

Company Registration No. 07033915 (England and Wales)

MALTBY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

MALTBY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J. Kenny CBE DL
R. Belcher (Until 13/12/17)
M. Beck (Until 13/12/17)
P. Martin (Until 13/12/17)
A. Evans (Appointed 30/09/17)
H. Scarbrough (Appointed 10/07/18)
P. Jones (Appointed 10/07/18)

Trustees

J. Kenny CBE DL (Chair)
R. Belcher
M. Beck
P. Martin
S. Shepherd (Resigned 30 September 2017)
D. Sutton (Accounting Officer)
D. Horrigan (Resigned 30 September 2017)
R. Stubbs (Appointed 10 July 2018)
J. Jarvis (Appointed 30 September 2017)
P. Sorsby (Appointed 30 September 2017)
G. Staves (Appointed 30 September 2017)

Senior management team

- CEO/Executive Principal	D. Sutton
- Principal (MA)	C. Eccles
- Principal (MRA)	J. Maxted
- Principal (MLHA)	D. Horrigan
- Principal (MMA)	J. Cliff
- Principal (RPA)	L. Hepworth
- Principal (STWA)	Y. Bootman
- Chief Financial Officer	G. Hayward

Clerk to MLT Board

N. Bailey

Company registration number

07033915 (England and Wales)

Registered office

Braithwell Road
Maltby
Rotherham
South Yorkshire
S66 8AB

Academies operated

Maltby Academy
Maltby Redwood Academy
Maltby Lilly Hall Academy
Maltby Manor Academy
Ravenfield Primary Academy
Sir Thomas Wharton Academy

Location

Rotherham
Rotherham
Rotherham
Rotherham
Rotherham
Doncaster

Principal

C. Eccles
J. Maxted
D. Horrigan
J. Cliff
L. Hepworth
Y. Bootman

MALTBY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
----------------------------	---

Bankers	Natwest PO Box 120 42 High Street Sheffield S1 2GE
----------------	--

Solicitors	Irwin Mitchell LLP Riverside East 2 Millsands Sheffield S3 8DT
-------------------	--

MALTBY LEARNING TRUST

TRUSTEES' REPORT

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

The trust operates four primary Academies and one secondary Academy in Rotherham, and one secondary Academy in Doncaster. Its academies have a combined pupil capacity of 3907 and had a roll of 3180 in the school census in June 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Maltby Learning Trust are also the Directors of the Charitable Company for the purposes of company law. The Company is known as Maltby Learning Trust.

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

Members' liability

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

Trustees' indemnities

The Trust have put in place with Zurich Municipal 'Governors' Liability Insurance of £2m to cover against:

- The investigation, defence, adjustment, settlement or appeal of any claim or criminal prosecution against any Trustee/Governor, or
- For the representation of any Trustee/Governor at any official examination, enquiry, investigation or other proceedings ordered or commissioned at the behest of a legally empowered official body to investigate the activities of the Trustee/Governor.

Method of recruitment and appointment or election of trustees

The Multi-Academy Trust was formed in February 2014 and the constitution of the Trust Board is as outlined in the Articles of Association. There are nine Trustees that serve on the Board, including the CEO. There are currently two vacancies for Trustees.

In September 2018, the Trust reconstituted at both member and trustee level. The Board moved to a skills based model to ensure robust accountability and a strategic contribution to effective governance. There is also a significant separation between members and trustees allowing members to exercise their powers objectively in line with the Governance Handbook.

Trustees undertake regular skills audits to identify skill and knowledge gaps in order to enrich the Board with specialist expertise and experience.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees will depend on their previous experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees will meet with the Chief Executive Officer/Chair of the Board prior to their first formal meeting. In addition, new Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees/Governors are encouraged to attend a range of training activities which are organised by the Trust/Teaching School Alliance and Local Authority. New Trustees are often 'buddied' with a more experienced Trustee to provide support and advice as appropriate. All Trustees sign a code of conduct which sets an ethos of professionalism and high expectations.

The Trust has committed to developing a calendar of training opportunities for Trustees/Governors based on their particular needs and the changing educational landscape.

During the period in which we are reporting, specific learning/training activities organised by the Trust included:

- Safer Recruitment
- Safeguarding
- Prevent
- Understanding School Data/Assessing School Performance
- GDPR

Organisational structure

The Governance/Leadership and Management structure consists of five levels, the Members, the Board of Trustees, the Local Governing Bodies, the Executive Leadership Team and the respective Academy Senior Leadership Teams. The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels. The Trust has a Scheme of Delegation which sets out the structure and remit of the board and its committees and outlines the framework of decision making at all levels.

The Trustees are responsible for shaping general policy, setting an annual budget plan aligned to the agreed Trust priorities, monitoring the Trust by use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior leadership appointments.

The Local Governing Bodies act as advisory bodies to the Maltby Learning Trust (MLT) Board. Certain responsibilities are delegated to this body as agreed.

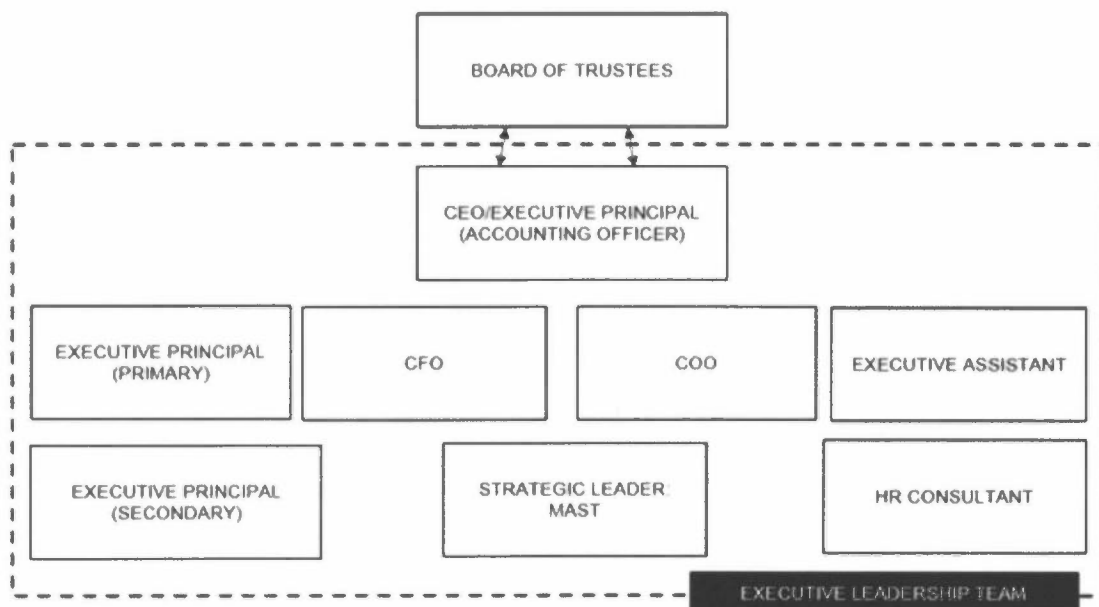
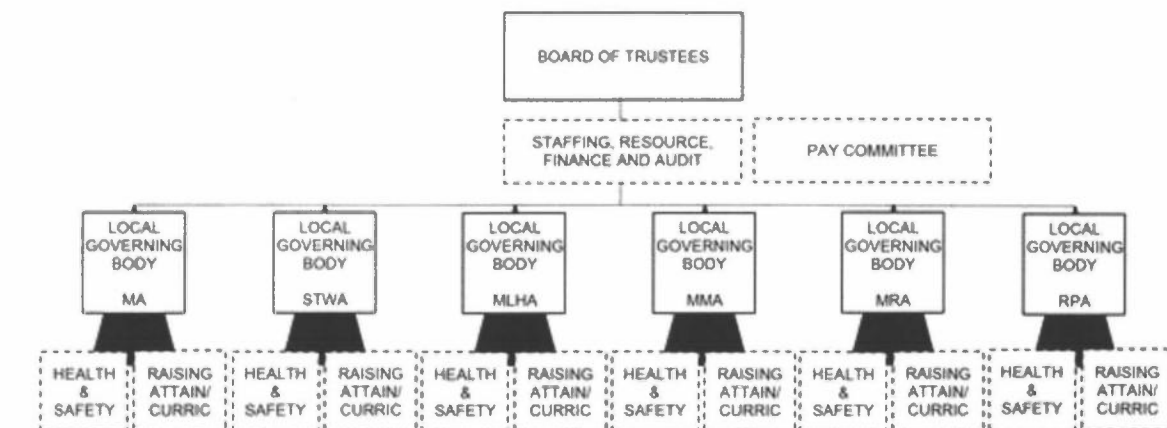
The Executive Leadership Team comprises the Chief Executive Officer, Executive Principal (Primary), Executive Principal (Secondary), Chief Financial Officer, Chief Operations Officer, Strategic Leader: MAST, HR Consultant and Executive Assistant.

