

MOORLANDS LEARNING TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
Independent auditors' report on the financial statements	15 - 17
Independent reporting accountant's report on regularity	18 - 20
Statement of financial activities incorporating income and expenditure account	21
Balance sheet	22 - 23
Statement of cash flows	24
Notes to the financial statements	25 - 50

MOORLANDS LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs L Wharmby
Mr M Brook
Mrs S Morrissey

Trustees

Mrs A Duggan, Chair
Mr A Bradley (appointed 5 June 2019)
Mrs I Clark
Mr J Rickard
Mrs L Wharmby
Ms H Williams, Chief Executive Officer

Company registered number

07663864

Company name

Moorlands Learning Trust

Principal and registered office

Cowpasture Road
Ilkley
LS29 8TR

Secretary

Mrs A Kaye (Chief Finance Officer)

Executive Group

Ms H Williams (Chief Executive Officer)
Mrs A Kaye (Chief Finance Officer)

Local Governing Body Ilkley Grammar School

Mrs L Wharmby (Chair) *
Ms H Williams (Headteacher) *
Mrs I Clark *
Mr G Droogmans *
Dr N Garrido
Mrs V Hepworth
Mr S Herrington
Mr T Hurst
Ms M Kirkbride *
Mrs S Lazenby *
Mr S Spoerry
* Member of LGB Resources Committee

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

HSBC
1 Wells Road
Ilkley
LS29 9IB

Solicitors

Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

Senior Leadership Team (Ilkley Grammar School)

Helen Williams, Headteacher
Carly Purnell Deputy Headteacher
Sally Bishop Deputy Headteacher
Alison Kaye Business & Finance Director

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trustees of Moorlands Learning Trust present their annual report together with the financial statements and auditor's report of the Academy Trust for the year ended 31 August 2019. During the year the Academy Trust operated one secondary academy, Ilkley Grammar School, with approximately 1,750 students on roll including 400 in P16.

Structure, governance and management

Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Moorlands Learning Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Moorlands Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Academy Trust business.

Method of recruitment and appointment or election of Trustees

The Academy Trust, on identifying a need to recruit an additional or replacement Trustee, will refer to the Trustee skills audit. They will then seek to recruit an individual with appropriate skills to help the Board of Trustees ensure effective governance. The Academy Trust may advertise the role or look at offers of service received both within the Academy Trust's schools and the wider community. Appointment will be subject to interview with the Chair of Trustees and Chief Executive Officer and a vote by the Board of Trustees.

The members appoint a minimum of 3 Trustees including the Chair of Trustees. The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Policies adopted for the Induction and training of Trustees

A full induction pack is provided to all Trustees and new Trustees will meet the Chair, the CEO and the CFO to help with their assimilation in to the role of School Trustee. All Trustees subscribe to the importance of communicating the Academy Trust's performance to stakeholders and are, therefore, taken step by step through school evaluation systems by a member of Ilkley Grammar School's Senior Management Team. All Trustees are also constantly updated on all matters through the committee and Board meetings. Training requirements are assessed by the Chair of Trustees to ensure that there is an appropriate balance of skills and experience on the Board at all times.

Organisational structure

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

The Local Governing Body are focussed on the interests of the individual academy and includes parent and staff representatives. The Executive Group are the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer is the Academy Trust's Accounting Officer. The Executive Group control the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group they are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Extended Leadership Team, with limits above which a member of the Executive Group must countersign.

The Extended Leadership Team includes the Deputy and Assistant Headteachers, the Curriculum Leaders and the Pastoral Leaders. These managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

Key Management Personnel

Headteacher (CEO Moorlands Learning Trust)	Helen Williams
Deputy Headteacher	Carly Purnell
Deputy Headteacher	Sally Bishop
Business & Finance Director (CFO Moorlands Learning Trust)	Alison Kaye

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Chief Executive Officer and Chief Financial Officer is proposed by the Chair of Trustees.

