**Cash Flow Statement  
for the Year Ended 31st August 2018**

	Notes	31/8/18 £	31/8/17 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	23	<u>(140,914)</u>	<u>773,122</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(140,914)</u>	<u>773,122</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(186,813)	(725,973)
Capital grants from DfE/ESFA		384,476	39,190
Interest received		86	-
<b>Net cash provided by (used in) investing activities</b>		<u>197,749</u>	<u>(686,783)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>56,835</u>	<u>86,339</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>424,819</u>	<u>338,480</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>481,654</u></u>	<u><u>424,819</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31st August 2018**

**1. Accounting policies**

**Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

**Going concern**

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

**Income**

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

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

**Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

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

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**1. Accounting policies - continued**

**Donated goods, facilities and services**

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

**Donated fixed assets**

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

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

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

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**1. Accounting policies - continued**

**Tangible fixed assets**

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fund 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 the tangible fixed assets have been acquired with un restricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following basis:

Freehold buildings	- over 50 years straight line
L/term leasehold buildings	- over 50 years straight line
Freehold land	- no depreciation
Property improvements	- over 10 years straight line**
Assets under construction	- no depreciation
Fixtures and fittings	- over 4 years straight line
Computer equipment	- over 3 years straight line
Motor vehicles	- over 4 years straight line

\*\*Note that improvements to property have not been depreciated where the project has not been completed at the balance sheet date.

**Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Taxation**

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

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**1. Accounting policies - continued**

**Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

**Pension costs and other post-retirement benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 1. Accounting policies - continued

##### Hire purchase and leasing commitments

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

##### Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 22.

##### Service Concession Arrangements

The Academy Trust's buildings are subject to Service Concession Agreement (SCA) contract entered into by Stoke-on-Trent City Council and transferred to the Academy Trust on conversion.

In accordance with FRS102 the buildings to which the contract relates have been capitalised on the Academy Trust's balance sheet. As donated assets, the initial carrying amount was the fair value on the date of receipt in accordance with the Academies Accounts Direction. As a specialized property, depreciated replacement cost was used as the measure of fair value in accordance with applicable accounting standards.

On an ongoing basis, the payments made Stoke-on-Trent City Council are reported through the Statement of Financial Activities and accounted for in the period to which they relate.

#### 2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Donations	976	33,049	34,025	3,705
Grants	-	384,476	384,476	349,976
	<u>976</u>	<u>417,525</u>	<u>418,501</u>	<u>353,681</u>

#### 3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Other income from the academy trust's educational operations	-	708,762	708,762	521,401
Grants	-	14,173,080	14,173,080	9,641,985
	<u>-</u>	<u>14,881,842</u>	<u>14,881,842</u>	<u>10,163,386</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

3. Funding for the academy's educational operations - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	12,405,682	12,405,682	8,404,805
Other DfE/ESFA Grants	-	1,130,721	1,130,721	821,443
	<u>-</u>	<u>13,536,403</u>	<u>13,536,403</u>	<u>9,226,248</u>
<b>Other government grant</b>				
Local Government Grants	-	636,677	636,677	415,737
	<u>-</u>	<u>14,173,080</u>	<u>14,173,080</u>	<u>9,641,985</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Hire of facilities	208,863	-	208,863	25,665
Other activities for generating funds	-	309,156	309,156	149,534
	<u>208,863</u>	<u>309,156</u>	<u>518,019</u>	<u>175,199</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Deposit account interest	86	-	86	-
	<u>86</u>	<u>-</u>	<u>86</u>	<u>-</u>

6. Expenditure

	Staff costs £	Non-pay expenditure		31/8/18 Total £	31/8/17 Total £
		Premises £	Other costs £		
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	9,567,509	635,300	1,071,553	11,274,362	7,933,724
Allocated support costs	2,123,645	2,604,932	621,941	5,350,518	3,659,580
	<u>11,691,154</u>	<u>3,240,232</u>	<u>1,693,494</u>	<u>16,624,880</u>	<u>11,593,304</u>

**City Learning Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**6. Expenditure - continued**

Net resources are stated after charging:

	31/08/18	31/08/17
	£	£
Auditor's remuneration - audit	9,000	9,000
Auditor's remuneration - other services	8,000	8,000
Depreciation - owned assets	717,359	300,513
Depreciation - leasehold assets	128,040	74,700
	<u>1,862,408</u>	<u>682,213</u>

**7. Charitable activities - academy's educational operations**

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
<b>Direct costs</b>	-	11,274,362	11,274,362	7,933,724
<b>Support costs</b>	-	5,350,518	5,350,518	3,659,580
	<u>-</u>	<u>16,624,880</u>	<u>16,624,880</u>	<u>11,593,304</u>

	31/8/18 Total £	31/8/17 Total £
<b>Analysis of support costs</b>		
Support staff costs	2,123,645	1,351,489
Technology costs	99,031	103,255
Premises costs	1,417,338	919,911
Other support costs	522,910	436,160
Governance costs	1,187,594	848,765
<b>Total support costs</b>	<u>5,350,518</u>	<u>3,659,580</u>

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 8. Trustees' remuneration and benefits

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Mr C S Ward	Remuneration	195,000-200,000	195,000-200,000
	Pension contributions paid	10,000-15,000	15,000-20,000

As with previous years, the CEO's salary has received substantial funding for professional services to an external company. In 2017/2018, £120,000 was received in to the Trust. In addition, by mutual agreement, the CEO's pension contributions have been capped. This equates to a saving of £19,423.

#### Trustees' expenses

During the year, the following expenses were reimbursed to the above Trustee £Nil (2017 : £3,488)

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 9. Staff costs

	31/8/18	31/8/17
	£	£
Wages and salaries	9,207,885	6,383,300
Social security costs	829,625	584,353
Operating costs of defined benefit pension schemes	1,522,634	1,025,552
	<u>11,560,144</u>	<u>7,993,205</u>
Supply teacher costs	131,010	175,624
	<u>11,691,154</u>	<u>8,168,829</u>

Included in the above staff costs are staff restructuring costs of £34,760.

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31/8/18	31/8/17
Teachers	130	133
Administration and support	222	229
Management	23	24
	<u>375</u>	<u>386</u>

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

	31/8/18	31/8/17
£60,001 - £70,000	4	3
£70,001 - £80,000	2	2
£80,001 - £90,000	2	-
£190,0001 - £200,000	1	1
	<u>9</u>	<u>6</u>

All nine (2017 : six ) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2018 employers pension contributions for these staff amounted to £100,560 (2017 : £68,885).

The key management personnel of the the academy trust comprises of the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefit (including employer pension contributions) received by the key management personnel for their services to the academy trust was £800,595 (2017 : £714,697)

#### 10. Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy Trust business. The insurance cover provides up to £2,000,000 on any one claim.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

11. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
<b>Income and endowments from</b>				
Donations and capital grants	3,705	349,976	-	353,681
Transfer from Local Authority on conversion	186,478	24,177,081	(2,050,000)	22,313,559
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	10,163,386	10,163,386
Other trading activities	25,665	-	149,534	175,199
<b>Total</b>	<u>215,848</u>	<u>24,527,057</u>	<u>8,262,920</u>	<u>33,005,825</u>
<b>Expenditure on</b>				
<b>Charitable activities</b>				
Academy's educational operations	-	375,213	11,218,091	11,593,304
<b>Net income/(expenditure)</b>	<u>215,848</u>	<u>24,151,844</u>	<u>(2,955,171)</u>	<u>21,412,521</u>
<b>Transfers between funds</b>	<u>(652,181)</u>	<u>375,997</u>	<u>276,184</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	-	205,000	205,000
<b>Net movement in funds</b>	<u>(436,333)</u>	<u>24,527,841</u>	<u>(2,473,987)</u>	<u>21,617,521</u>
<b>Reconciliation of funds</b>				
<b>Total funds brought forward</b>	<u>436,333</u>	<u>13,267,827</u>	<u>(3,022,000)</u>	<u>10,682,160</u>
<b>Total funds carried forward</b>	<u><u>-</u></u>	<u><u>37,795,668</u></u>	<u><u>(5,495,987)</u></u>	<u><u>32,299,681</u></u>

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 12. Central services

The Academy Trust provided the following central services during the year:

- financial services
- legal services
- educational support
- IT
- professional development
- governance cost of the trust

The Trust charges for these services based on a 5% top slice arrangement or full recharge where costs relate to a specific Academy.