The Chief Executive Officer is the Accounting Officer.

The following diagrams capture the Governance and Leadership and Management arrangements across the Maltby Learning Trust.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)



Arrangements for setting pay and remuneration of key management personnel

The key management personnel identified within the Trust include the CEO, CFO, Executive Principal (Primary), Executive Principal (Secondary) and Secondary and Primary Principals from each of the member Academies. The Trust will determine the pay ranges for these key positions taking account of level of responsibility, size of school using total unit score (for all schools if responsibility is for more than one school) context and complexity of the role, any available benchmarking information and the latest picture with regards competitive recruitment.

All work that Directors and Members undertake on behalf of the MAT is unpaid. However in line with the MLT Expenses Policy, Trustees are able to apply for reimbursement for out of pocket expenses.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Trade union facility time

Under the provisions of the Trade Union Facility Time Publication Requirements Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule of the Regulations. The information to be published consists of four tables covering:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
3	3

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,945
Provide the total pay bill	£13,185,783
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
--	---

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and other connected charities and organisations

The Trust continues to work with the feeder primary and special schools in the local area that are not part of the formal governance arrangement. This allows the schools to plan collaborative learning opportunities and transition activities for all the children and young people in the learning community.

Sheffield Hallam University is a key professional learning partner for the Trust providing successful Initial Teacher Training (ITT), School Direct and Assessment Only (AO) opportunities for new entrants to the teaching profession. The institutions also work closely together to deliver some exciting cross-curricular learning programmes for students in the Trust. The University shares its specialism as a centre of teacher training excellence and contributes to the Trust's strategy to enable all staff to develop and keep up to date with excellent pedagogical practice.

Learners First, the Leadership Training and Development arm of the Wickersley Teaching School continues to provide a range of personalised professional learning and development for teachers, leaders and governors. Increasingly this has become a leading training provider for the Trust.

In addition, the Trust connects with other Teaching School Alliances across Rotherham and Doncaster to support Teacher recruitment at both primary and secondary level and to complement and supplement the comprehensive Teacher training programme on offer.

The Trust have entered into a number of service level agreements with the Local Authority (RMBC/DMBC) to provide certain specialist services.

The Trust has entered into a licence to occupy premises owned by Julie Kenny, a connected party and chair of the MLT Board. The licence arrangement has provided Maltby Academy with offsite ground floor accommodation to deliver an alternative provision to a small number of students in year group 9 to 11. The Landlord is providing the Trust with accommodation at nil rent for the period September 2017 to August 2018. Maltby Academy contributes to the cost of utilities and maintenance and are invoiced directly by the Landlord for these services through an open book arrangement. The Academy has arranged for the payment of ground floor cleaning with the Council's Cleaning Service, whilst rates including charitable relief, are paid directly to Rotherham Metropolitan Borough Council.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

The principal object and activity of the Company is to develop education for the public benefit within and beyond the Maltby Learning Community. This will be achieved by establishing, maintaining and developing its academies, offering a broad and balanced curriculum, whilst placing a strong emphasis on preparing young people for their next stage of learning or employment. In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Objects and Aims

Maltby Learning Trust Mission

The Trust mantra is 'Working together to achieve excellence'.

The Mission Statement is:

Maltby Learning Trust (MLT) is committed to securing purposeful partnerships with parents, staff, governors, local community groups and broader business partners to deliver the very best for every child and young person. The MLT is entrusted to provide outstanding teaching and learning and personalised guidance and support so that all learners develop the personal qualities, resilience and competencies that make them employable and enables them to live healthy, successful and fulfilled lives. The common goal is high aspirations, challenge and support for all young people and adults who learn and work within the Maltby Learning Trust

To achieve this ambition the Trust is committed to the following values:

1. **Excellence as standard.** Everyone strives to reach their potential and achieve the highest standards possible, enabling them to effectively contribute to society as responsible citizens who value learning and secure a positive progression route through relevant education or training to fulfil their career ambitions.
2. **Providing Outstanding Provision.** Secure outstanding teaching and learning through a curriculum which meets every young persons' individual learning and developmental needs.
3. **Securing High expectations and ambition.** Ensure all are ambitious and focused on achieving the very best for themselves and others, and recognise that underperformance is challenged through support and personal development.
4. **Taking responsibility.** Develop a culture in which all recognise that success depends upon personal responsibility as well as the support and challenge of others.
5. **Focus on success for today and the future.** Embed a culture of high aspirations so that all members are aware of, and seek, opportunities allowing them to develop the confidence, resilience, creativity and enquiring mind required to be successful now and in the future.
6. **Maintaining Healthy Lifestyles.** Equip everyone with the knowledge and skills to maintain both physical and mental wellbeing for themselves and their families.
7. **Developing a Moral Compass.** Everyone appreciates a range of different viewpoints, values and cultures in order to give context for their own moral compass, developing in the process, respect for diversity and an understanding of their obligations and responsibilities to others, as well as understanding their own rights as individuals.