The pay and remuneration of key management personnel is proposed by the Headteacher (or in the case of the Headteacher by the Chair of Trustees) and is authorised by the Pay Committee in line with the appraisal and pay policies.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
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Total cost of facility time	-
Total pay bill	7,727
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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Related parties and other connected charities and organisations

Moorlands Learning Trust was a member of the Red Kite Alliance during 2018/19. This organisation relates to school improvement and a fee is payable.

Objectives and activities

Objects and aims

The sole object and aim of the Academy Trust is the operation of the Moorlands Learning Trust to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19. The main ambitions of the Academy Trust are summarised below.

- Develop successful learners, happy and confident individuals and responsible citizens;
- Develop a rich curriculum, responsive to need and providing the skills for life and work in the 21st century;
- Create a culture of inspirational learning and teaching;
- Achieve outstanding outcomes;
- Develop high quality leadership;
- Ensure high expectations and professionalism in all aspects of school life;
- Promote an inclusive and engaged community;
- Secure a sustainable organisation;
- Provide a pleasant, inspirational and safe environment; and
- Promote our reputation locally, nationally and internationally.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Objectives, strategies and activities

The Academy Trust's vision is as follows:

Our vision at Ilkley Grammar School is to provide an exceptional, inclusive learning experience at the heart of our community. Our students will achieve their academic Personal Best and will be equipped with the confidence and skills to make a positive difference to their own lives and the lives of others. We will achieve this through modelling our core values and attributes in the way we work together.

Public benefit

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

Strategic report

Achievements and performance

Key performance indicators

Student achievements

Results at both A Level and GCSE continue to be strong in 2019 with achievement well above national comparators:

A-Level:

- 29% of all A-level entries were A*/A (national 25.2%); 58% were at A*-B (national 51.1%);
- The pass rate was 98.9% (national 97.5%);
- The average grade per entry was a grade B- (36.25) compared to a national average of C+ and a local authority average of C- (latest national data based on 2018);
- The ALPS overall 3 year T score for 2017-19 is a grade 3 with achievement in line with the top 20% of providers.

GCSE:

- At GCSE students also continue to make much stronger progress than similar students nationally with an overall Progress 8 score of +.58 (unvalidated). This continues a 4 year upward trend and is expected to fall in the well above average category. Progress for all prior attainment groups is above average with scores of +.18, +.72 and +.53 for low, middle and high prior attainment groups respectively;
- Attainment is also very high compared to the national average with an estimated Attainment 8 score of 59.8;
- Over 40% of all GCSE grade were at 7-9 or A/A* with 24.3% at the very highest grades 8-9 or A*+, more than double the national figure;
- 65% achieved the Basic measure (5+ in English and Maths), with 84% securing a grade 4 and above in both subjects;
- 77% of students who were entered for the English Baccalaureate achieved this measure with at least a strong pass (grade 5) across all contributing subjects.

Other Achievements:

- Partner of the Red Kite Teaching School Alliance.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019, total expenditure of £11,638,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £357,000.

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

At 31 August 2019 net book value of fixed assets was £13,525,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £2,875,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2019 of £10,532,000 comprising £111,000 of restricted general funds, £13,296,000 of restricted fixed asset funds, a pension deficit of £2,875,000.

MOORLANDS LEARNING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

Reserves policy

The policy of the Academy Trust is to allocate a prudent level of funds to meet long-term recurring needs of renewal and any other unforeseen expenditure, subject to the constraint that the level of resource does not exceed the level permitted by the ESFA.

The Academy Trust has three categories of reserves: Restricted Funds, which is ESFA funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted reserves which is used under the direction of the Trustees.

Unrestricted reserves are freely available for general purposes and, where available, these will be allocated in line with the strategic objectives of the Academy Trust.

The level of reserves is reviewed by the Trustees regularly throughout the year. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and nature of reserves. The Trustees therefore consider it prudent to hold reserves in the general fund in the form of free reserves of 1 months income or £250,000.

The current reserves (excluding restricted fixed asset fund and pension fund) are £134,000 (including Devolved Formula Capital of £23,000). The expected surplus in 2019/20 will mean that the Academy Trust will meet its reserves policy.