The actual amounts charged for topslice during the year were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Haywood Academy	272,614	28,160
Smallthorne Primary Academy	43,910	8,838
Mill Hill Primary Academy	97,330	49,302
Trentham Academy	167,292	33,527
	<hr/>	<hr/>
Total	581,146	119,827
	<hr/> <hr/>	<hr/> <hr/>

City Learning Trust

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

13. Tangible fixed assets

	Freehold land & buildings £	Long leasehold land & buildings £	Improvements to property £	Assets under construction £
<b>Cost</b>				
At 1st September 2017	30,245,000	7,277,000	34,821	831,264
Additions	-	-	53,088	24,287
Reclassification	-	-	855,551	(855,551)
At 31st August 2018	<u>30,245,000</u>	<u>7,277,000</u>	<u>943,460</u>	<u>-</u>
<b>Depreciation</b>				
At 1st September 2017	990,030	150,600	3,257	-
Charge for year	507,260	128,040	3,484	-
At 31st August 2018	<u>1,497,290</u>	<u>278,640</u>	<u>6,741</u>	<u>-</u>
<b>Net book value</b>				
At 31st August 2018	<u>28,747,710</u>	<u>6,998,360</u>	<u>936,719</u>	<u>-</u>
At 31st August 2017	<u>29,254,970</u>	<u>7,126,400</u>	<u>31,564</u>	<u>831,264</u>
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1st September 2017	444,569	12,100	708,075	39,552,829
Additions	33,689	-	75,749	186,813
Reclassification	-	-	-	-
At 31st August 2018	<u>478,258</u>	<u>12,100</u>	<u>783,824</u>	<u>39,739,642</u>
<b>Depreciation</b>				
At 1st September 2017	79,377	1,260	532,637	1,757,161
Charge for year	109,759	3,025	93,831	845,399
At 31st August 2018	<u>189,136</u>	<u>4,285</u>	<u>626,468</u>	<u>2,602,560</u>
<b>Net book value</b>				
At 31st August 2018	<u>289,122</u>	<u>7,815</u>	<u>157,356</u>	<u>37,137,082</u>
At 31st August 2017	<u>365,192</u>	<u>10,840</u>	<u>175,438</u>	<u>37,795,668</u>

**City Learning Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**14. Debtors: amounts falling due within one year**

	31/8/18	31/8/17
	£	£
Trade debtors	160,069	325,291
VAT	106,991	146,010
Prepayments and accrued income	392,664	368,205
	<u>659,724</u>	<u>839,506</u>

**15. Creditors: amounts falling due within one year**

	31/8/18	31/8/17
	£	£
Trade creditors	491,182	1,233,707
Social security and other taxes	211,670	99,947
Other creditors	-	5,396
Accruals and deferred income	246,359	191,262
	<u>949,211</u>	<u>1,530,312</u>

**Deferred Income**

	<b>£</b>
Deferred income as at 1st September 2017	54,498
Resources deferred in the year	144,343
Amounts released from previous years	(54,498)
	<u>144,343</u>
Deferred income as at 31st August 2018	<u>144,343</u>

Creditors includes £144,343 (2017 : £54,498) of income which has been deferred into the following year due to the timing of the academy's entitlement to the income and predominantly relates to Universal Infant Free School Meals along with Rates Relief or 2018/19. There are no unfulfilled conditions attached to this income at the balance sheet date.

**16. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/8/18	31/8/17
	£	£
Within one year	52,122	26,254
Between one and five years	37,651	8,958
	<u>89,773</u>	<u>35,212</u>

**17. Members' liability**

Each member of the academy trust 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.