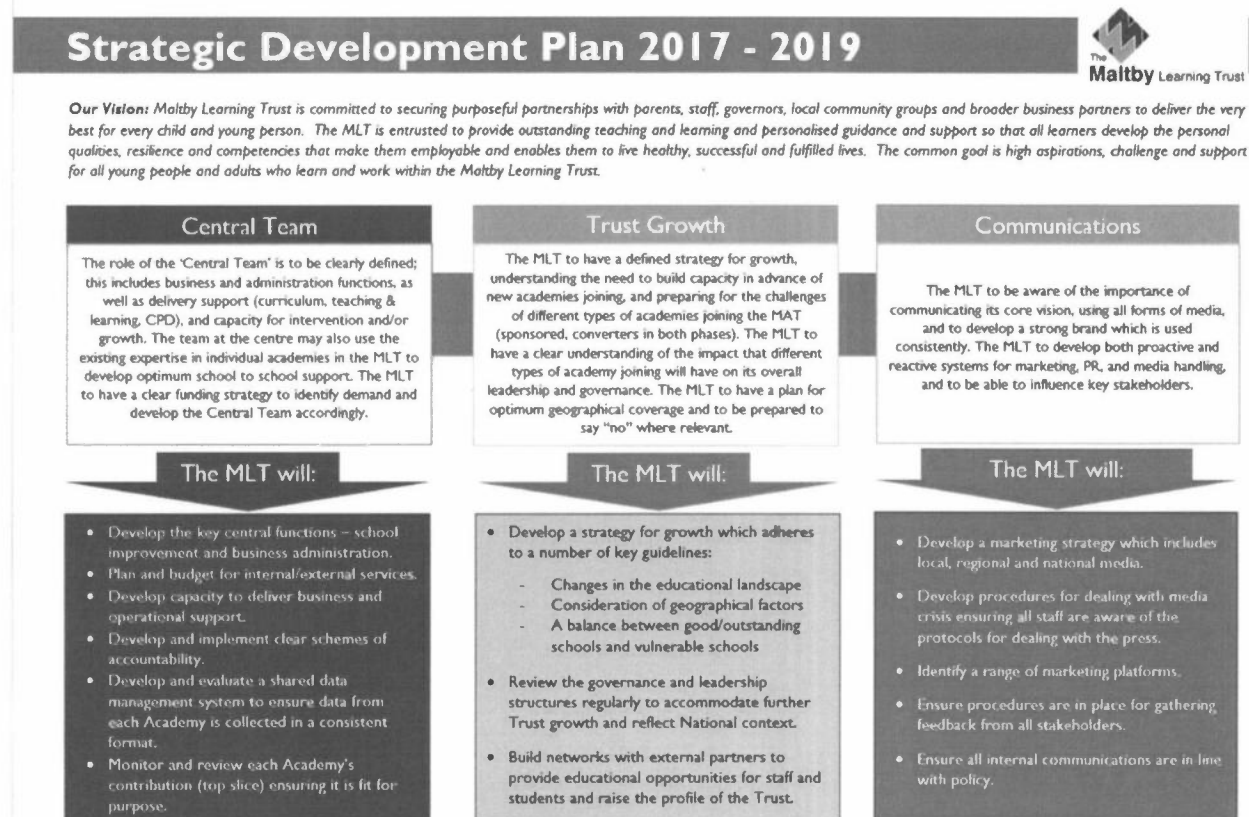
MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

8. At the heart of the community. Build strong, sustainable links with the local community including representative groups, other schools, the LA, health, voluntary sector, faith groups and employers to embed ambition, raise aspirations and enrich the learning experience on offer.

The Trust believes that these values should allow all stakeholders to excel and believe that there are no limits to individual achievement. The Trust recognises its responsibility to the development and welfare of staff, and where appropriate how these values apply to adults as well as children and young people.

Objectives, Strategies and Activities



Our strategic priorities over the next four years focus on five key areas. Within each of these priority areas, the Trust sets out what MLT will do to achieve these priorities and the reciprocal contribution from each Academy. The priority areas are as follows:

1. Quality assurance and data
2. Leadership and governance
3. Academy effectiveness/performance
4. Finance and central services
5. Staff recruitment, retention and development

Academy Admissions

The Trust follows Local Authority Admission arrangements, with places allocated by residential address. The Trust admits the majority of its students from the local catchment area, with a small number joining from out of area locations.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Public Benefit

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality education to its students. This has been evidenced through the results achieved and feedback from external assessments.

Strategic Report

Achievements and Performance

A summary of the results for each of the secondary schools within the Learning Trust are included below.

Key Stage 4 Results Summary

	Maltby Academy		Sir Thomas Wharton Academy	
	2016-17	2017-18	2016-17	2017-18
Attainment 8 (average grade across 8 subjects)	4.5	4.2	4.3	3.9
Average Attainment in English	4.3	4.3	4.3	3.9
English Literature Grade 5-9 (Good Pass)	41.3%	45%	42.3%	36.5%
English Literature Grade 4-9	63.8%	65%	57.1%	57%
English Language Grade 5-9 (Good Pass)	37%	42.3%	43.6%	39%
English Language Grade 4-9	55.8%	58%	58.3%	60%
Average Attainment in Maths	4.1	4.1	3.8	3.9
Maths Grade 5-9 (Good Pass)	47%	49%	41%	40%
Maths Grade 4-9	63%	65%	57.7%	64%
Basics Grade 5+ (Maths and English at Grade 5+)	35%	38%	37%	31%
Basics Grade 4+ (Maths and English at Grade 4+)	56%	57%	56%	54%

Key Stage 5 Results Summary

	A Level Only				Applied Courses			
	STWA		MA		STWA		MA	
	2017	2018	2017	2018	2017	2018	2017	2018
Entries	216	96	133.5	154	11	4	83.5	50
Level 3 Value Added (KS4 to 5)	0.57	0.56	-0.55	-0.08	-0.59	n/a	0.66	n/a
APS entry (grade)	D	B-	C	C+	D-	M-	D*	M+
A*-A Grades	7%	20%	9.5%	22%	27%	0%	64%	12%
A*-B Grades	21%	54%	37%	42%	45%	0%	93%	12%
A*-C Grades	40%	82%	64%	71%	64%	0%	98%	42%
A*-E Grades	78%	96%	97%	99%	91%	100%	98%	100%

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Achievements and Performance

A summary of the results for each of the primary schools within the Learning Trust are included below.

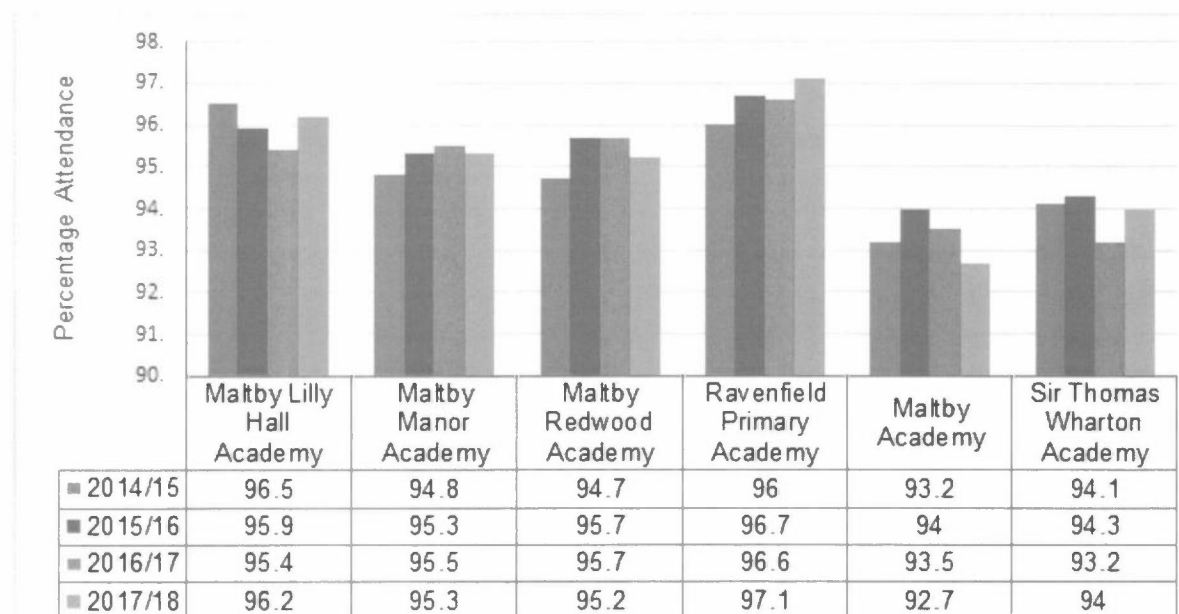
Foundation Stage, Phonics and Key Stage 1 Results

