

ACER LEARNING TRUST
(A company limited by guarantee)
Annual Report and Financial Statements
for the Year Ended 31 August 2019

Acer Learning Trust

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Acer Learning Trust

Reference and Administrative Details

Members	D Green D Haw, Chair W Snaith
Trustees (Directors)	V Brown R Chamberlain G Cue, Vice Chair D Dent, Chairman S Richards, Executive Headteacher/CEO G Wood, Staff Trustee K Tye (resigned 14 December 2018)
Company Secretary	G Wood
Senior Management Team	S Richards, Executive Headteacher M Robson, Headteacher S Kitchen, Deputy Headteacher G Wood, Operations Manager/CFO
Principal and Registered Office	Ayton Road Oxclose Washington Tyne and Wear NE38 0LR
Company Name	Acer Learning Trust
Company Registration Number	08158718
Auditors	MHA Tait Walker Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF
Solicitors	Samuel Philips Law Firm Gibb Chambers 52-54 Westgate Road Newcastle upon Tyne NE1 5XU

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as a Primary School including a nursery which provides twenty-six-part time places. The school serves a catchment area in the Ayton area of Washington. At the January 2018 census the Academy Trust had a total of 275 children.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 26th July 2012 and converted to academy status on 1st August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Acer Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Acer Learning Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made in line with the guidance in the Articles of Association. The term of office for any Trustee shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

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Trustees Report for the Year Ended 31 August 2019 (continued)

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Members, Trustees and Governors will be given induction training by the Trust's trained governance clerk. The Trust purchases support that provides for individual and full Governing Body training through an annual service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Leadership Team of the Academy, this was restructured May 2019 to form a Strategic Senior Leadership Team. The aim of the management structure is to establish a clear line of accountability and responsibilities and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and has ultimate accountability for the Academy. They will hold to account the Executive Headteacher. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual development plan, reviewing curriculum, budget monitoring, making major decisions about the direction of the Academy and the Trust and senior staffing appointments as well as monitoring standards and performance.

The strategic Senior Leadership Team consists of the Executive Headteacher, Headteacher, Deputy Head Teacher, and Operations Manager. The team lead and manage the Trust at an executive strategic level, steering the direction of the Academy in line with strategic plans and developing opportunities. They are also responsible for the day to day operation of the Academy in addition to supporting the wider work and objectives of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy has adopted Pay Policy Model A from Sunderland Local Authority. This policy sets out the school's principles and arrangements for making decisions on teachers' pay. It has been developed to comply with current legislation and the requirements of the current School Teachers' Pay and Conditions Document (STPCD). The policy covers all areas where schools have discretion within the STPCD to make decisions. It is not intended to be a duplication of the areas of the STPCD where schools have no discretion and should therefore be used in conjunction with the STPCD to ensure full compliance.

The Governing Body has developed this policy with the objective of recruiting, retaining and motivating all teachers to ensure the best educational opportunities for pupils at the school. Pay decisions at this school are made by the Personnel Committee of Holley Park Academy.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Related Parties and Other Connected Charities and Organisations

Members, Trustees and Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Member, Trustee or Governor will remove themselves from the relevant decision-making process.

During the year ending 31st August 2018 the Academy continued to maintain established relationships with other schools across the city. We work in partnership with Oxclose Community Academy for the smooth transition of our pupils from KS2 to KS3 and support in our PE and Sport activities.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and activity of the charitable company is the operation of Acer Learning Trust to provide education for pupils of different abilities between the ages 3-11 years in school. Acer Learning Trust is dedicated to continually improving the quality of the educational provision for all of our pupils, so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

Academy aims:

- We aim raise attainment for all pupils by continuing to improve and develop the quality of teaching and learning
- We aim to develop all pupils to enable them to become successful learners and achieve their full potential through high quality purposeful teaching.
- We aim to nurture children's natural desire to learn, to acquire knowledge and skills to investigate, to solve problems and be creative.
- We aim to motivate pupils to attain the highest possible standard in all areas of learning.
- We aim provide for every child an enjoyable, broad and balanced curriculum in a high quality, stimulating environment.
- We aim to treat every child and adult with equal respect and understanding.
- We aim to challenge, support and develop staff to create an outstanding workforce.

Members, Trustees, Governors, staff, parents and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

Objectives, Strategies and Activities

As an Academy Trust, we ensure we comply with statutory and legal obligations as well as the funding arrangements which we have in place. The Trustees along with the Executive Headteacher and Strategic Senior Leaders have developed a School Development Plan setting out our objectives and strategies to ensure the educational excellence for all of the children who attend Holley Park Academy. In setting objectives and planning our activities the Trustees have given careful consideration to the charity commission's general guidance and public benefit.

Our school aims to continually encourage and develop working relationships between home, school and the local community. Holley Park Academy is a non-selective school welcoming pupils of all abilities offering them a broad and balanced curriculum. Pupils that attend Holley Park Academy mainly live in the Ayton, Lambton and Oxclose areas of Washington, however a number of children travel longer distances to attend Holley Park Academy.

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Trustees Report for the Year Ended 31 August 2019 (continued)

The Main Objectives of the academy during the financial year ended 31st August 2019 are summarised below:

- To promote and embed teaching styles in order to develop a teaching mastery approach;
- To strengthen, and continue to improve pupil progress and attainment in both writing (to include spelling, grammar and punctuation) and Numeracy;
- To maintain and sustain outstanding behaviours for learning for all children;
- Continue to improve and develop through CPD and peer to peer mentoring leadership capacity to allow improvements throughout the academy;
- To ensure Holley Park Academy is a safe, happy place where children are encouraged to develop in confidence in their own ability which will assist in school, home and social surroundings; and
- To continue to develop the outdoors to provide an inspirational high quality learning environment across all Key Stages.