City Learning Trust

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

18. Movement in funds

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
<b>Unrestricted funds</b>				
General fund	-	209,925	(209,925)	-
<b>Restricted funds</b>				
General Annual Grant	(265,987)	50,566	141,440	(73,981)
LGPS Pension	(5,230,000)	579,000	-	(4,651,000)
Restricted fixed asset fund	37,795,668	(460,923)	68,485	37,403,230
	<u>32,299,681</u>	<u>168,643</u>	<u>209,925</u>	<u>32,678,249</u>
<b>TOTAL FUNDS</b>	<u><u>32,299,681</u></u>	<u><u>378,568</u></u>	<u><u>-</u></u>	<u><u>32,678,249</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	209,925	-	-	209,925
<b>Restricted funds</b>				
General Annual Grant	12,405,683	(12,355,117)	-	50,566
Other DfE/ESFA	1,130,721	(1,130,721)	-	-
Local Authority Grants	636,677	(636,677)	-	-
Other	1,050,966	(1,050,966)	-	-
LGPS Pension	-	(606,000)	1,185,000	579,000
Restricted fixed asset fund	384,476	(845,399)	-	(460,923)
	<u>15,608,523</u>	<u>(16,624,880)</u>	<u>1,185,000</u>	<u>168,643</u>
<b>TOTAL FUNDS</b>	<u><u>15,818,448</u></u>	<u><u>(16,624,880)</u></u>	<u><u>1,185,000</u></u>	<u><u>378,568</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

18. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
<b>Unrestricted Funds</b>				
General fund	436,333	215,848	(652,181)	-
<b>Restricted Funds</b>				
General Annual Grant	-	(542,171)	276,184	(265,987)
LGPS Pension	(3,022,000)	(2,208,000)	-	(5,230,000)
Restricted fixed asset fund	13,267,827	24,151,844	375,997	37,795,668
	<u>10,245,827</u>	<u>21,401,673</u>	<u>652,181</u>	<u>32,299,681</u>
<b>TOTAL FUNDS</b>	<u>10,682,160</u>	<u>21,617,521</u>	<u>-</u>	<u>32,299,681</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	215,848	-	-	215,848
<b>Restricted funds</b>				
General Annual Grant	8,404,805	(8,946,976)	-	(542,171)
Other DfE/ESFA	821,443	(821,443)	-	-
Local Authority Grants	415,737	(415,737)	-	-
Other	670,935	(670,935)	-	-
LGPS Pension	(2,050,000)	(363,000)	205,000	(2,208,000)
Restricted fixed asset fund	24,527,057	(375,213)	-	24,151,844
	<u>32,789,977</u>	<u>(11,593,304)</u>	<u>205,000</u>	<u>21,401,673</u>
<b>TOTAL FUNDS</b>	<u>33,005,825</u>	<u>(11,593,304)</u>	<u>205,000</u>	<u>21,617,521</u>

**City Learning Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**18. Movement in funds - continued**

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

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
<b>Unrestricted funds</b>				
General fund	436,333	425,773	(862,106)	-
<b>Restricted funds</b>				
General Annual Grant	-	(491,605)	417,624	(73,981)
LGPS Pension	(3,022,000)	(1,629,000)	-	(4,651,000)
Restricted fixed asset fund	13,267,827	23,690,921	444,482	37,403,230
	<u>10,245,827</u>	<u>21,570,316</u>	<u>862,106</u>	<u>32,678,249</u>
<b>TOTAL FUNDS</b>	<u><u>10,682,160</u></u>	<u><u>21,996,089</u></u>	<u><u>-</u></u>	<u><u>32,678,249</u></u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	425,773	-	-	425,773
<b>Restricted funds</b>				
General Annual Grant	20,810,488	(21,302,093)	-	(491,605)
Other DfE/ESFA	1,952,164	(1,952,164)	-	-
Local Authority Grants	1,052,414	(1,052,414)	-	-
Other	1,721,901	(1,721,901)	-	-
LGPS Pension	(2,050,000)	(969,000)	1,390,000	(1,629,000)
Restricted fixed asset fund	24,911,533	(1,220,612)	-	23,690,921
	<u>48,398,500</u>	<u>(28,218,184)</u>	<u>1,390,000</u>	<u>21,570,316</u>
<b>TOTAL FUNDS</b>	<u><u>48,824,273</u></u>	<u><u>(28,218,184)</u></u>	<u><u>1,390,000</u></u>	<u><u>21,996,089</u></u>

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 18. Movement in funds - continued

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

The General Annual Grant (GAG) fund is for the charitable purposes of the trust and applied under the ESFA guidance.