2017-18	Maltby Redwood Academy	Maltby Manor Academy	Maltby Lilly Hall Academy	Ravenfield Primary Academy
FS - GLD	77%	80%	87%	81%
Y1 Phonics	81%	87%	92%	75%
KS1 Reading	72% (40%)	80% (44%)	67% (12%)	80% (57%)
KS1 Writing	72% (28%)	73% (17%)	67% (7%)	83% (47%)
KS1 Maths	80% (28%)	83% (37%)	75% (20%)	80% (20%)

Key Stage 2 Results

2017-18	Maltby Redwood Academy	Maltby Manor Academy	Maltby Lilly Hall Academy	Ravenfield Primary Academy
KS2 Reading	67% (20%)	70% (16%)	90% (19%)	75% (18%)
KS2 Writing	80% (13%)	88% (20%)	86% (12%)	86% (32%)
KS2 GPS	80% (27%)	70% (14%)	86% (25%)	86% (32%)
KS2 Maths	73% (13%)	73% (7%)	83% (25%)	75% (29%)
KS2 Combined	46% (6%)	61% (2%)	73% (2%)	57% (14%)

Students' Attendance



MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Ofsted Inspection Outcomes

Maltby Academy	May 2012 February 2014 March 2017	Good with Outstanding Leadership and Management Maths Subject Survey – Outstanding in all areas Good with Outstanding Leadership and Management
Maltby Redwood Academy	November 2011 January 2017	Good Good
Maltby Manor Academy	October 2017	Good
Maltby Lilly Hall Academy	February 2018	Requires Improvement with Good leadership and management and personal development, behaviour and welfare. Outstanding judgement for early years provision
Ravenfield Primary Academy	January 2018	Good
Sir Thomas Wharton Academy	January 2015 April/September 2015	Serious Weaknesses Making Good Progress

Key Performance Indicators

The Maltby Learning Trust use a range of National data sources to set aspirational targets for all children. The approach adopted ensures that all young people are provided with the appropriate stretch and challenge through their individual targets and that all schools in the Trust achieve or exceed National performance in most attainment and progress measures. With changing assessment and accountability frameworks the Trust continues to keep abreast of the latest approaches to target setting through a range of educational networks.

In addition the Trust use National benchmarking data for similar size schools against budget forecasting information across the Trust. When forecasting and subsequently setting the budget, the Trust considers the allocation of resources across key budget heads taking account of workforce census and other comparative data as outlined in the Trust Financial Regulations Manual.

In addition, the Trust use the following KPIs when developing the individual Academy annual budgets:

- Key Stage outcomes comparative to the National performance indicators
- Future year student number projections
- Teacher to student contact ratios (in particular, group sizes at KS4 and KS5)
- Percentage spend of staffing against ESFA Revenue Income (School Budget Share) and against all income receipts
- Percentage spend of leadership arrangements
- The spend (£) per student on other non staffing resources
- Average costs per teacher and use of TLRs against those published in the Annual Workforce Census (ESFA statistics)

The Trustees are satisfied that each of the Academies within the Trust are making good progress towards securing the KPIs.

The SRFA Committee and Trust Board use the KPIs to understand annual trends for similar sized Academies and to support the deployment of new and experienced staff.

Going concern

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

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to the objectives of the organisation. The grants received from the ESFA are shown in the Statement of Financial Activities for the year ending 31st August 2018. Additional income sources included LA receipts for the high needs block, early year's provision. The total incoming resources for the period amounted to £19,018,000.

During the financial period, the total resources expended amounted to £21,212,000 covered by the recurrent grant funding from the ESFA. The net movement for the financial year before transfers has resulted in a deficit of £2,194,000.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review considers the nature of income and expenditure streams, the need to match income commitments and the nature of reserves.

The Trustees have determined that a target level of free reserves should be at least the equivalent to four weeks staffing expenditure, on average this would equate to a figure of £1,099,000. The Academy receives its GAG funding at the start of each month and this is sufficient to cover the monthly staff costs. In the financial year ending 31st August 2018, the reserves held by the Trust were able to cover the equivalent of four weeks staffing expenditure.

At the end of the year, the Trust held funds of £25,249,000, made up of £29,129,000 restricted fixed asset funds, £7,000 in restricted income funds, £1,222,000 in unrestricted funds, £500,000 in endowment funds and pension reserves of a deficit of £5,609,000

The Trust is addressing the pension reserves deficit of £5,609,000 by paying increased employer monthly contributions from April 2017, and for some Academies, an additional monthly capital sum is paid to the LGPS.

The Trust will maintain financial records which identify revenue reserves by Academy.

Investment policy

The Trust's Investment Strategy was agreed by the Board; additional discussions have followed during the year to review investment opportunities.

In essence the strategy is to:

1. Regularly monitor Cash Flow and Current a/c balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of up to £500,000 is likely to be maintained.
2. The Trust will seek to avoid its current account going overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to the Trust Deposit Account bearing a higher interest rate or other risk free investments available at the time.
4. Periodically review interest rates and compare with other investment opportunities.
5. The Trust's current policy is to only invest funds in risk free and accessible deposit accounts. E.g. 95 day Notice Accounts; Bank Treasury Reserves (BTR)

The Trust may consider investing in other deposit accounts such a Stepped Fixed Rate Deposit, providing the accounts can be accessed at any time and are risk free.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Employee Involvement

The Trust encourages the involvement of its employees in its management through regular meetings. It is the responsibility of the Trustees to disseminate information of a particular concern to employees (including financial and economic factors affecting performance of the Trust) and for receiving their views in important matters of policy.

Equal Opportunities and Employment of Disabled Persons

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Trusts Equality and Diversity Policy is publicly available.

The Academies consider all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trust has continued to embed systems and controls in respect of finance and operational risks. The Board has appointed an internal reviewer, RSM Risk Advisory Services LLP to undertake a review of practices and procedures. The Board are satisfied that the services of RSM Risk Advisory LLP do not cause any conflict of interest with the services of the external auditor, RSM UK Audit LLP. During the year ending 31st August 2018, RSM Risk Advisory Services LLP, undertook a review of the key financial controls.

Directors undertake regular reviews of the Risk Register, with a regular item on the Trust Board and SRFA Committee Meetings. Academy Leaders identify areas of risk through their half-termly reports to the CEO, to include mitigations to minimise the likelihood and impact on the Trust.

The Trust considers the following areas to be its principal risks over the next year and have put in place a range of strategies for managing the risks:

1. Government Funding Reforms and a move to a National Funding Formula

The Trust produces 5-year budget plans based on future projected student numbers, known budget pressures such as employee costs and undertakes a regular review of staffing to ensure that student/teacher contact ratios are efficient. Where necessary and appropriate the individual academies will reorganise the staffing resource to better meet the needs of the organisation.

