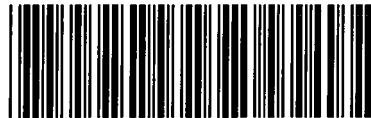


LEARNING TODAY LEADING TOMORROW
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2018

THURSDAY



A7ZAA3AJ

A10

14/02/2019

#318

COMPANIES HOUSE

Company Limited by Guarantee
Registration Number: 09027131
(England & Wales)

CONTENTS

	Page
Reference and Administrative Information	3
Trustees' Report	4
Governance Statement	13
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18
Independent Reporting Accountant's Report on Regularity	21
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, TRUSTEES AND ADVISORS

Members	T Legge D Johnson B Abrams C Raymont-Hall (appointed 25 May 2018) D Noble (appointed 25 May 2018)
Board of Trustees	D Johnson - Chair T Legge D Noble (resigned 25 May 2018) G Brown K Warburton J Simpson-Vince C Raymont-Hall (formerly Carter) (resigned 25 May 2018) S Howes (appointed 25 May 2018)
Chief Executive and Accounting Officer	B Mullen
Interim Chief Financial Officer	J Hounsome
Rugby Free Primary School Leadership Team	S Milewski Headteacher (resigned 31 August 2018) R Butters Headteacher (appointed 23 November 2018)
Rugby Free Secondary School Leadership Team	C Green Headteacher M Gaynon Deputy Headteacher
Principal & Registered Office	1 Bailey Road Rugby Warwickshire CV23 0PD
Company Registration No	09027131
Independent Auditor	UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND
Bankers	Lloyds Banking Group Citymark 150 Fountainbridge Edinburgh EH3 9PE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018.

Learning Today Leading Tomorrow aspires to be a sub regional academy trust covering Warwickshire and surrounding areas. Rugby Free Primary School which opened in September 2015 now operates a full Key Stage 1 and the first year of Key Stage 2 with 60 pupils in each year group. At full capacity, Rugby Free Primary School will cater for 420 pupils. Rugby Free Secondary School which opened in September 2016 now educates 529 children across Year 7, Year 8 and Year 9. At full capacity, Rugby Free Secondary School will cater for over 1200 children from across Rugby.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no: 09027131) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees for Learning Today Leading Tomorrow are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning Today Leading Tomorrow.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative details on page 3.

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' Indemnities

Learning Today Leading Tomorrow has in place directors and trustees liability insurance indemnity cover under the DfE's Risk Protection Arrangement.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Company's Standing Orders. These include application, short listing and interviewing procedures. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust. Parent, Community and Staff Trustees have been nominated and elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the trustees held 6 full Board meetings, the last of which was given over to a Trust Self-evaluation exercise. The training and induction provided for new trustees depends on their existing experience. Where necessary, induction will provide training on charity and educational, legal, and financial matters. All new trustees meet with the Chair of trustees and will be given a tour of the academies and the chance to meet with staff and students. All 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.

Organisational Structure

The Academy Trust Board is responsible for the overall strategic direction of the trust and for fulfilling statutory duties. The board is responsible for setting general policy, adopting and monitoring the financial plan and budget, monitoring capital expenditure, agreeing legal contracts and for making senior staff appointments.

The Chief Executive is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Trade union facility time**

The academy had no Trade union officials during 2017/18.

Arrangements for setting pay and remuneration of key management personnel

A consistent performance management process and policy is in place across the trust. This cyclical process involves the setting of targets, a mid-year review and a final review. This final review and performance against the targets set are then considered before making a determination of remuneration.

The key management team for Learning Today Leading Tomorrow during this financial year was the CEO (0.4FTE), the Headteacher of Rugby Free Primary School and the Headteacher of Rugby Free Secondary School.

For key management personnel, the performance management process is carried out by the Chair and Vice Chair of the Trust for the CEO; the CEO and the Chair of the Trust for the Headteachers. In making a determination on a pay award, performance against targets are the determining factor and the eventual award is at the discretion of the Trust board.

Connected Organisations Including Related Party Relationships

There are no transactions for organisations connected with Learning Today Leading Tomorrow.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal object and activity of the charitable company is "to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum."

The main objectives of the trust during the year ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with the local community; and
- to conduct the trust's business in accordance with the highest standards of integrity, probity and openness.

Principal Activities

The Academy Trust's object in its Articles of Association is to advance for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on maximising educational opportunities and improve outcomes for children of all aptitudes, abilities and backgrounds.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Objects, Strategies and Activities**

Rugby Free Primary School was set up to meet the need both for additional school places in the Rugby area but also to give local parents a choice in what their children are taught during the important primary school years. The school opened in the north of the town to serve existing residents and those moving into one of the many new housing developments in the area. It opened with two reception classes of up to 30 children each, and is growing by adding two reception classes each year until the full capacity of 420 children has been reached. Rugby Free Secondary School opened in Rokeby, in the south of the town but draws students from across Rugby and Daventry. It opened with 146 year 7 pupils and is growing by an additional 180 Year 7 pupils every year and will cater for over 1200 pupils when at full capacity. Rugby Free Primary School and Rugby Free Secondary School aim to maximise educational opportunities and improve outcomes for children of all aptitudes, abilities and backgrounds, to enable every child to become a confident young person and achieve success. Both schools aim to be Ofsted Outstanding. This will be delivered through recruiting and retaining the best staff and ensuring the well being of each child in the school.

The Rugby Free Primary School building is designed to provide a physically stimulating environment to achieve our educational objectives and was available for occupation for the opening in September 2015. Rugby Free Secondary School has opened in temporary buildings whilst awaiting a new school build under construction and which is likely to be handed over in February 2020.

Recruitment of pupils is a key task and focuses on open days and evenings, advertising, PR, and by working through the networks available to us from the Local Authorities. Both schools recruited to their full PAN for September 2018 and have waiting lists. Each school has also increased their in-year applications for the earlier cohorts that were not full; RFPS is now operating at full PAN in all year groups and RFSS is expecting to have reached full PAN by September 2019.

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the trust is to support recruitment and retention of pupils and employees with disabilities. The trust does this by adapting the physical environment, by making support resources available and through training and career development.

Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. Learning Today Leading Tomorrow will provide a fully comprehensive education to all pupils in its care. It will comply with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT**Achievements and Performance**

Both schools have achieved important milestones at their early stage of development.

At Rugby Free Primary School and Rugby Free Secondary School, growing positive reputations have resulted in oversubscription and waiting lists for Reception at RFPS and Year 7 at RFSS in 2018 and increased numbers in Year One, Two Three, Eight and Nine.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**STRATEGIC REPORT (cont'd)****Achievements and Performance (cont'd)**

RFPS has a new leadership team and both schools have further extended their leadership teams to ensure the schools have sufficient leadership expertise as they grow and to offer career opportunities and stable succession planning for aspirational staff. Executive leadership meetings are held regularly led by the CEO to ensure effective development and implementation of Trust wide strategy and promote school to school working, sharing of good practice and resources.

Collaborative working between the schools and with other schools and Teaching Schools Alliances has had an increasing focus in 2017/18 and will continue to be a priority as the Trust grows in the future.

Key Successes at RFPS include:

- Over-subscription for Reception in 2018 and now at full capacity in all other year groups. The school is now full with 240 pupils in Reception, Year One, Two and Three.
- Waiting lists in every year group.
- Effective preparation for the first cohort of year pupils moving into Key Stage 2 (Year Three).
- Behaviour and attitudes towards learning are very strong. Children thoroughly enjoy coming to school and are proud of their school.
- Attendance is excellent and above national average at 97%.
- An overall judgement of Good at Ofsted in May 2018.
- OFSTED found the personal development, behaviour and welfare of our pupils to be outstanding "Pupils' attitudes to learning are excellent. Staff encourage pupils to be curious and to develop a love of learning....Pupils are delightful. They are extremely polite and their behaviour is excellent. Pupils are rightly very proud of their school." (Ofsted May 2018).
- Pupil Leadership is a key strength to RFPS with teams such as School Council, Eco team, Digital Leaders and Friendship Ambassadors.
- Excellent results were achieved across all three year groups in July 2018 that track significantly above local and national benchmarks:
 - Good Level of Development (GLD) in Reception at 81%
 - Phonics screening in Year 1 (and Year 2 retakes) at 92% (100% Year 2 retakes)
 - SATS at the end of KS1 (Year 2) - Reading and Writing 85% and Maths 87% of children are working at the expected level
- A creative, rich and varied curriculum is offered to our pupils based on exciting cross curricular topics e.g. Muck, Mess and Mixture, Land Ahoy and Moon Zoom.
- There is a strong focus on Social, Moral, Spiritual and Cultural (SMSC) development with a wide range of enrichment opportunities for our pupils, including educational visits, visitors to school, workshops and themed days.
- We also offer a wide variety of after school clubs based on skills in the arts, sport and languages e.g. Golf, Spanish, Drama. These clubs are taken up by 90% of our pupils.
- Ofsted stated that "The curriculum is broad and engages pupils' interest well...Adults plan activities that ignite children's imagination and promote creativity". (Ofsted May 2018)
- A model of three teachers per year group facilitates more personalised learning and enables interventions to be provided on a regular basis to address any gaps in achievement, alongside extending learning opportunities for our more able children.
- The three teacher model also provides disadvantaged or vulnerable pupils with small group or 1:1 learning sessions, allowing them to make maximum levels of progress.

The three teacher model is particularly effective in Early Years where all disadvantaged pupils made more progress in every subject compared to their peers. "Disadvantaged children and those who have SEN and/or disabilities make good progress from their different starting points. This is because adults identify their individual needs quickly and ensure that they receive support to help them learn well." (Ofsted May 2018)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**STRATEGIC REPORT (cont'd)****Achievements and Performance (cont'd)**

- Parental Surveys show overwhelmingly positive views and are very supportive of the school.
- A parent council was recently set up and monthly drop in sessions with the Headteacher and Chair of Governors is to be introduced in Spring 2018/19 to gain wider and more in-depth parental views.
- An active PTA which works hard to provide events and fund raise for additional resources for the school.
- A new leadership team has quickly established itself, is fully supported by the CEO and the Trust and the school is supported by an active and well experienced Local Governing Body.
- Collaborative working with the Trust, RFSS and the Rugby Consortium (local Rugby Primary schools) is a high priority for RFPS to move itself forward and think critically and creatively, sharing the best practice.

Key Successes at RFSS include:

- Over subscription in Year Seven and a high level of in-year applications in Years Eight and Nine. The school now educates 526 children.
- Attendance is above national average at 96%.
- RFSS achieved their first GCSE results in a variety of languages. 21 Year Seven and Year Eight pupils took a GCSE in their first language; all of these children achieved a GCSE including 16 A* or A grades and 5 B grades.
- 89% of Year Eight pupils were at or above their target grade in English and 81% in Maths. This is 10% higher than the same cohort at the end of Year Seven.
- 89% Year Seven pupils were at or above their target grade in English and 86% in Maths.
- The progress of our disadvantaged (pupil premium) pupils is excellent. It is either very close to or exceeds the progress of the non-pupil premium students.
- SEND pupils make the same progress in their achieving targets as non-SEND pupils.
- Students who have English as an Additional Language (EAL) do very well compared with non EAL students mirroring the national picture. Initially the EAL students arrive at RFSS behind their peers but soon catch up and exceed the general population by the end of the year.
- Curriculum planning is strong with a strong STEMM focus throughout the school with regular opportunities for all pupils to develop their skills in these areas.
- STEMM (Science, Technology, Engineering, Maths and Music) is mapped out across the whole curriculum.
- The Mandarin Excellence programme has started with 30 Year Seven children learning Mandarin. This programme is fully funded and includes a trip to China at the end of Year Eight.
- Students' attitudes to learning are at least good (DfE adviser, 2018).
- Students comment very positively on the staff and the support they receive in terms of their learning (DfE Advisor, 2018).
- Out of hours learning has grown and there are now twice as many clubs and activities running at both lunch time and after school.
- Year 7 Parents completed a recent questionnaire and 100% indicated that they would recommend RFSS to future parents.
- Moderated Headteacher judgements show that Teaching & Learning is at least good with some teachers consistently demonstrating outstanding practice; these judgements were verified by the DfE advisor.
- Tutor time shows valuable use of time and there is a programme in place for all year groups.
- Teaching and learning remain a high priority for the school and the good work is reflected in classroom practice (DfE advisor, 2018).
- The school is fully staffed and has maintained the high recruitment standards set in its first two years.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**STRATEGIC REPORT (cont'd)****Achievements and Performance (cont'd)**