Other DfE/ESFA grants are from the DfE and ESFA which are not the GAG but are used for the charitable purpose of the trust.

The SEN funding relates solely to the income and expenditure relating to pupils with special educational needs.

Other income relates to miscellaneous income received.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund relates to assets purchased or inherited less depreciation. The balance at the year end includes £266,148 in relation to CIF funds held in respect of the car park project to be completed in 2018/19.

Transfers between the unrestricted funds and restricted funds relates to charitable expenditure in excess of related income. Transfers between restricted fixed assets funds and restricted funds are due to the classification of expenditure on items funded by capital grants.

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

#### Analysis of academies by fund balance

Fund balances at 31st August 2018 were allocated as follows:

	31/08/18	31/08/17
	£	£
Haywood Academy	-	-
Smallthorne Primary Academy	-	-
Mill Hill Primary Academy	-	-
Trentham Academy	-	-
Central	(73,981)	(265,987)
	<hr/>	<hr/>
Total before fixed assets and pension reserve	(73,981)	(265,987)
	<hr/>	<hr/>
Restricted fixed assets funds	37,403,230	37,795,668
Pension reserve	(4,651,000)	(5,230,000)
	<hr/>	<hr/>
<b>Total</b>	<b>32,678,249</b>	<b>32,299,681</b>
	<hr/> <hr/>	<hr/> <hr/>

As noted in the report of the Trustees, the Trust received short-term financial support from the ESFA in November 2017 by way of a loan to the value of £507,000. This loan was repaid in full in August 2018. The overall deficit (before fixed assets and pension reserve) as noted above, has been reduced significantly during the year. In line with the outcomes anticipated in the Trust's recovery plan, the Trust is expecting a surplus position by the end of the 2018/19 academic year.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

18. Movement in funds - continued

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Haywood Academy	4,485,115	718,149	437,964	803,352	6,444,580
Smallthorne Primary Academy	762,116	132,032	64,211	191,224	1,149,583
Mill Hill Primary Academy	1,490,348	181,590	77,241	509,198	2,258,377
Trentham Academy	2,463,161	639,061	249,024	636,807	3,988,053
Central Services	582,486	237,094	-	513,308	1,332,888
	<u>9,783,226</u>	<u>1,907,926</u>	<u>828,440</u>	<u>2,653,889</u>	<u>15,173,481</u>

19. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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.

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**19. Pension and similar obligations  
- continued**

*Valuation of the Teachers' Pension Scheme*

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48%, 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 1st April 2019.

The pension costs paid to TPS in the period amounted to £945,000 (2017: 662,000).

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

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

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2018 was £731,000 (2017 : £465,000), of which employer's contributions totalled £578,000 (2017: £364,000) and employees' contributions totalled £153,000 (2017 : £101,000). The agreed contribution rates for future years are 22% for employers and the contribution for employees is dependant upon salary banding.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 18th July 2013.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

19. Pension and similar obligations  
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Present value of funded obligations	(9,978,000)	(9,572,000)
Fair value of plan assets	5,327,000	4,342,000
	<u>(4,651,000)</u>	<u>(5,230,000)</u>
Deficit	<u>(4,651,000)</u>	<u>(5,230,000)</u>
Liability	<u><u>(4,651,000)</u></u>	<u><u>(5,230,000)</u></u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Current service cost	1,027,000	642,000
Net interest from net defined benefit asset/liability	253,000	145,000
Past service cost	21,000	-
	<u>1,301,000</u>	<u>787,000</u>
Actual return on plan assets	<u><u>195,000</u></u>	<u><u>439,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Defined benefit obligation	9,572,000	5,157,000
Current service cost	1,027,000	642,000
Past service cost	21,000	-
Contributions by scheme participants	153,000	101,000
Interest cost	253,000	145,000
Benefits paid	(58,000)	(53,000)
Business combinations	-	3,346,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	35,000
Actuarial (gains)/losses from changes in financial assumptions	(990,000)	39,000
Oblig other remeasurement	-	160,000
	<u>9,978,000</u>	<u>9,572,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