2. The retention of key leaders and the recruitment of staff

The Trust have committed to the early recruitment of staff in key areas such as English, Mathematics and Science; the deployment of key specialist staff across its Academies, leadership development opportunities and bespoke CPD programmes for all staff in order to support the recruitment and retention of a talented workforce. The links established with the HE providers continues to support this workforce development agenda.

3. Closure of a School due to challenges with old buildings

The Board have approved the allocation of SCA funding for essential building works across the Trust. A small amount of reserve funding is available to respond to any emergency situation.

4. Data Breaches following the GDPR

The Trust have appointed an independent Data Protection Officer (DPO) to support the implementation of the latest GDPR legislation and guidance. Policies and procedures have been reviewed and revised as appropriate, and these are supported by specialist training for staff and governors.

Fundraising

Academies within the Trust will undertake annual fundraising activities to support a local or national charity of their choice. This will often be determined by the work of the student council responding to a local or national campaign or to a tragedy in the local community.

The planned activities will be regulated by the Senior Leaders in the individual academy and specialist Finance Team to ensure that they conform to recognised standards. When undertaking fundraising activities, the Trust is committed to protecting the public, including vulnerable people from unreasonable pressure or demands to donate. This is regularly reinforced with leaders across the Trust.

The quality assurance/monitoring of the fundraising activities is undertaken by the Executive Leaders within the regular line management meetings. For the reporting period, there have been no fundraising complaints brought to the attention of the Leaders/Governors/Trustees across the Trust.

MALTBY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for Future Periods

The Learning Trust will continue to strive to enrich the learning experience and improve levels of performance for all children and young people from EYFS to Y13 receiving education in the Maltby group of schools. The key to realising this ambition will be the recruitment and retention of a talented workforce across all its Academies and the continued investment in Professional Learning and Development (PPLD) for all teaching and support staff in the Trust.

The Trust has a collaborative post 16 provision which allows learning to be delivered across Maltby Academy and Sir Thomas Wharton Academy. This approach will realise some efficiencies in the next financial period in terms of more sustainable student numbers and increased shared specialist staff delivering across the two sites.

The Executive Leadership Team and Board of Governors continue to consider the future 'Growth Plan'. The Trust have been named as the approved sponsor of a large underperforming secondary School in Rotherham. Wath Comprehensive School went into 'special measures' in March 2017 and Executive Leaders within the MLT are currently deployed to work within the school to raise standards in attainment and progress. It is anticipated that the sponsorship of Wath Comprehensive School will commence on 1st December 2018.

In January 2018, the Trust undertook a significant restructure of Associate Professional staffing to align roles and responsibilities across each specialist area and provide more integrated leadership arrangements across the secondary arm of the Trust. Set in the context of a National Funding reform and even greater financial pressures, the Trust will continue to review staffing structures, curriculum offer and broader spending across the Academies looking for further efficiencies wherever possible. The Trust continues to develop innovative practice in the specialist areas of 'Mental Health and Well Being' and 'Alternative Provision'. Both these developments have the potential to transform the provision for the most vulnerable/challenging students in the area.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust holds £281 on behalf of other organisations (Rotherham Schools (Netball and Rounders)).

AUDITOR

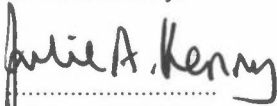
RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 19/12/18..... and signed on its behalf by:



J. Kenny CBE DL

Chair

MALTBY LEARNING TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring the Maltby 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 has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Maltby Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board 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 Trustees' Responsibilities Statement. The Board has formally met six times during the year. Attendance during the year at meetings of the Board was as follows:

Board membership

Trustees	Meetings attended	Out of possible
J. Kenny CBE DL (Chair)	6	6
R. Belcher	6	6
M. Beck	5	6
P. Martin	6	6
S. Shepherd (Resigned 30 September 2017)	0	0
D. Sutton (Accounting Officer)	5	6
D. Horrigan (Resigned 30 September 2017)	0	0
R. Stubbs (Appointed 10 July 2018)	0	1
J. Jarvis (Appointed 30 September 2017)	6	6
P. Sorsby (Appointed 30 September 2017)	6	6
G. Staves (Appointed 30 September 2017)	5	6

The Staffing, Resources, Finance and Audit Committee reports directly to the Board. Its purpose is to meet on four occasions during the financial period to monitor and evaluate the Trust's budget, staffing establishment and general resources expenditure alongside the management of risks and internal/external audits.

Specific responsibilities of the committee include:

Staffing

To consider all staffing and personnel issues, working with the Executive Principal and other leaders to determine the staffing structure to meet the respective Academy's needs. To review the appointment of new staff, including Director/Governor representation on appointment panels and review all policies regarding staffing.

Resources

To support the respective local governing bodies in ensuring that the procurement of goods and services in support of its buildings, ICT, other equipment and educational resources meets the requirements set out in the financial handbook.

MALTBY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

Finance

To consider the respective Academy's indicative funding, receive initial draft budgets and review management accounts on a monthly basis. Consider service level agreements with third party suppliers and make recommendations on behalf of the Board/Local Governing Body about on-going arrangements.

Audit

To consider external and internal audit reports and to ensure that recommendations form part of an action plan that is regularly monitored. The audit committee is responsible for reviewing the Risk Register and bringing to the attention of Directors all significant risks likely to impact on the Trust. To advise Directors on the appointment of external and internal auditors and to recommend areas for external review.

SRFA Membership

Governor	Meetings Attended	Out of a possible
Chris Simmonds	4	4
Julie Kenny	3	4
Jim Fletcher	4	4
Emma Peach	4	4
Steven Selby	3	4
Dave Sutton	4	4
Rob McRobbie	2	4

Review of value for money

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

The accounting officer considers how the 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:

- Review of Associate Professional Arrangements across the secondary arm of the Trust – Development of a more integrated leadership model.
- Review of Staffing and the deployment of resources to meet the curriculum model needs across all phases of education – Opportunities for key leaders and specialists to work across the Trust rather than to operate in one single Academy.
- To undertake an external review of curriculum in light of the new educational reforms and to rationalise staff and student contact ratios – The Trust continues to regularly review its staffing requirements when opportunities arise through staff resignations.
- The central procurement of contracts – To continue to develop the procurement of goods and services centrally.
- Further expansion and development of a centralised delivery model – Business, Teaching & Learning and school effectiveness functions are developed, refined, co-ordinated and delivered through a central business hub.
- Pooling of Insurance – Ensuring that commercial arrangements compete favourably with RPA.

MALTBY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- 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 RSM Risk Assurance Service LLP as internal reviewer

The internal reviewer'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:

- Key Financial controls

Written reports produced by RSM Risk Assurance Service LLP are provided to the SRFA Committee and Trust Board.

MALTBY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal reviewer
- the work of the external auditor
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Staffing, Resource, Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 19/12/18 and signed on its behalf by:



J. Kenny CBE DL
Chair



D. Sutton
Accounting Officer

MALTBY LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



D. Sutton

Accounting Officer

19/12/18

MALTBY LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 19/12/18 and signed on its behalf by:



J. Kenny CBE DL
Chair

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP.

Victoria Craven (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

20/12/18.