The restricted funds of £10,532,000 include the restricted fixed asset fund of £13,296,000. The restricted pension fund is currently in deficit to the value of £2,875,000 as at 31 August 2019 (£1,124,000 deficit as at 31 August 2018).

Investment policy

The Academy Trust monitors cash flow to ensure immediate and forthcoming commitments can be met. Surplus funds are invested in risk free, short, fixed term deposit accounts with British banks.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA, over which the Academy Trust has no control. The Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant potential deficit on the Academy Trust balance sheet if the Academy Trust was called upon to meet it. 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 Trustees have assessed the major risks to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy Trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The Academy Trust plans to build further on the excellent results of 2018/19 and to continue with the plans approved by Trustees in the Academy Development Plan. The Academy Trust will continue to support and invest in staff and facilities to ensure the best outcomes for our students.

At Moorlands Learning Trust, partnerships matter and we value our work with an increasingly wide range of stakeholders. This includes the Red Kite Teaching School Alliance, where we work with several similar schools across the Leeds, Harrogate and the North Yorkshire region, for the training and development of teachers. We are also committed to working with our fellow Bradford schools to support the delivery of the best outcomes for children, young people and our communities across the Bradford District. We converted our 'single' academy to multi academy trust (MAT) status in July 2017 when we formed Moorlands Learning Trust, in order to be able to better contribute to wider system leadership and school to school support through enhanced partnership working.

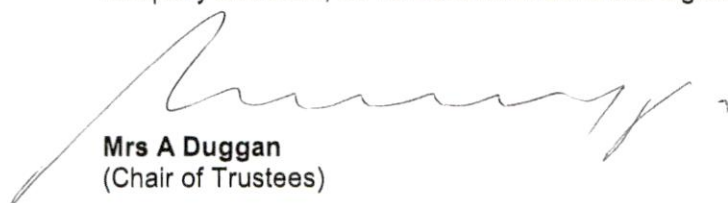
The Trustees welcomed The Skipton Academy to the Academy Trust on 1 December 2019.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 18 December 2019 and signed on its behalf by:



Mrs A Duggan
(Chair of Trustees)

MOORLANDS LEARNING TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Moorlands 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 Officer, 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 Moorlands Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs A Duggan, Chair	8	8
Mr A Bradley (appointed 5 June 2019)	2	2
Mrs I Clark	8	8
Mr J Rickard	4	8
Mrs L Wharmby	8	8
Ms H Williams, Chief Executive Officer	8	8

During the year, A Bradley, who is a qualified solicitor, joined the Board of Trustees.

The Audit, Governance and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to

- Agree the internal audit programme and receive/review internal audit reports
- Monitor and review the risk register
- Review the statutory accounts and propose approval by the Board of Trustees.

The Local Governing Body of Ilkley Grammar School has formally met 6 times during the year.

Attendance during the year was as follows:

	Meetings attended	Out of a possible
Mrs L Wharmby (Chair)	6	6
Ms H Williams (Headteacher)	6	6
Mrs I Clark	6	6
Mr G Droogmans	4	6
Dr N Garrido	4	6
Mr S Herrington	5	6
Mrs V Hepworth	4	6
Mr T Hurst (appointed 5 March 2019)	2	3
Ms M Kirkbride	3	6
Mrs S Lazenby	4	6
Mr S Spoerry	5	6

MOORLANDS LEARNING TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Ensuring appropriate benchmarking is conducted including Integrated Curriculum and Financial Planning.
- Using Government frameworks and local joint procurements opportunities where possible, for example with the cleaning tender.
- Entering into a shared internal audit provision with local Trusts to maximise value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Moorlands Learning Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor.