19. Pension and similar obligations  
- continued

Changes in the fair value of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31/8/18</b>	<b>31/8/17</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	4,342,000	2,135,000
Contributions by employer	578,000	364,000
Contributions by scheme participants	153,000	101,000
Interest income on plan assets	117,000	60,000
Benefits paid	(58,000)	(53,000)
Business combinations	-	1,296,000
Return on plan assets (excluding interest income)	195,000	439,000
	<u>5,327,000</u>	<u>4,342,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31/8/18</b>	<b>31/8/17</b>
	<b>£</b>	<b>£</b>
Actuarial (gains)/losses from changes in demographic assumptions	-	(35,000)
Actuarial (gains)/losses from changes in financial assumptions	990,000	(39,000)
Oblig other remeasurement	-	(160,000)
Return on plan assets (excluding interest income)	195,000	439,000
	<u>1,185,000</u>	<u>205,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>31/8/18</b>	<b>31/8/17</b>
	<b>£</b>	<b>£</b>
Equities	3,729,000	3,299,920
Bonds	1,012,000	521,040
Property	426,000	347,360
Cash	160,000	173,680
	<u>5,327,000</u>	<u>4,342,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31/8/18	31/8/17
Discount rate	2.8%	2.4%
Future salary increases	2.7%	2.8%
Future pension increases	2.3%	2.4%

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 19. Pension and similar obligations - continued

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

	At 31/8/18	At 31/8/17
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

#### Sensitivity Analysis

	Approx monetary amount	
Change in assumption as at :	31/08/2018	31/08/17
0.5% decrease in Real Discount Rate	£1,453,000	£1,372,000
0.5% increase in Salary Increase Rate	£312,000	£334,000
0.5% increase in Pension Increase Rate	£1,118,000	£1,009,000

#### 20. Capital commitments

	31/8/18	31/8/17
	£	£
Contracted but not provided for in the financial statements	<u>351,610</u>	<u>-</u>

#### 21. Related party disclosures

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

During the year, transactions totalling £38,594 (2017 - £20,330) relating to the provision of admin services and recharges were charged from Glebe Academy with £28,498 being charged to Glebe Academy (2017 - £nil), a company in which the trustee Mrs K Price was a trustee/director (resigned from City Learning Trust 12/03/18).

During the year, a transaction for £2,496 with Summit Hospitality was completed. At the time of this transaction, Carol Shanahan was a Trustee of the Board and the Managing Director of the company. This transaction was declared in the Board minutes as the service was provided at cost and for no profit.

In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2017.

## City Learning Trust

### Notes to the Financial Statements - continued for the Year Ended 31st August 2018

#### 22. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year end 31st August 2018 the trust received £19,609 (2017 :£27,815) and disbursed £19,609 (2017 : £27,815) from the fund. At the year end there were no amounts of undistributed funds repayable to the ESFA.

#### 23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31/8/18	31/8/17
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(806,432)	21,412,521
<b>Adjustments for:</b>		
Depreciation	845,399	375,213
Capital grants from DfE/ESFA	(384,476)	(39,190)
Transfer from Local Authority on conversion	-	(22,313,559)
Interest received	(86)	-
Cash transferred on conversion	-	186,478
Decrease in debtors	179,782	147,664
(Decrease)/increase in creditors	(581,101)	640,995
Difference between pension charge and cash contributions	606,000	363,000
<b>Net cash provided by (used in) operating activities</b>	<u>(140,914)</u>	<u>773,122</u>