MALTBY LEARNING TRUST

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total 2018	Total 2017
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and capital grants	3	117	-	504	-	621	1,797
Donations - Transfer of existing academy into the trust		-	-	-	-	-	13,947
Charitable activities:							
- Funding for educational operations	4	620	17,597	-	-	18,217	15,139
Other trading activities	5	178	-	-	-	178	183
Investments	6	2	-	-	-	2	2
Total		<u>917</u>	<u>17,597</u>	<u>504</u>	<u>-</u>	<u>19,018</u>	<u>31,068</u>
Expenditure on:							
Charitable activities:							
- Educational operations	7	788	18,886	1,538	-	21,212	17,187
Charitable expenditure - Transfer of existing academy into the trust		-	-	-	-	-	2,231
Total	8	<u>788</u>	<u>18,886</u>	<u>1,538</u>	<u>-</u>	<u>21,212</u>	<u>19,418</u>
Net income/ (expenditure)		129	(1,289)	(1,034)	-	(2,194)	11,650
Other recognised gains/ (losses)							
Remeasurement of net defined benefit obligation	27	-	1,853	-	-	1,853	989
Net movement in funds		129	564	(1,034)	-	(341)	12,639

MALTBY LEARNING TRUST

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total 2018	Total 2017
Notes	£'000	£'000	£'000	£'000	£'000	£'000
Net movement in funds	129	564	(1,034)	-	(341)	12,639
Reconciliation of funds						
Total funds brought forward	1,093	(6,166)	30,163	500	25,590	12,951
Total funds carried forward	1,222	(5,602)	29,129	500	25,249	25,590

MALTBY LEARNING TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	13		16		18
Tangible assets	14		28,842		29,484
			<u>28,858</u>		<u>29,502</u>
Current assets					
Stocks	15	-		4	
Debtors	16	1,022		1,133	
Investments	17	963		212	
Cash at bank and in hand		1,134		2,665	
		<u>3,119</u>		<u>4,014</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(1,112)		(1,199)	
Net current assets			<u>2,007</u>		<u>2,815</u>
Total assets less current liabilities			<u>30,865</u>		<u>32,317</u>
Creditors: amounts falling due after more than one year	19		(7)		(12)
Net assets excluding pension liability			<u>30,858</u>		<u>32,305</u>
Defined benefit pension scheme liability	27		(5,609)		(6,715)
Net assets			<u><u>25,249</u></u>		<u><u>25,590</u></u>

MALTBY LEARNING TRUST**BALANCE SHEET (CONTINUED)****AS AT 31 AUGUST 2018**

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Funds of the Academy Trust:					
Restricted funds	22				
- Restricted fixed asset funds			29,129		30,163
- Restricted income funds			7		549
- Pension reserve			(5,609)		(6,715)
- Endowment funds			500		500
Total restricted funds			24,027		24,497
Unrestricted income funds	22		1,222		1,093
Total funds			25,249		25,590

The financial statements on pages 25 to 54 were approved by the board of trustees and authorised for issue on 19/12/18 and are signed on their behalf by:


 Julie A. Kenny CBE DL
 Chair

MALTBY LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash used in operating activities	25	(1,199)	(506)
Cash funds transferred on school joining academy trust		-	279
		(1,199)	(227)
Cash flows from investing activities			
Dividends, interest and rents from investments		2	2
Capital funding received from sponsors and others		504	1,558
Purchase of intangible fixed assets		(5)	(8)
Purchase of tangible fixed assets		(82)	(212)
Purchase of investments		(751)	-
Net cash (used in)/provided by investing activities		(332)	1,340
Net (decrease)/increase in cash and cash equivalents in the reporting period		(1,531)	1,113
Cash and cash equivalents at beginning of the year		2,665	1,552
Cash and cash equivalents at end of the year		1,134	2,665

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

General information

Maltby Learning Trust is a charitable company (the 'Academy Trust') incorporated in England and Wales. The address of its principal place of business is the same as that of its registered office given on page 1 and the nature of its operations are set out in the trustees' report.

Basis of preparation

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

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

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

Income

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

Grants

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

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

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

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

Transfer of assets from existing academies

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within donations and capital grant income.

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Charitable activities

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

Intangible fixed assets and amortisation

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 20% straight line

Tangible fixed assets and depreciation

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	2% straight line
Freehold land	Not depreciated
Computer equipment	20% straight line
Furniture and equipment	10% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

The building from which Sir Thomas Wharton Academy operates was built under the Private Finance Initiative ('PFI') and is subject to an agreement between Doncaster Metropolitan Borough Council and Doncaster School Solutions Limited (part of the Vinci plc group), the PFI contractor. Sir Thomas Wharton Academy has entered into a supplementary schools agreement with Doncaster Metropolitan Borough Council concerning the PFI agreement. Under the terms of the agreement the academy is committed to paying Doncaster Metropolitan Borough Council a proportion of its budget in consideration for the Council paying the PFI Contractor the unitary charge under the PFI agreement. In addition, if Sir Thomas Wharton is operating as an academy at the time of the expiry of the PFI agreement between the Council and the PFI Contractor in November 2033, the Council shall transfer or procure the transfer of the building to the academy trust at no cost to the academy trust.

It is the opinion of the trustees that the terms of the lease agreement and the supplementary schools agreement transfer substantially all the risks and rewards of ownership of the asset to the academy trust and therefore the asset is recognised on the balance sheet as a fixed asset.

Liabilities

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

Leased assets

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

Investments

Current asset investments are stated at market value.

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Taxation

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

Short-term employee benefits

Short term employee benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 reporting date. The amounts charged to net income 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.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies (Continued)

Fund accounting

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

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

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

Endowment funds are resources to be held on trust to be retained for the benefit of the trust as a capital fund.

Agency arrangements

The academy trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the academy trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of property plant and equipment.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 27 for the disclosures relating to the defined benefit pension scheme.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	504	504	1,531
Other donations	117	-	117	266
	<u>117</u>	<u>504</u>	<u>621</u>	<u>1,797</u>

The income from donations and capital grants was £621,000 (2017: £1,797,000) of which £117,000 was unrestricted (2017: £239,000), £nil was restricted (2017: £870,000) and £504,000 was restricted fixed assets (2017: £688,000).

MALTBY LEARNING TRUST

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

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	15,548	15,548	12,841
Start up grants	-	80	80	80
Other DfE group grants	-	1,372	1,372	1,173
	-	17,000	17,000	14,094
Other government grants				
Local authority grants	-	597	597	584
Trip income	178	-	178	136
Catering income	442	-	442	325
	620	-	620	461
	620	17,597	18,217	15,139

The income from funding for educational operations was £18,217,000 (2017: £15,139,000) of which £620,000 was unrestricted (2017: £461,000) and £17,597,000 was restricted (2017: £14,678,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	73	-	73	61
Music tuition	25	-	25	15
Other income	80	-	80	107
	178	-	178	183

The income from other trading activities was £178,000 (2017: £183,000) of which £178,000 was unrestricted (2017: £183,000).

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Interest from short term deposits	2	-	2	2

The income from funding for investment income was £2,000 (2017: £2,000) of which £2,000 was unrestricted (2017: £2,000).

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	-	13,707	13,707	11,771
Support costs				
Educational operations	788	6,717	7,505	5,416
	788	20,424	21,212	17,187

The expenditure on charitable activities was £21,212,000 (2017: £17,187,000) of which £788,000 was unrestricted (2017: £835,000), £18,886,000 was restricted (2017: £15,736,000) and £1,538,000 was restricted fixed assets (2017: £616,000).