- The Senior Leadership Team comprises of the Headteacher, Deputy Headteacher and two Assistant Headteachers. The extended Senior Leadership Team comprising of Director of Learning for Science & Maths, SENCO, Director of Learning KS3 & Director of Student Support enables the school to drive high expectations with a relentless focus on achieving aspirational targets for all students.
- Middle leaders have been recruited for all subject areas with a Director of Mathematics joining the school in January 2019.
- A Director of Student Support has been appointed to ensure pupils' wellbeing is safeguarded. This member of staff leads the Associate Teacher Team. There are five Associate Teachers who working with the most vulnerable children and their families. Each AT is a key worker to approximately eight children.
- An English as an Additional Language (EAL) Co-ordinator has been appointed whose role is to assess all EAL pupils and put appropriate interventions in place to ensure EAL pupils meet their potential.
- Collaborative working with the Trust, RFPS and the Lion (Teaching Schools) Alliance is a high priority for RFSS to remain well networked and ensure increasing opportunities for school to school support.

Key Financial Performance Indicators

The academy trust established a financial budget at the start of the year and the Board to monitor performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. The trustees consider that the following are key performance indicators for the academy trust moving forward:

	2018	2017
Pupil numbers	501	261
Staff Numbers (FTEs)	49	29
Staff Costs (Including on-costs) as a % of total revenue income	71%	69%
Pupil: Teaching Staff Ratio	33:2	35:2
Total revenue expenditure per pupil	£5,533	£6,586
Average salary	£39,155	£39,275

Going Concern

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

FINANCIAL REVIEW**Overview**

The principal source of funding for the academy trust is the General Annual Grant for both schools. Both schools had Project Development Grants during the pre-opening stages. Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**FINANCIAL REVIEW****Overview (cont'd)**

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

During the year ended 31 August 2018, total expenditure was £3,149,000 (2017: £2,047,000). After adjusting for the FRS102 pension charge, capital grant income and depreciation there is an operational surplus for the year of £54,000 (2017: deficit £58,000).

At 31 August 2018 the net book value of fixed assets was £5,265,000 (2017: £5,473,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. This includes the valuation of the land and buildings. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

The academy was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis as at 1 September 2016, with there being no past service liabilities or assets. The deficit in the scheme at 31 August 2018 was £28,000 (2017: £22,000).

It should be noted that the balance sheet, income and expenditure, and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The trust's financial and risk management objectives are documented in its:

- Official budgets;
- Accounting Policy;
- Financial Regulations Manual;
- Principal's Delegation Statement;
- Scheme of Delegation;

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

Reserves Policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to one month of expenditure, approximately £231,000 (2017: £143,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

There are no free reserves after deducting 4 weeks working capital requirements (2017: £Nil).

Financial Position

The academy held fund balances at 31 August 2018 of £5,386,000 (2017 £5,540,000) comprising £5,271,000 (2017: £5,473,000) of restricted fixed asset funds, £41,000 (2017: £5,000) of restricted general funds, £28,000 deficit (2017: £22,000 deficit) of restricted pension funds and £102,000 (2017: £84,000) of unrestricted funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policies on investments are one of minimum risk with all investments being held with the trust's bankers or other banking institutions regulated by the Financial Conduct Authority. The trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2019. Investments are made with regard to Charity Commission guidance in relation to investments.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

The Board has built on this success by establishing a formal risk register and management policy, which is overseen by the Audit and Risk Committee. Having conducted a detailed analysis of the reputational, financial and operational risks, this process now formally documents the managerial action that is taking place, and has enabled risk management to be more systematic. The level of risk at Trust level is informed by analysis of the relevant finance, progress and achievement data and a measure of compliance with governance, operational and finance procedures within the schools.

At the time of reporting, the trust's identified key risks are:

- the ability for the Academy Trust to develop its Central Function in the early years with minimal central resources;
- the ability to grow as an Academy Trust prior to Good or better Ofsted judgements at RFSS;
- the risk of progress and attainment in subjects or at Key Stages being below expectations;
- the rate of expansion of each academy including significant in-year applications at RFSS;
- being able to recruit staff of the right calibre, particularly for specific subject areas such as mathematics;
- the impact of changes to funding regulations;
- loss of personal and sensitive information and compliance with GDPR;

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces. They have introduced operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Plans for Future Periods

Learning Today Leading Tomorrow has successfully opened two schools, catering for primary and secondary children from across Rugby and further afield. The primary focus for the coming year will be to build on the excellent outcome of the Rugby Free Primary School Ofsted inspection where it achieved an overall Good with outstanding elements judgement and consolidate the progress made to date in preparation for Rugby Free Secondary School's first Ofsted inspection expected before July 2019.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Each school works with a parent-led body 'Friends of RFPS' and 'Friends of RFSS' to raise funds for use within the schools. All events are approved by the Headteacher/School Business manager.
- Both schools organise fundraising activities for the students to raise funds for other charities or recognised national charity events.
- RFPS operates a School Fund that accounts for all monies raised through school events and the Friends of RFPS group.
- Friends of RFSS organise events and donate monies raised to the school.
- All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness.
- All funds collected on behalf of a school must be given to the School Business manager to be accurately recorded, accounted for and banked in accordance with the recognition of income finance procedures.
- If funds are raised by students for another charity, a cheque or online payment will be issued to the intended beneficiary in accordance with the finance procedures.
- We do not work with professional fundraisers but we are currently exploring procuring a professional organisation to support us to manage the use of our school buildings to raise money for the schools.
- Our fundraising conforms to the following recognised standards:
 - No undue pressure is placed on students or staff to donate to a particular charity/charities.
 - No undue pressure is placed on students to apply undue pressure on their families members to donate through a school event for the schools' benefit or a particular charity/charities.
 - Staff must not use their influence over students of the Trust to persuade them to take part in Trust fundraising or external Fundraising.
 - Students are never asked to take part in door to door or street collections.
- The academy trust monitors fundraising carried out on its behalf by agreeing activities, scope, marketing and expected outcomes in advance of the fundraising activity.
- The academy trust has a Trust Complaints procedure which can be used by any internal or external stakeholder who wishes to raise a concern or a complaint relating to fundraising.
- The academy trust protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate by ensuring the headteachers monitor the activities organised within schools and on their behalf. The Trust does not target people who are not already involved in the school community.