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

- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of controls relating to HR and recruitment
- review of GDPR compliance

The internal auditor reports to the Board of Trustees, through the audit, risk and compliance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No material control issues have been identified as a result of the internal auditor's work.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the school resource management self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit, risk and compliance committee 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 18 December 2019 and signed on their behalf by:


Mrs A Duggan
Chair of Trustees


Ms H Williams
Accounting Officer

MOORLANDS LEARNING TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Moorlands Learning Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

I confirm that the following 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:

- Non-financial issues

The school purchased refreshments for one event during the year; the total value of the refreshment purchase was £293 which was made up of soft drinks and alcohol. The total amount was reimbursed through donations however the Trust recognises that the purchase was contrary to the Academies Financial Handbook as it should have been made directly from the donations; the Trust will ensure that no further purchases of alcohol are made.



Ms H Williams
Accounting Officer
Date: 18 December 2019

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

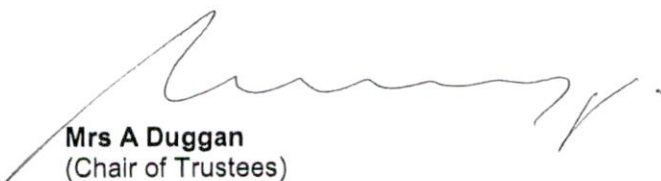
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on its behalf by:



Mrs A Duggan
(Chair of Trustees)

MOORLANDS LEARNING TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOORLANDS LEARNING TRUST**

Opinion

We have audited the financial statements of Moorlands Learning Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOORLANDS LEARNING TRUST (CONTINUED)**

Other Information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOORLANDS LEARNING TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Beaumont BA(Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

Reporting Accountant

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

18 December 2019

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Moorlands Learning Trust during the year 1 September 2018 to 31 August 2019 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 Moorlands 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 Moorlands Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Moorlands Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Moorlands Learning Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Trustees, governing body and committee minutes;
- Review of termly Internal Audit reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- Non-financial issues

The school purchased refreshments for one event during the year; the total value of the refreshment purchase was £293 which was made up of soft drinks and alcohol. The total amount was reimbursed through donations however the Trust recognises that the purchase was contrary to the Academies Financial Handbook as it should have been made directly from the donations; the Trust will ensure that no further purchases of alcohol are made.



Clive Owen LLP

Reporting Accountant
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 18 December 2019

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
Income from:						
Donations and capital grants	3	181	-	2,921	3,102	1,624
Charitable activities		1,058	8,545	-	9,603	8,388
Other trading activities		311	-	-	311	270
Total income		1,550	8,545	2,921	13,016	10,282
Expenditure on:						
Charitable activities		1,550	8,902	1,186	11,638	10,188
Total expenditure		1,550	8,902	1,186	11,638	10,188
Net (expenditure)/ Income		-	(357)	1,735	1,378	94
Transfers between funds	17	-	(3)	3	-	-
Net movement in funds before other recognised gains/(losses)		-	(360)	1,738	1,378	94
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	20	-	(1,381)	-	(1,381)	410
Net movement in funds		-	(1,741)	1,738	(3)	504
Reconciliation of funds:						
Total funds brought forward		-	(1,023)	11,558	10,535	10,031
Net movement in funds		-	(1,741)	1,738	(3)	504
Total funds carried forward		-	(2,764)	13,296	10,532	10,535

The Statement of financial activities includes all gains and losses recognised in the year.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07663864

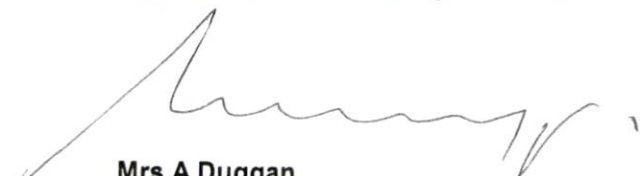
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	12	13,525	10,987
		<u>13,525</u>	<u>10,987</u>
Current assets			
Stocks	13	4	3
Debtors	14	732	681
Cash at bank and in hand		362	645
		<u>1,098</u>	<u>1,329</u>
Creditors: amounts falling due within one year	15	(996)	(657)
		<u>102</u>	<u>672</u>
Net current assets		<u>102</u>	<u>672</u>
Total assets less current liabilities		<u>13,627</u>	<u>11,659</u>
Creditors: amounts falling due after more than one year	16	(220)	-
		<u>13,407</u>	<u>11,659</u>
Net assets excluding pension liability		<u>13,407</u>	<u>11,659</u>
Defined benefit pension scheme liability	20	(2,875)	(1,124)
		<u>10,532</u>	<u>10,535</u>
Total net assets		<u><u>10,532</u></u>	<u><u>10,535</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	13,296	11,558
Restricted income funds	17	111	101
		<u>13,407</u>	<u>11,659</u>
Restricted funds excluding pension asset	17	13,407	11,659
Pension reserve	17	(2,875)	(1,124)
		<u>10,532</u>	<u>10,535</u>
Total restricted funds	17	<u>10,532</u>	<u>10,535</u>
Unrestricted income funds	17	-	-
		<u>10,532</u>	<u>10,535</u>
Total funds		<u><u>10,532</u></u>	<u><u>10,535</u></u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'Mrs A Duggan', with a long, sweeping horizontal stroke across the middle.