	2018 £'000	2017 £'000
Analysis of support costs		
Support staff costs	2,389	2,061
Depreciation and amortisation	365	308
Premises costs	3,541	1,848
Other support costs	1,127	1,092
Governance costs	83	107
	7,505	5,416

8 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	12,124	366	1,217	13,707	11,771
- Allocated support costs	2,389	3,906	1,210	7,505	5,416
Total expenditure	14,513	4,272	2,427	21,212	17,187

MALTBY LEARNING TRUST

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

8 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Operating lease rentals	454	384
Depreciation of tangible fixed assets	724	609
Amortisation of intangible fixed assets	7	7
Net interest on defined benefit pension liability	172	136
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	28	24
- Other services	10	11
- Internal audit	12	10

9 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	10,765	9,298
Social security costs	973	820
Pension costs	2,285	1,985
Staff costs	14,023	12,103
Agency staff costs	411	305
Staff restructuring costs	79	16
Total staff expenditure	14,513	12,424

Staff restructuring costs comprise:

Redundancy payments	79	16
---------------------	----	----

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £15,663).

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff (Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	170	170
Administration and support	326	279
Management	29	31
	<u>525</u>	<u>480</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	165	161
Administration and support	222	226
Management	29	31
	<u>416</u>	<u>418</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2
£120,000 - £130,000	1	1
	<u></u>	<u></u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £909,399 (2017: £768,364).

10 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Central services (Continued)

The costs for central services are a recharge of certain SLAs and a flat rate of 3.5% of GAG income of each academy.

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Maltby Academy	215	196
Maltby Redwood Academy	49	37
Maltby Lilly Hall Academy	148	68
Maltby Manor Academy	80	65
Ravenfield Primary Academy	45	36
Sir Thomas Wharton Academy	169	-
	<u>706</u>	<u>402</u>

11 Trustees' remuneration and expenses

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

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

D. Sutton (accounting officer and trustee) received remuneration of £121,298 (2017: £118,340) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £19,990 (2017: £19,502).

D. Horrigan (staff trustee) received remuneration of £69,330 (2017: £67,603) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £11,426 (2017: £11,312).

Related party transactions involving the trustees are set out in note 28.

No expenses were paid to governors in the year, or in the prior year.

12 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 Trust business. The insurance provides cover up to £2,000,000 on any one claim. The individual cost for this element of the insurance is no longer provided (2017 - same). The cost of this insurance is included in the total insurance cost.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2017	34
Additions	5
At 31 August 2018	39
Amortisation	
At 1 September 2017	16
Charge for year	7
At 31 August 2018	23
Carrying amount	
At 31 August 2018	16
At 31 August 2017	18

14 Tangible fixed assets

	Leasehold buildings £'000	Freehold land £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost					
At 1 September 2017	29,676	483	1,135	615	31,909
Additions	-	-	75	7	82
At 31 August 2018	29,676	483	1,210	622	31,991
Depreciation					
At 1 September 2017	1,249	-	939	237	2,425
Charge for the year	594	-	69	61	724
At 31 August 2018	1,843	-	1,008	298	3,149
Net book value					
At 31 August 2018	27,833	483	202	324	28,842
At 31 August 2017	28,427	483	196	378	29,484

15 Stocks

	2018 £'000	2017 £'000
Stock	-	4

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Debtors	2018	2017
	£'000	£'000
Trade debtors	24	32
VAT recoverable	176	100
Prepayments and accrued income	822	1,001
	<u>1,022</u>	<u>1,133</u>
17 Current asset investments		
Investments of £963,000 (2017: £212,000) relate to funds held in short term deposit accounts.		
18 Creditors: amounts falling due within one year	2018	2017
	£'000	£'000
Trade creditors	170	40
Other taxation and social security	236	250
Other creditors	345	251
Accruals and deferred income (see note 20)	361	658
	<u>1,112</u>	<u>1,199</u>
19 Creditors: amounts falling due after more than one year	2018	2017
	£'000	£'000
Other creditors	7	12
20 Deferred income	2018	2017
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	-	195
	<u>-</u>	<u>195</u>
Deferred income at 1 September 2017	195	129
Released from previous years	(195)	(129)
Resources deferred in the year	-	195
	<u>-</u>	<u>195</u>
Deferred income at 31 August 2018	-	195

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Financial instruments

The Academy Trust has the following financial instruments summarised by category below:

	2018 £'000	2017 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	687	877
	=====	=====
Carrying amount of financial liabilities		
Measured at amortised cost	589	560
	=====	=====

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	15,548	(15,548)	-	-
Start up grants	80	80	(160)	-	-
Other DfE / ESFA grants	334	1,372	(1,706)	-	-
Other government grants	135	597	(725)	-	7
Pension reserve	(6,715)	-	(747)	1,853	(5,609)
	<u>(6,166)</u>	<u>17,597</u>	<u>(18,886)</u>	<u>1,853</u>	<u>(5,602)</u>
Restricted fixed asset funds					
Transfer on conversion	27,334	-	(330)	-	27,004
DfE group capital grants	657	504	(906)	-	255
Capital expenditure from GAG	572	-	(80)	-	492
Other capital funding	1,600	-	(222)	-	1,378
	<u>30,163</u>	<u>504</u>	<u>(1,538)</u>	<u>-</u>	<u>29,129</u>
Restricted endowment fund	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total restricted funds	<u>24,497</u>	<u>18,101</u>	<u>(20,424)</u>	<u>1,853</u>	<u>24,027</u>
Unrestricted funds					
General funds	1,111	911	(788)	-	1,234
Deficit transferred from local authority on conversion	(18)	6	-	-	(12)
	<u>1,093</u>	<u>917</u>	<u>(788)</u>	<u>-</u>	<u>1,222</u>
Total funds	<u>25,590</u>	<u>19,018</u>	<u>(21,212)</u>	<u>1,853</u>	<u>25,249</u>

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

Funds prior year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	12,841	(12,841)	-	-
Start up grants	-	80	-	-	80
Other DfE / ESFA grants	-	2,043	(1,709)	-	334
Other government grants	-	584	(449)	-	135
Transfer on conversion	-	36	(36)	-	-
Pension reserve	(4,772)	-	(2,932)	989	(6,715)
	<u>(4,772)</u>	<u>15,584</u>	<u>(17,967)</u>	<u>989</u>	<u>(6,166)</u>
Restricted fixed asset funds					
Transfer on conversion	13,996	13,668	(330)	-	27,334
DfE group capital grants	115	661	(119)	-	657
Capital expenditure from GAG	621	-	(49)	-	572
Other capital funding	1,523	27	(118)	168	1,600
	<u>16,255</u>	<u>14,356</u>	<u>(616)</u>	<u>168</u>	<u>30,163</u>
Restricted endowment fund	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total restricted funds	<u>11,983</u>	<u>29,940</u>	<u>(18,583)</u>	<u>1,157</u>	<u>24,497</u>
Unrestricted funds					
General funds	996	1,118	(835)	(168)	1,111
Deficit transferred from local authority on conversion	(28)	10	-	-	(18)
	<u>968</u>	<u>1,128</u>	<u>(835)</u>	<u>(168)</u>	<u>1,093</u>
Total funds	<u>12,951</u>	<u>31,068</u>	<u>(19,418)</u>	<u>989</u>	<u>25,590</u>

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

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

(i) GAG income is to be used for recurrent and capital expenditure in the forthcoming period. Under the Trust's Funding Agreement with the Secretary of State the Trust was not subject to a limit on GAG which could be carried forward at 31 August 2018.

(ii) Other capital funding, including Start Up grants, is earmarked for forthcoming capital projects in the development of the Academy Trust.