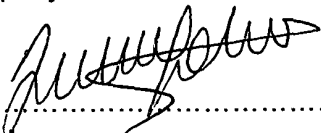
Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a Strategic Report was approved by the Board of Trustees as the company Directors on 7 December 2018 and signed on their behalf by:



.....
D Johnson

Chair of Trustees

7 December 2018

company Directors on 1 December 2018 and signed on their behalf by:
The Trustees, Reborn incorporating a Strategic Reborn was approved by the Board of Trustees as the
to appoint them will be proposed at the annual General Meeting.
The auditors 'OHY Hacker Young (Birmingham) LLP' are willing to continue in office and a resolution

- the trustees have taken all steps that they ought to have taken to make themselves aware of any
 - there is no relevant audit information of which the charitable company's auditor is unaware;
 - in so far as the trustees are aware:
- Auditors

not intend people who are not already involved in the school community.

Headteachers monitor the activities organised within schools and on their behalf. The Trust does

- external stakeholders who wishes to raise a concern or a complaint relating to fundraising.
- The academy trust has a Trust Complaints procedure which can be used by any internal or
- marketing and expected outcomes in advance of the fundraising activity.

- The academy trust monitors fundraising carried out on its behalf by steering activities' scope'
- Students are never asked to take part in door to door or street collections.

- Staff must not use their influence over students of the Trust to persuade them to take part in
- to donate through a school event for the schools' benefit or a particular charity/charities.

- No undue pressure is placed on students to apply undue pressure on their families members
- No undue pressure is placed on students or staff to donate to a particular charity/charities.

- Our fundraising conforms to the following recognised standards:
for the schools
professional organisation to support us to manage the use of our school buildings to raise money
the intended beneficiary in accordance with the trustee procedures.

- If funds are raised by students for another charity, a cheque or online payment will be issued to
trustee procedures.
accurately recorded, accounted for and banked in accordance with the recognition of income
integrity and openness.

- All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty,
Friends of RFPs organise events and donate monies raised to the school.
- Friends of RFPs Group.
- RFPs operates a School Fund that accounts for all monies raised through school events and the
recognised national charity events.

- Both schools organise fundraising activities for the students to raise funds for other charities or
trustees.
for use within the schools. All events are approved by the Headteacher/School Business
Each school works with a parent-led body, Friends of RFPs, and Friends of RFPs, to raise funds
approach to fundraising practices is as follows:

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust
Fundraising

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)
LEARNING TODAY LEADING TOMORROW

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Learning Today Leading Tomorrow and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
D Johnson (Chair)	6	6
T Legge	5	6
D Noble	2	4
C Raymont-Hall (formerly Carter)	2	4
J Simpson - Vince	6	6
K Warburton	4	6
G Brown	6	6
S Howes	2	2

The Audit and Risk Committee of the Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Audit Committee was as follows:

Trustees	Meetings attended	Out of a possible
G Brown (Chair)	4	4
T Legge	3	4
J Simpson - Vince	4	4

Governance Review

The Academy trust reviews its governance arrangements on an annual basis. During this period, the Trust employed a CEO for the first time on a part-time basis. The CEO developed a comprehensive governance and operational plan for the academic year which focused on improving and standardising governance systems across the Trust as well as the creation of a Trust Executive Team which was composed of the Headteachers and bought-in Finance Director. The Trustees undertook a self-evaluation of governance in June 2018 using the recommended "Nine characteristics of successful MATs" as a self evaluation tool. This identified that the Trust rated itself as being between the 'Beginning' stage and 'Developing' stage of development across the nine key areas of operation. As part of the exercise, Trustees considered realistic aspirations for the 2018/19 academic year and agreed that the CEO should now focus on the further development of the Trust Central Function and Trust Executive Team to ensure that each of the nine key areas continues to improve effectiveness and work towards the 'Embedding' stage as described in the self-evaluation tool. Having also achieved a Good Ofsted rating at RFPs in May 2018, trustees are now in the process of approving a Strategic Plan 2018-22 to focus on future growth and development as well as maintaining standards within the current schools.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**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 academy trust has delivered improved value for money during the year by:

- bringing all Trust contracts together centrally to plan for the negotiation of Trust wide contracts rather than individual school contracts as they come up for renewal;
- re-tendering the cleaning contract at RFSS to achieve a £300 per month saving;
- RFPS joined a Primary school consortium to access a wide range of CPD at low cost;
- both RFPS and RFSS developed effective internal cover strategies to reduce the use of Supply teachers;
- re-negotiated the electricity contract at RFPS through an energy broker which is expected to save £7,000 per year;
- using external procurement consultants at nil cost to drive best value from the supply chain;
- leveraging the growth of the multi-academy trust to provide better value to all schools.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

Learning Today Leading Tomorrow 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 Audit and Risk 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;
- clear delegation of authority and segregation of duties;
- identification and management of risks.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young to provide a supplementary programme of work as part of their external audit service. The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included testing:

- purchase systems;
- payroll systems;
- control account/bank reconciliations.

The external auditor provided a management letter report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. During the period the external auditor has delivered the schedule of work as planned and no material control issues were identified.

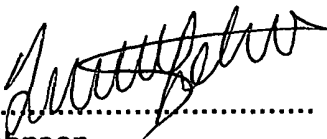
Review of Effectiveness

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

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

Approved by order of the members of the Board of Trustees on 7 December 2018 and signed on its behalf by:



.....
D Johnson
Chair of Trustees



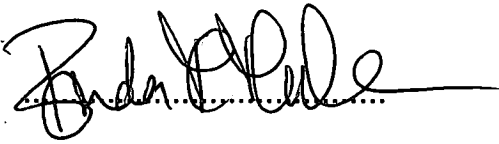
.....
B Mullen
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

A handwritten signature in black ink, appearing to read 'B Mullen', written over a horizontal dotted line.