Mrs A Duggan
(Chair of Trustees)

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	22	(929)	(944)
Cash flows from investing activities	24	394	1,075
Cash flows from financing activities	23	252	-
Change in cash and cash equivalents in the year		(283)	131
Cash and cash equivalents at the beginning of the year		645	514
Cash and cash equivalents at the end of the year	25	<u>362</u>	<u>645</u>

The notes on pages 25 to 50 form part of these financial statements

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has put sufficient measures in place and has adequate resources to continue in operational existence for the foreseeable future. The Academy Trust has reserves of £134,000 (unrestricted £111,000, Devolved Formula Capital £23,000). A surplus is expected to be generated during 2019/20. Additional funding in future years is anticipated following amendments made during the General Election Campaigns. This would result in circa additional income of £380,000. Should the Academy Trust incur unexpected expenditure, or not receive all monies due to them as they fall due there is a risk that the Academy Trust will not be able to meet its liabilities as they fall due and therefore not be a going concern.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other Income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 the funders where the asset acquired or created is held for a specific purpose.

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

1.6 Tangible fixed assets

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

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

The premises are held on a 125-year lease from City of Bradford Metropolitan District Council. As the risks and rewards have transferred to the Academy Trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at existing use valuation by DTZ, on behalf of the Education and Skills Funding Agency. The Trustees consider that the cost of obtaining an additional valuation would outweigh the benefits.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	- 50 years
Long leasehold land	- 125 years
Building maintenance	- 10 years
Fixtures and fittings	- 5 to 25 years
Computer equipment	- 3 to 5 years
Motor vehicles	- 5 years

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

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

1.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

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

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 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 bases 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 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Cash at bank and in hand

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Pensions

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 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 does not apply an administration charge. The funds received and paid and any balances held are disclosed in note 24.

2. 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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgement (continued)

changes in these assumptions, which are disclosed in note 20, 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 2019. 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.

Depreciation — Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £291,000.

Critical areas of judgement:

LGPS Pension - There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the Government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £163,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £23,000 which has been assessed to be immaterial to the financial statements.

Land – Land is held under a 125 year lease from Bradford Metropolitan District Council. These assets are included on the balance sheet of the Academy Trust due to the significant risks and rewards of ownership belonging to the Academy Trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Academy Trust could use them without major modification.

3. Income from donations and capital grants

Unrestricted funds	Restricted fixed asset funds	Total funds	Total funds
2019	2019	2019	2018
£000	£000	£000	£000

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants (continued)

	Unrestricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	181	2,800	2,981	961
Capital grants	-	121	121	663
	<u>181</u>	<u>2,921</u>	<u>3,102</u>	<u>1,624</u>
Total 2018	<u>212</u>	<u>1,412</u>	<u>1,624</u>	

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy Trust's academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,801	7,801	7,110
Pupil Premium	-	140	140	143
Rates	-	27	27	26
Year 7 Catch Up	-	10	10	9
Other DfE Group grants	-	215	215	-
	-	8,193	8,193	7,288
Other government grants				
SEN	-	106	106	73
Local Authority grants	-	186	186	135
Other Government grants	-	60	60	-
	-	352	352	208
Other funding				
Student trips	550	-	550	416
Student catering	508	-	508	476
	1,058	-	1,058	892
	1,058	8,545	9,603	8,388
Total 2018	892	7,496	8,388	