(iii) Restricted Fixed Asset Funds: Capital fund relates to income received from the DfE; GAG funding used in the purchase of fixed assets and specific donations. On-going depreciation charges are charged against capital funds. Funds of £367k (2017: £661k) are included within the balance to be carried forward to the following year for the purchase of fixed assets.

(iv) Endowment Funds represent funds provided by the academy trust's sponsors. Any return on this funding is earmarked for investment in educational activities.

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Maltby Academy	1,550	1,704
Maltby Redwood Academy	145	173
Maltby Lilly Hall Academy	10	(14)
Maltby Manor Academy	43	78
Ravenfield Primary Academy	62	16
Sir Thomas Wharton Academy	(59)	203
Central services	(22)	(18)
Total before fixed assets fund and pension reserve	1,729	2,142
Restricted fixed asset fund	29,129	30,163
Pension reserve	(5,609)	(6,715)
Total funds	25,249	25,590

The deficit fund balance in respect of Sir Thomas Wharton Academy is due to the staffing restructure during 2017/18 which resulted in a number of redundancies that were not in the budget. It has been agreed by the Trust board that Maltby Academy will loan Sir Thomas Wharton funds to cover the deficit in 2017/18 and the deficit budget for 2018/19 with a monthly repayment over the next 4 years. A further staffing review over the next three years will see Sir Thomas Wharton Academy setting in-year balanced budgets.

The deficit fund balance relating to the Central services is owing to the trustees approving an increase in capacity, to support future growth of the trust. The addition of a further academy conversion in 2018/19 will help to secure the imbalance of income and expenditure, to secure the central budget for the trust.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Maltby Academy	4,351	874	266	1,679	7,170	7,037
Maltby Redwood Academy	770	137	64	332	1,303	1,172
Maltby Lilly Hall Academy	1,204	229	117	399	1,949	1,901
Maltby Manor Academy	1,178	227	107	764	2,276	1,887
Ravenfield Primary Academy	576	118	63	185	942	925
Sir Thomas Wharton Academy	3,668	487	160	2,308	6,623	2,837
Central services	377	317	-	(480)	214	812
	<u>12,124</u>	<u>2,389</u>	<u>777</u>	<u>5,187</u>	<u>20,477</u>	<u>16,571</u>

23 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 August 2018 are represented by:					
Intangible fixed assets	-	-	16	-	16
Tangible fixed assets	-	-	28,842	-	28,842
Current assets	2,341	7	271	500	3,119
Creditors falling due within one year	(1,112)	-	-	-	(1,112)
Creditors falling due after one year	(7)	-	-	-	(7)
Defined benefit pension liability	-	(5,609)	-	-	(5,609)
Total net assets	<u>1,222</u>	<u>(5,602)</u>	<u>29,129</u>	<u>500</u>	<u>25,249</u>

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:					
Intangible fixed assets	-	-	18	-	18
Tangible fixed assets	-	-	29,484	-	29,484
Current assets	1,093	1,760	661	500	4,014
Creditors falling due within one year	-	(1,199)	-	-	(1,199)
Creditors falling due after one year	-	(12)	-	-	(12)
Defined benefit pension liability	-	(6,715)	-	-	(6,715)
Total net assets	1,093	(6,166)	30,163	500	25,590

24 Commitments under operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	1,582	1,577
Amounts due between one and five years	6,274	6,283
Amounts due after five years	15,535	17,089
	23,391	24,949

Included in the above is an annual charge of £1,553,504 which relates to the commitment for the building which is part of a PFI arrangement which expires in 2033. Annual funding amounting to £1,147,403 will be received for the life of the arrangement to contribute towards the commitment.

MALTBY LEARNING TRUST

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

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

	2018 £'000	2017 £'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(2,194)	11,650
Adjusted for:		
Net surplus on conversion to academy	-	(11,716)
Capital grants from DfE/ESFA and other capital income	(504)	(1,558)
Interest receivable	(2)	(2)
Defined benefit pension scheme cost less contributions payable	575	564
Defined benefit pension scheme finance cost	172	136
Depreciation of tangible fixed assets	724	609
Amortisation of intangible fixed assets	7	7
Movements in working capital:		
Decrease/(increase) in stocks	4	(3)
Decrease/(increase) in debtors	111	(658)
(Decrease)/increase in creditors	(92)	465
Net cash used in operating activities	(1,199)	(506)

26 Members' liability

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

27 Pension and similar obligations

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

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

Contributions amounting to £201,987 (2017: £205,826) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

MALTBY LEARNING TRUST

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

27 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,073,941 (2017: £866,222).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.6 to 16.9% for employers and 5.5 to 12.5% for employees.

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as an outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions', and therefore the expected impact cannot be reliably estimated.

MALTBY LEARNING TRUST

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

27 Pension and similar obligations (Continued)

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	640	554
Employees' contributions	219	200
Total contributions	859	754

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	2018 %	2017 %
Rate of increase in salaries	3.35	3.45
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	2.10	2.20

The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	25.8	25.7
Retiring in 20 years		
- Males	25.2	25.1
- Females	28.1	28.0

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	6,935	7,177
Government bonds	1,864	1,628
Other bonds	952	802
Cash/liquidity	600	235
Property	1,264	1,073
Other assets	1,421	885
Total fair value of assets	13,036	11,800

The actual return on scheme assets was £578,000 (2017: £1,514,000).

MALTBY LEARNING TRUST

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

27 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	1,208	1,119
Net interest cost	172	136
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	7	-
Total operating charge	1,387	1,255

Changes in the present value of defined benefit obligations	2018 £'000
At 1 September 2017	18,515
Current service cost	1,208
Interest cost	460
Employee contributions	219
Actuarial (gain)/loss	(1,577)
Benefits paid	(187)
Losses on curtailment	7
At 31 August 2018	18,645

Changes in the fair value of the Academy Trust's share of scheme assets	2018 £'000
At 1 September 2017	11,800
Interest income	302
Return on plan assets (excluding net interest on the net defined pension liability)	276
Employer contributions	640
Employee contributions	219
Benefits paid	(187)
Effect of non-routine settlements	(14)
At 31 August 2018	13,036

28 Related party transactions

Included in expenditure is an amount of £2,759 (2017: £2,759) to Julie Kenny Consultancy Ltd, a company in which Julie Kenny, a trustee of the Academy Trust, is a director. This amount is included in accruals at the year end. The payment relates to occupation costs, including utilities, property insurance, keys, maintenance of security and fire alarms and grounds maintenance. The trust has verified the charges by having an open book arrangement with the landlord. Julie Kenny Consultancy Ltd provides the ground floor accommodation at nil rent and has a current rentable market value of £15,250. A disclosure about the connected party is included in the Trustees' Report.

MALTBY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

29 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ended 31 August 2018 the trust received £39,386 (2017: £32,271) and disbursed £27,240 (2017: £20,790) from the fund. An amount of £40,503 (2017: £28,357) is included in other creditors relating to undistributed funds.

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

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 12 October 2016 and further to the requirements of the Education and Skills Funding Agency (the "ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Maltby Learning Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of the Maltby Learning Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Maltby Learning Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Maltby Learning Trust's funding agreement with the Secretary of State for Education dated 13 June 2007 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Maltby Learning Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Maltby Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 12 October 2016. Our work has been undertaken so that we might state to the Maltby Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Maltby Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP

Chartered accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Dated: 20/12/18