B Mullen
Chief Executive and Accounting Officer
7 December 2018

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

The trustees (who act as governors of Learning Today Leading Tomorrow and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

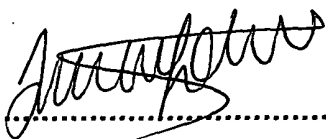
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 Academy will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2018 and signed on its behalf by:



.....
D Johnson
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2018**Opinion**

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

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Other information**

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

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

We have nothing to report in this regard.

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 (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' 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 trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

7 December 2018

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO LEARNING TODAY LEADING TOMORROW AND THE EDUCATION FUNDING AND SKILLS AGENCY FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 25 July 2018 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the academy 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.

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

Respective responsibilities of Learning Today Leading Tomorrow's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Learning Today Leading Tomorrow funding agreement with the Secretary of State for Education dated 23 March 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

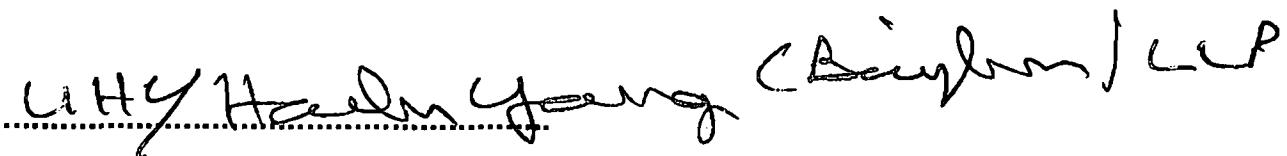
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO LEARNING TODAY LEADING TOMORROW AND THE EDUCATION FUNDING AND SKILLS AGENCY FOR THE YEAR ENDED 31 AUGUST 2018**Approach (con't)**

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/strategic business manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 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.



Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

7 December 2018

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018
(Including Income and Expenditure Account)

		Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
	Note					
Income from:						
Donations and capital grants	3	-	1	151	152	570
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	2,641	-	2,641	1,531
Other trading activities	5	171	-	-	171	120
Investments	6	-	-	-	-	1
Total		171	2,642	151	2,964	2,222
Expenditure on:						
Raising funds	7	67	-	-	67	47
Charitable activities:						
- Academy trust's educational operations	7&8	-	2,705	377	3,082	2,000
Total		67	2,705	377	3,149	2,047
Net income/(expenditure)		104	(63)	(226)	(185)	175
Transfers between funds	16	(86)	62	24	-	-
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	26	-	31	-	31	11
Net movement in funds		18	30	(202)	(154)	186
Reconciliation of funds						
Total funds brought forward	16	84	(17)	5,473	5,540	5,354
Total funds carried forward	16	102	13	5,271	5,386	5,540

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	13	<u>5,265</u>	<u>5,473</u>
		<u>5,265</u>	<u>5,473</u>
Current assets			
Debtors	14	209	281
Cash at bank and in hand		<u>328</u>	<u>975</u>
		<u>537</u>	<u>1,256</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>388</u>	<u>1,167</u>
Net current assets		<u>149</u>	<u>89</u>
Total assets less current liabilities		5,414	5,562
Defined benefit pension scheme liability	26	(28)	(22)
Total Net Assets		<u><u>5,386</u></u>	<u><u>5,540</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	16	5,271	5,473
- Restricted income fund	16	41	5
- Pension reserve	16	<u>(28)</u>	<u>(22)</u>
Total Restricted Funds		<u>5,284</u>	<u>5,456</u>
Unrestricted income fund	16	<u>102</u>	<u>84</u>
Total unrestricted funds		<u>102</u>	<u>84</u>
Total Funds		<u><u>5,386</u></u>	<u><u>5,540</u></u>

The financial statements on pages 23 to 41 were approved by the trustees and authorised for issue on 7 December 2018 and signed on their behalf by:



 D Johnson
 Chair of Trustees

Chair of Trustees

D Johnson

1 December 2018 and signed on their behalf by:

The financial statements on pages 23 to 41 were approved by the trustees and authorized for issue on

Total Funds		<u>2,388</u>	<u>2,240</u>
Total unrestricted funds		<u>103</u>	<u>84</u>
Unrestricted income fund	20	103	84
Total Restricted Funds		<u>2,285</u>	<u>2,156</u>
- Pension reserve	20	(58)	(55)
- Restricted income fund	20	14	2
- Fixed asset fund	20	172.2	174.2
Restricted funds			
Funds of the Academy:			
Total Net Assets		<u>2,388</u>	<u>2,240</u>
Defined benefit pension scheme liability	20	(58)	(55)
Total assets less current liabilities		2,144	2,185
Net current assets		148	88
Creditors: Amounts falling due within one year	20	388	171.1
Current liabilities			
Cash at bank and in hand		<u>131</u>	<u>152.1</u>
Debtors	20	358	170
Current assets			
Tangible assets	20	<u>2,282</u>	<u>2,143</u>
Fixed assets			
	Note	2,000	2,000
		2018	2017

BALANCE SHEET AS AT 31 AUGUST 2018

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	20	(629)	(184)
Cash flows from investing activities	21	-	1
Cash flows from financing activities	22	(18)	(27)
Change in cash and cash equivalents in the reporting period		<u>(647)</u>	<u>(210)</u>
Cash and cash equivalents at 1 September	23	975	1,185
Cash and cash equivalents at 31 August	23	<u>328</u>	<u>975</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018**1 Statement of Accounting Policies**

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

Basis of Preparation

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

Learning Today Leading Tomorrow meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All 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.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

• 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 receipt is probable and it can be measured reliably.

• Donations

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

• Other income

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

• Donated goods, facilities and services

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

- **Donated goods, facilities and services (cont'd)**

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing **£1,000** or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Freehold buildings	2%
Furniture and equipment	10 - 15%
Computer equipment and software	33.33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the 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.