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	69	69	102
Receipts from Insurance claims	10	10	-
Other income	179	179	129
Consultancy	53	53	39
	<u>311</u>	<u>311</u>	<u>270</u>

6. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	6,316	-	1,189	7,505	6,732
Allocated support costs	1,411	1,838	884	4,133	3,456
	<u>7,727</u>	<u>1,838</u>	<u>2,073</u>	<u>11,638</u>	<u>10,188</u>
Total 2018	<u>6,883</u>	<u>606</u>	<u>2,699</u>	<u>10,188</u>	

In 2019, of the total expenditure, £1,550,000 (2018 - £1,374,000) was to unrestricted funds and £10,088,000 (2018 - £8,814,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the Academy Trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments during the year.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	7,505	4,133	11,638	10,188
Total 2018	6,732	3,456	10,188	

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	6,316	5,752
Educational supplies	896	788
Examination fees	171	150
Staff development	21	32
Educational consultancy	55	-
Staff expenses	28	-
Other costs	18	10
	7,505	6,732

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Net interest cost on pension scheme	27	30
Staff costs	1,411	1,131
Depreciation	291	325
Staff development	5	-
Technology costs	401	228
Staff expenses	7	12
Maintenance of premises	1,132	1,045
Cleaning	131	156
Energy	170	129
Rent & rates	55	43
Catering	313	273
Other insurance premiums	62	50
Other costs	90	14
Governance costs	38	20
	<u>4,133</u>	<u>3,456</u>

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £000	2018 £000
Operating lease rentals	153	174
Depreciation of tangible fixed assets	291	337
Loss on disposal of fixed assets	1	2
Fees paid to auditors for:		
- audit	12	12
	<u>12</u>	<u>12</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	5,799	5,225
Social security costs	564	503
Pension costs	1,271	1,052
	<hr/> 7,634	<hr/> 6,780
Agency staff costs	90	93
Staff restructuring costs	3	10
	<hr/> 7,727	<hr/> 6,883

Included within pension costs is a charge of £343,000 (2018: £219,000) in respect of movements in the LGPS deficit.

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	3	10
	<hr/> 3	<hr/> 10

b. Non-statutory/non-contractual staff severance payments

There were no non statutory/non-contractual staff severance payments made during the year. (2018: none).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	115	108
Administration and support	108	106
Leadership team	4	4
	<hr/> 227	<hr/> 218

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on pages 1 and 3. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the Academy Trust was £431,000 (2018: £416,000)

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
H Williams (Chief Executive Officer)	Remuneration	100 - 105	100 - 105
	Pension contributions paid	15 - 20	15 - 20
L Lord (Staff Governor)	Remuneration		30 - 35
	Pension contributions paid		5 - 10

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

11. 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 or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000. It has not been possible to quantify the Trustees indemnity element from the overall cost of the insurance premium. The cost of this insurance is included in the total insurance cost

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Tangible fixed assets

	Long leasehold land and building £000	Assets under constructio n £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2018	12,412	-	396	126	14	12,948
Additions	-	2,800	27	3	-	2,830
Disposals	-	-	(24)	(85)	-	(109)
At 31 August 2019	12,412	2,800	399	44	14	15,669
Depreciation						
At 1 September 2018	1,668	-	163	119	11	1,961
Charge for the year	235	-	48	5	3	291
On disposals	-	-	(24)	(84)	-	(108)
At 31 August 2019	1,903	-	187	40	14	2,144
Net book value						
At 31 August 2019	10,509	2,800	212	4	-	13,525
At 31 August 2018	10,744	-	233	7	3	10,987

13. Stocks

	2019 £000	2018 £000
Stock	4	3

14. Debtors

	2019 £000	2018 £000
Trade debtors	57	37
VAT recoverable	240	-
Prepayments and accrued income	435	644
	732	681

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	407	81
Other taxation and social security	134	161
Other creditors	32	-
Accruals and deferred income	423	415
	<u>996</u>	<u>657</u>
	<u>2019 £000</u>	<u>2018 £000</u>
Deferred income at 1 September 2018	198	157
Resources deferred during the year	188	198
Amounts released from previous periods	(198)	(157)
	<u>188</u>	<u>198</u>

The deferred income includes amounts paid in advance for school trips taking place next year and grants received in advance of the next academic year.

16. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Other creditors	<u>220</u>	<u>-</u>

Included within other creditors is a loan of £252,000 (2018: £nil) from Salix Finance Ltd, which is provided on the following terms: interest free loan repayable through GAG in 6-monthly instalments of £16,000 from September 2019.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers In/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	-	1,550	(1,550)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	96	7,802	(7,858)	(3)	-	37
Pupil Premium	5	140	(145)	-	-	-
Other DfE/ESFA grants	-	251	(177)	-	-	74
Other Government grants	-	352	(352)	-	-	-
Pension reserve	(1,124)	-	(370)	-	(1,381)	(2,875)
	<u>(1,023)</u>	<u>8,545</u>	<u>(8,902)</u>	<u>(3)</u>	<u>(1,381)</u>	<u>(2,764)</u>
Restricted fixed asset funds						
Assets transferred on conversion	10,154	-	(219)	-	-	9,935
DFC	52	121	(79)	-	-	94
CIF	571	-	(571)	-	-	-
Capital expenditure from GAG	702	-	(315)	3	-	390
Capital expenditure from unrestricted funds	79	-	(2)	-	-	77
Donations	-	2,800	-	-	-	2,800
	<u>11,558</u>	<u>2,921</u>	<u>(1,186)</u>	<u>3</u>	<u>-</u>	<u>13,296</u>
Total Restricted funds	<u>10,535</u>	<u>11,466</u>	<u>(10,088)</u>	<u>-</u>	<u>(1,381)</u>	<u>10,532</u>
Total funds	<u>10,535</u>	<u>13,016</u>	<u>(11,638)</u>	<u>-</u>	<u>(1,381)</u>	<u>10,532</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance. The GAG carry forward limit of 12% does apply. This had not been exceeded.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

The Other DfE/ESFA grants related to a Strategic School Improvement Fund and a Basic Skills Maths grant. These were provided to improve school performance and pupil attainment at the Skipton Academy.

Other Government Grants related to SEN and expansion funding. SEN funding was provided to cover the costs of supporting students with additional learning requirements. Expansion funding was to assist in the expansion of the current site and the overall expansion of the Academy Trust.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 20.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets. Restricted fixed asset donations were also received with a value of £2,800,000 at 31 August 2019 for a new school block.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
Unrestricted funds	-	1,374	(1,374)	-	-
Restricted general funds					
General Annual Grant (GAG)	-	7,110	(7,014)	-	96
Pupil Premium	32	142	(169)	-	5
Other DfE/ESFA grants	-	36	(36)	-	-
Other Government grants	-	208	(208)	-	-
Pension reserve	(1,315)	-	(219)	410	(1,124)
	<u>(1,283)</u>	<u>7,496</u>	<u>(7,646)</u>	<u>410</u>	<u>(1,023)</u>
Restricted fixed asset funds					
Assets transferred on conversion	10,373	-	(219)	-	10,154
DFC	84	85	(117)	-	52
CIF	-	571	-	-	571
Capital expenditure from GAG	776	-	(74)	-	702
Capital expenditure from unrestricted funds	81	-	(2)	-	79
Other capital grants	-	7	(7)	-	-
Donations	-	749	(749)	-	-
	<u>11,314</u>	<u>1,412</u>	<u>(1,168)</u>	<u>-</u>	<u>11,558</u>
Total Restricted funds	<u>10,031</u>	<u>8,908</u>	<u>(8,814)</u>	<u>410</u>	<u>10,535</u>
Total funds	<u><u>10,031</u></u>	<u><u>10,282</u></u>	<u><u>(10,188)</u></u>	<u><u>410</u></u>	<u><u>10,535</u></u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	13,525	13,525
Current assets	433	642	23	1,098
Creditors due within one year	(433)	(531)	(32)	(996)
Creditors due in more than one year	-	-	(220)	(220)
Provisions for liabilities and charges	-	(2,875)	-	(2,875)
Total	-	(2,764)	13,296	10,532