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**Critical accounting estimates and assumptions (cont'd)**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018 (See note 16).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Free school capital grant - ESFA	-	140	140	567
Devolved formula capital	-	11	11	-
School Fund	-	1	1	3
	-	<u>152</u>	<u>152</u>	<u>570</u>

The income from donations and capital grants was £152,000 (2017 : £570,000) of which £Nil (2017 : £Nil) was unrestricted, £1,000 (2017 : £3,000) restricted and £151,000 (2017 : £567,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

DfE/ESFA grants	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
General annual grant (GAG) (note 2)	-	2,298	2,298	1,396
Pupil premium grant	-	103	103	44
Other DfE/ESFA grants	-	160	160	71
	-	<u>2,561</u>	<u>2,561</u>	<u>1,511</u>
Other Government grants				
Special Needs Grant - LA	-	47	47	15
Other LA grants	-	33	33	-
	-	<u>80</u>	<u>80</u>	<u>15</u>
Other income from the academy trust's educational operations	-	-	-	5
	-	<u>2,641</u>	<u>2,641</u>	<u>1,531</u>

The income from the academy trusts's educational operations was restricted for both 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

5 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Total
	Funds	Funds	2018	2017
	£'000	£'000	£'000	£'000
Before and after school club income	133	-	133	95
Rental income	38	-	38	18
Other Income	-	-	-	7
	<u>171</u>	<u>-</u>	<u>171</u>	<u>120</u>

The income from the academy trusts's other trading activities was unrestricted for both 2018 and 2017.

6 INVESTMENT INCOME	Unrestricted	Restricted	Total	Total
	Funds	Funds	2018	2017
	£'000	£'000	£'000	£'000
Bank interest received	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

The income from the academy trusts's investment income was unrestricted for both 2018 and 2017.

7 EXPENDITURE	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other Costs		
		£'000	£'000		
Expenditure on raising funds					
- Direct costs	50	-	-	50	47
- Allocated support costs	-	17	-	17	-
Academy's educational operations					
- Direct costs	1,641	-	206	1,847	985
- Allocated support costs	320	568	347	1,235	1,015
	<u>1,961</u>	<u>568</u>	<u>553</u>	<u>3,082</u>	<u>2,000</u>
	<u>2,011</u>	<u>585</u>	<u>553</u>	<u>3,149</u>	<u>2,047</u>

The expenditure was £3,149,000 (2017 : £2,047,000) of which £67,000 (2017 : £47,000) was unrestricted, £2,705,000 (2017 : £1,672,000) restricted and £377,000 (2017 : £328,000) restricted fixed assets.

Incoming/outgoing resources for the year include:

	2018	2017
	£'000	£'000
Operating leases rentals	5	5
Depreciation	377	328
Fees payable to auditor for:		
Audit	7	7
Other services	3	9

8 CHARITABLE ACTIVITIES

	2018	2017
	£'000	£'000
Direct costs - educational operations	1,847	985
Support costs - educational operations	1,235	1,015
	<u>3,082</u>	<u>2,000</u>

Analysis of Support Costs

	2018	2017
	£'000	£'000
Support staff costs	320	225
Depreciation	377	328
Technology costs	57	40
Premises costs	191	131
Other support costs	203	204
Governance	87	87
	<u>1,235</u>	<u>1,015</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

9 STAFF**a Staff costs**

	Total 2018 £'000	Total 2017 £'000
Staff costs during the year were:		
Wages and salaries	1,470	874
Social security costs	151	83
Operating costs of defined benefit pension schemes	<u>278</u>	<u>178</u>
	<u>1,899</u>	<u>1,135</u>
Agency staff costs	95	2
Staff restructuring costs	<u>17</u>	<u>-</u>
	<u>2,011</u>	<u>1,137</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	17	-
Other restructuring costs	<u>-</u>	<u>-</u>
	<u>17</u>	<u>-</u>

b Staff severance payments

Included in staff restructuring costs is a non statutory/non contractual severance payments totalling £16,750 (2017 : £Nil) paid on 31 August 2018.

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2018 expressed as whole persons was as follows:

	Total 2018 No.	Total 2017 No.
Charitable Activities		
Teachers	28	15
Administration and support	22	15
Management	<u>4</u>	<u>4</u>
	<u>54</u>	<u>34</u>

d Higher paid staff

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

	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>1</u>	<u>1</u>

e Key management personnel

The key management of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £513,351 (2017: £384,497).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**10 CENTRAL SERVICES**

The academy trust has provided the following central services to its academies

- human resources;
- financial services;
- legal services;
- educational support services;

The multi academy trust charges for these services a flat percentage, 5% to Rugby Free Primary School and 5% to Rugby Free Secondary School of all general annual grant and ESG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£'000	£'000
Rugby Free Primary School	35	20
Rugby Free Secondary School	79	45
	<u>114</u>	<u>65</u>

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer received remuneration in respect of her contract of services as CEO and not in respect of her services as trustee. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustees' remuneration and other remuneration was as follows:

B Mullen (Chief Executive Officer and Accounting Officer)

Remuneration	£55,000 - £60,000	(2017: £Nil - £Nil)
Employers pension contribution	£Nil - £Nil	(2017: £Nil - £Nil)

During the year ended 31 August 2018, project management services totalling £Nil (2017: £39,000) and travel and subsistence expenses totalling £1,098 (2017: £1,877) were reimbursed or paid directly to 3 trustees.

12 TRUSTEES' AND OFFICERS' INSURANCE

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

13 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 September 2017	4,989	415	567	5,971
Additions	-	45	124	169
At 31 August 2018	<u>4,989</u>	<u>460</u>	<u>691</u>	<u>6,140</u>
Depreciation				
At 1 September 2017	199	90	209	498
Charged in year	100	64	213	377
At 31 August 2018	<u>299</u>	<u>154</u>	<u>422</u>	<u>875</u>
Net book value				
At 31 August 2018	<u>4,690</u>	<u>306</u>	<u>269</u>	<u>5,265</u>
At 31 August 2017	<u>4,790</u>	<u>325</u>	<u>358</u>	<u>5,473</u>

On 20 March 2015 Rugby Free Primary School's freehold land and buildings was purchased by the Education and Skills Funding Agency and donated to Learning Today Leading Tomorrow for £2,875,000. Refurbishment of the land and buildings was subsequently undertaken through further Education and Skills Funding Agency funding of £2,062,000 which was completed on 28 August 2015.

14 DEBTORS

	2018 £'000	2017 £'000
Trade debtors	-	6
VAT recoverable	55	221
Prepayments	16	9
Other debtors	138	45
	<u>209</u>	<u>281</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	107	64
Taxation and social security	70	41
ESFA creditor : VAT	82	1,006
Accruals	61	28
Deferred income	68	28
	<u>388</u>	<u>1,167</u>
Deferred Income		
Deferred income at 1 September 2017	28	53
Resources deferred in the year	68	28
Amounts released from previous years	(28)	(53)
Deferred income at 31 August 2018	<u>68</u>	<u>28</u>

At the balance sheet date the academy was holding funds received in advance for 2018/19 for universal infant free school meals £42,954 (2017: £24,982) and school trips £24,806 (2017: £2,700).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for purposes:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (note I)	-	2,298	(2,325)	62	35
Local authority grant (note ii)	-	80	(80)	-	-
Project develop't grant - RFSS (note iii)	-	-	-	-	-
Pupil premium grant (note iv)	-	103	(103)	-	-
Other DfE/ESFA grants (note v)	-	160	(160)	-	-
Other grants (note vi)	-	-	-	-	-
School Fund (note vii)	5	1	-	-	6
	<u>5</u>	<u>2,642</u>	<u>(2,668)</u>	<u>62</u>	<u>41</u>
Restricted fixed asset funds					
Free school capital grant (note viii)	2,731	140	(313)	-	2,558
ESFA land and building donation (note ix)	2,718	-	(58)	-	2,660
DfE/ESFA capital grants (note x)	-	11	-	-	11
Capital expenditure transfer (note xi)	24	-	(6)	24	42
	<u>5,473</u>	<u>151</u>	<u>(377)</u>	<u>24</u>	<u>5,271</u>
Restricted pension scheme liability					
Pension reserve	(22)	-	(37)	31	(28)
	<u>(22)</u>	<u>-</u>	<u>(37)</u>	<u>31</u>	<u>(28)</u>
Total Restricted Funds	5,456	2,793	(3,082)	117	5,284
Unrestricted funds					
Unrestricted funds (note xii)	84	171	(67)	(86)	102
	<u>84</u>	<u>171</u>	<u>(67)</u>	<u>(86)</u>	<u>102</u>
Total funds	5,540	2,964	(3,149)	31	5,386

Notes

- i) General annual grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2018. (see note 2)
- ii) The local authority grant is utilised to meet the special needs of pupils.
- iii) The project development grant is utilised to meet the costs of setting up Rugby Free Secondary School which opened on 5 September 2016, including project management, consultancy, property and legal fees.
- iv) Pupil premium are funds paid to disadvantaged pupils.
- v) Other grants, including rates relief and universal free school meals awarded by the ESFA and for specific purposes.
- vi) Other grants are used to support apprenticeships at the academy.
- vii) School fund are legacy funds from contributions and donations received from parents and other organisations which are used to support the academy trust's activities.
- viii) The free school capital grant is utilised to refurbish the donated land and buildings for school use.
- ix) On 20 March 2015, Rugby Free Primary School's freehold land and buildings were purchased by the ESFA for £2,875,000 and donated to Learning Today Leading Tomorrow (note 13).
- x) Devolved formula capital grants received from the ESFA to support capital spend at the academy.
- xi) Capital expenditure transfer from GAG or unrestricted funds totalled £24,000 (2017: £27,000).
- xii) Unrestricted funds include receipts from the trust's trading activities and spent at the discretion of the trustees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)

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

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General annual grant (note i)	42	1,396	(1,431)	(7)	-
Local authority grant (note ii)	-	15	(15)	-	-
Project develop't grant - RFSS (note iii)	67	-	(67)	-	-
Pupil premium grant (note iv)	-	44	(44)	-	-
Other DfE/ESFA grants (note v)	6	71	(77)	-	-
Other grants (note vi)	-	5	(5)	-	-
School Fund (note vii)	2	3	-	-	5
	117	1,534	(1,639)	(7)	5
Restricted fixed asset funds					
Free school capital grant (note viii)	2,431	567	(267)	-	2,731
ESFA land and building donation (note ix)	2,776	-	(58)	-	2,718
DfE/ESFA capital grants (note x)	-	-	-	-	-
Capital expenditure from GAG (note xi)	-	-	(3)	27	24
	5,207	567	(328)	27	5,473
Restricted pension scheme liability					
Pension reserve	-	-	(33)	11	(22)
	-	-	(33)	11	(22)
Total Restricted Funds	5,324	2,101	(2,000)	31	5,456
Unrestricted funds					
Unrestricted funds (note xii)	30	121	(47)	(20)	84
	30	121	(47)	(20)	84
Total funds	5,354	2,222	(2,047)	11	5,540

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

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General annual grant (note i)	42	3,694	(3,756)	55	35
Local authority grant (note ii)	-	95	(95)	-	-
Project develop't grant - RFSS (note iii)	67	-	(67)	-	-
Pupil premium grant (note iv)	-	147	(147)	-	-
Other DfE/ESFA grants (note v)	6	231	(237)	-	-
Other grants (note vi)	-	5	(5)	-	-
School Fund (note vii)	2	4	-	-	6
	117	4,176	(4,307)	55	41
Restricted fixed asset funds					
Free school capital grant (note viii)	2,431	707	(580)	-	2,558
ESFA land and building donation (note ix)	2,776	-	(116)	-	2,660
DfE/ESFA capital grants (note x)	-	11	-	-	11
Capital expenditure from GAG (note xi)	-	-	(9)	51	42
	5,207	718	(705)	51	5,271
Restricted pension scheme liability					
Pension reserve	-	-	(70)	42	(28)
	-	-	(70)	42	(28)
Total Restricted Funds	5,324	4,894	(5,082)	148	5,284
Unrestricted funds					
Unrestricted funds (note xii)	30	292	(114)	(106)	102
	30	292	(114)	(106)	102
Total funds	5,354	5,186	(5,196)	42	5,386

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

16 FUNDS (cont'd)	2018	2017
TOTAL FUNDS ANALYSIS BY ACADEMY	Total	Total
Fund balances at 31 August 2018 were allocated as follows:	£'000	£'000
Rugby Free Primary School	99	88
Rugby Free Secondary School	42	-
Central services	2	1
Total before fixed assets and pension reserve	<u>143</u>	<u>89</u>
Restricted fixed assets fund	5,271	5,473
Pension reserve	(28)	(22)
	<u>5,243</u>	<u>5,451</u>
Total	<u>5,386</u>	<u>5,540</u>