Analysis of net assets between funds - prior year

	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	10,987	10,987
Current assets	409	571	1,329
Creditors due within one year	(308)	-	(657)
Provisions for liabilities and charges	(1,124)	-	(1,124)
Total	(1,023)	11,558	10,535

19. Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in these financial statements	29	852

20. Pension commitments

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Pension commitments (continued)

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £674,000 (2018 - £624,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Pension commitments (continued)

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 31 August 2019 was £348,000 (2018 - £294,000), of which employer's contributions totalled £254,000 (2018 - £209,000) and employees' contributions totalled £ 94,000 (2018 - £85,000). The agreed contribution rates for future years are 16.7 % per cent for employers and 5.5% to 12.5% per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.35	3.25
Rate of increase for pensions in payment/inflation	2.10	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.10	2.00
Commutation of pensions to lump sums	75	75

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	7,942	5,737
Discount rate -0.1%	8,291	5,989
Mortality assumption - 1 year increase	7,847	5,692
Mortality assumption - 1 year decrease	8,385	6,032
CPI rate +0.1%	8,243	5,896
CPI rate -0.1%	7,989	5,828

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,065	3,535
Government Bond	550	512
Corporate bonds	236	166
Property	231	199
Other	58	222
Cash/liquidity	100	104
Total market value of assets	5,240	4,738

The actual return on scheme assets was £233,000 (2018 - £171,000).

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

	2019 £000	2018 £000
Current service cost	434	415
Past service cost	163	3
Interest cost	27	30
Total amount recognised in the Statement of financial activities	624	448

Changes in the present value of the defined benefit obligations were as follows:

	2019 £000	2018 £000
At 1 September	5,862	5,671
Current service cost	434	415
Interest cost	164	142
Employee contributions	94	83
Actuarial losses/(gains)	1,477	(351)
Benefits paid	(79)	(101)
Past service costs	163	3
At 31 August	8,115	5,862

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £000	2018 £000
At 1 September	4,738	4,356
Interest income	137	112
Actuarial gains	96	59
Employer contributions	254	229
Employee contributions	94	83
Benefits paid	(79)	(101)
At 31 August	5,240	4,738

21. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	112	168
Later than 1 year and not later than 5 years	172	78
	284	246

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

22. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per Statement of financial activities)	1,378	94
Adjustments for:		
Depreciation	291	337
Capital grants from DfE and other capital income	(424)	(1,087)
(Surplus)/loss on disposal of fixed assets	1	2
Defined benefit pension scheme cost less contributions payable	343	189
Defined benefit pension scheme finance cost	27	30
Increase in stocks	(1)	(1)
Increase in debtors	(31)	(450)
Increase/(decrease) in creditors	287	(58)
Buildings donated	(2,800)	-
Net cash used in operating activities	(929)	(944)

23. Cash flows from financing activities

	2019 £000	2018 £000
New loans	252	-
Net cash provided by financing activities	252	-

24. Cash flows from investing activities

	2019 £000	2018 £000
Purchase of tangible fixed assets	(30)	(12)
Capital grants from DfE Group	424	1,087
Net cash provided by investing activities	394	1,075

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	362	645
Total cash and cash equivalents	362	645

26. Contingent liabilities

There are ongoing discussions with Yorkshire Water in respect of recent received emails for £27,000 (2018: £nil) as they appear excessive. The Academy Trust is working with Yorkshire Water to identify the cause of the issue and therefore whose liability it is.

27. Related party transactions

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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFR, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

28. Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £19,000 (2018: £22,000) and disbursed £19,000 (2018: £14,000) leaving a balance of £8,000 (2018: £8,000) included in accruals and deferred income.