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Other Educational Supplies	Other Costs (excluding Dep'n)	2018 Total	2017 Total
	Funds	Funds	Funds	Funds	£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
Rugby Free Primary	548	56	136	232	972	661
Rugby Free Secondary	1,143	186	70	287	1,686	987
Central services	-	78	-	36	114	71
Academy Trust	<u>1,691</u>	<u>320</u>	<u>206</u>	<u>555</u>	<u>2,772</u>	<u>1,719</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	5,265	5,265
Current assets	102	-	429	6	537
Current liabilities	-	-	(388)	-	(388)
Pension scheme liability	-	(28)	-	-	(28)
	<u>102</u>	<u>(28)</u>	<u>41</u>	<u>5,271</u>	<u>5,386</u>

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	5,473	5,473
Current assets	84	-	1,172	-	1,256
Current liabilities	-	-	(1,167)	-	(1,167)
Pension scheme liability	-	(22)	-	-	(22)
	<u>84</u>	<u>(22)</u>	<u>5</u>	<u>5,473</u>	<u>5,540</u>

18 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

2018	2017
£'000	£'000
-	458

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

19 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	2017
	Other	Other
	£'000	£'000
- Amounts due within one year	5	5
- Amounts due between one and five years	10	15
	<u>15</u>	<u>20</u>

20 RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING

	2018	2017
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(185)	175
Adjusted for:		
Interest receivable	-	(1)
Fixed asset depreciation (note 13)	377	328
Capital grants from DfE and other capital income (note 3)	(151)	(567)
Defined benefit pension scheme cost less contributions payable (note 26)	37	38
Defined benefit pension scheme finance cost (note 26)	-	(5)
Decrease/(increase) in debtors	72	(76)
Decrease in creditors	(779)	(76)
Net cash used in operating activities	<u>(629)</u>	<u>(184)</u>

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2018	2017
	£'000	£'000
Interest received	-	1
Net cash provided by investing activities	<u>-</u>	<u>1</u>

22 CASH FLOWS FROM FINANCING ACTIVITIES

	2018	2017
	£'000	£'000
Purchase of tangible fixed assets	(169)	(594)
Capital grants from DfE/ESFA	151	567
Net cash used in financing activities	<u>(18)</u>	<u>(27)</u>

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug	At 31 Aug
	2018	2017
	£'000	£'000
Cash in hand and at bank	328	975
Total cash and cash equivalents	<u>328</u>	<u>975</u>

24 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**25 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26 PENSION AND SIMILAR OBLIGATIONS

The Academy'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 Warwickshire Pension Fund. Both are defined multi employer benefit schemes.

The total pension cost to the Academy during the year ended 31 August 2018 was £278,000 (2017 : £178,000) of which £193,000 (2017: £113,000) relates to the TPS and £85,000 (2017: £65,000) relates to the LGPS.

There were £35,622 (2017: £19,802) outstanding contributions at the end of the financial year.

The academy was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis in September 2016, with there being no past service liabilities or assets.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and from 1 April 2014 by the Teachers Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers costs paid to TPS in the year amounted to £193,000 (2017: £113,000).

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2018 was £62,000 (2017:£42,000) of which employer's contributions totalled £48,000 (2017:£32,000) and employees contributions totalled £14,000 (2017: £10,000). The agreed contributions for future years for employers are 22.9% (2017: 22.9%) for Rugby Free Primary School and 23.5% (2017: 22.9%) for Rugby Free Secondary School. The average rate of contributions for employees are 5.5% (2017: 5.5%) for Rugby Free Primary School and 5.5% (2017: 5.5%) for Rugby Free Secondary School.

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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2018 % per annum	At 31 August 2017 % per annum
Discount rate	2.8%	2.5%
Salary increases	2.9%	3.0%
Pension increases	2.3%	2.4%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2018 £'000	2017 £'000
Discount rate decreased by 0.5% per annum	39	20
Pension increased by 0.5%	39	20

The mortality assumptions used were as follows:

	2018 years	2017 years
Longevity at age 65 retiring today		
- Men	22.5	22.5
- Women	24.7	24.7
Longevity at age 65 retiring in 20 years		
- Men	24.3	24.3
- Women	26.7	26.7

The Academy's share of the assets in the scheme were:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equity instruments	74	33
Debt instruments	25	11
Property	14	6
Cash/liquidity	4	1
Total market value of assets	<u>117</u>	<u>51</u>
Present value of scheme liabilities		
- Funded	(117)	(51)
- Unfunded	(28)	(22)
Total liabilities	<u>(145)</u>	<u>(73)</u>
Deficit in the scheme	<u>(28)</u>	<u>(22)</u>

The actual return on the scheme assets in the year was a surplus of £4,000 (2017:£3,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)

26 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

Amounts recognised in the Statement of Financial Activities

	2018	2017
	£'000	£'000
Current service cost	85	70
Interest income	(3)	(6)
Interest cost	3	1
Total Operating Charge	85	65

	2018	2017
	£'000	£'000
Movement in deficit during the year		
Balance brought forward at 1 September	22	-
Movement in year:		
Employer service cost (net of employee contributions)	85	70
Employer contributions	(48)	(32)
Expected return on scheme assets	(3)	(6)
Interest cost	3	1
Actuarial gains	(31)	(11)
Deficit in the scheme at 31 August	28	22

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

	2018	2017
	£'000	£'000
Scheme liabilities at 1 September	73	-
Current service cost	85	70
Interest cost	3	1
Contributions by scheme participants	14	10
Actuarial gains	(30)	(8)
Scheme liabilities at 31 August	145	73

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

	2018	2017
	£'000	£'000
Fair value of scheme assets at 1 September	51	-
Expected return on scheme assets	3	6
Contributions by employer	48	32
Contributions by scheme participants	14	10
Actuarial gains	1	3
Fair value of scheme assets at 31 August	117	51

The estimated value of employer contributions for the year ended 31 August 2019 is £50,000 (2018 : £31,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018 (cont'd)**27 RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting events arising after the balance sheet date.