Public Benefit

The Trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Academy and in planning future activities. In particular, the Trustees consider the provision of education to provide public benefit to the community in which it operates.

STRATEGIC REPORT

Achievements and Performance

Objectives achieved 2018-19:

- The Academy has continued to raise attainment for all children by continuing to improve and maintain the quality of teaching and learning.
The Academy has promoted teaching styles in order to develop a teaching for mastery approach which means acquiring a solid understanding of the curriculum being taught to enable staff to have fluency and depth of understanding. Staff attended CPD events including Mastery objectives and those working at greater depth.
- The Academy has worked to sustain and improve pupil progress and attainment in writing (to include spelling, grammar and punctuation) and Numeracy this has been achieved by subject leaders having a clear understanding of and high expectations for their subjects which are shared throughout the school.
- To develop and improve our outdoor curriculum so that we offer a rich and varied curriculum that enhances the learning experience for every child. The Academy creates outstanding behaviours with resilient learners who are able to succeed. All pupils are supported and encouraged to maintain excellent behaviour throughout the school day.

Key Performance Indicators

The Academy continues to be a popular first choice for parents, however due to a local and national lower birth rate the Trustees have taken the decision keep the PAN to 30 for September 2019 and continue to review annually.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Contextual Data

Holley Park Academy is an average-sized academy. The proportion of pupils who have special educational needs is above average. The proportion of disadvantaged pupils supported by the pupil premium is below average. (The pupil premium is additional government funding to support those pupils who are known to be eligible for free school meals or those looked after by the local authority.)

Children attend the Reception class on a full-time basis and the Nursery class on a part-time basis. The Nursery class started in September 2014. The Academy now offer (from September 2018) 30 hours (full time) Nursery provision.

Pupil Information - Progress and Attainment End of Year 2019 – Key Points

EYFS Good Level of Development			
	2016-2017	2017-2018	2018-2019
School	70%	71%	76%
National	71%	72%	72%

Three year rising trend. 2019 GLD was above national.

Year 1 Phonics screening check			
	2016-2017	2017-2018	2018-2019
School	91%	93%	84%
National	81%	82%	88%

Three year decline due to more pupils with SEN in 2018-2019 cohort.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Key Stage 1 Attainment				
Key Stage 1 Attainment		2016-2017	2017-2018	2018-2019
Reading EXS	School	68%	79%	88%
	National	76%	76%	
Writing EXS	School	74%	70%	95%
	National	68%	70%	
Maths EXS	School	90%	79%	95%
	National	68%	70%	

Three year rising trend in all subjects and currently above national in Reading, Writing & Maths.

Key Stage 1 Attainment		2016-2017	2017-2018	2018-2019
Reading GD	School		12%	29%
	National			
Writing GD	School		6%	21%
	National			
Maths GD	School		12%	24%
	National			

Two year rising trend in all subjects for children achieving greater depth.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Key Stage 2 Attainment		2016-2017	2017-2018	2018-2019
Reading EXS	School	84%	97%	80%
	National	72%	75%	73%
Writing EXS	School	84%	90%	91%
	National	76%	78%	78%
Maths EXS	School	90%	97%	100%
	National	75%	75%	79%
SPaG EXS	School	94%	97%	100%
	National	77%	77%	78%
RWM EXS	School	74%	90%	71%
	National	61%	64%	65%

KS2 Attainment		2016-2017	2017-2018	2018-2019
Reading GD	School	35%	47%	29%
	National	25%	28%	27%
Writing GD	School	10%	13%	17%
	National	18%	20%	20%
Maths GD	School	16%	30%	34%
	National	23%	23%	27%
SPaG GD	School	32%	47%	49%
	National	31%	34%	36%
RWM GD	School	10%	20%	17%
	National	9%	10%	11%

Three-year decline in Reading with children working at Greater Depth in Reading although above national.

Three year rising trend for children working at Greater Depth in Writing, although just below national.

Three year rising trend for children working at Greater Depth in Maths and now above national.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Three year rising trend for children working at Greater Depth in APaG and consistently above national.

Three year rising trend for children working at Greater Depth in Reading, Writing and Maths combined and above national.

Progress Scores

The progress measures compare pupils' Key Stage 2 results to those of other pupils nationally with SIMILAR PRIOR ATTAINMENT.

	2018	2018	2019	2019
Reading	+2.57	Above average	1.49	Average
Writing	-0.81	Average	1.52	Average
Maths	+1.7	Average	3.75	Well above Average

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Trustees Report for the Year Ended 31 August 2019 (continued)

Key Strengths:

- Standards on entry to year one are above average and by the end of year two they are above local & national in writing and maths and marginally below in reading
- Standards by the end of KS2 are above local and national in all subjects, including SPaG.
- Standards have been consistently high with school performing significantly above national and LEA averages.
 1. Gender- 21 boys and 14 girls
Reading: Girls attained higher than boys (93% compared to 71%) with girls making significantly more progress than boys;

Writing: girls attained higher than boys (100% compared to 86%) with girls making significantly more progress than boys;

Maths: girls and boys attained 100% with both making good progress, but boys making significantly better. Both boys and girls made significantly better progress than national progress

GPS (Grammar, punctuation and spelling): 100% of all children achieved the national standards with 49% achieving greater depth
 2. Ethnicity – N/A
 3. SEN (Special Educational Needs) – 3 pupils. 100% made outstanding progress across KS2 in Maths, which was also above national and attainment (100%) was also above national; SEN pupils made good progress in Reading and were above national, but attainment (67%) was below national. However, although SEN did make progress in writing, progress was low, but above national, but below in attainment (67%).
 4. Non SEN - Reading: Progress was above national and 81% of children with no SEN attained at least expected standard, which was in-line with national.
Writing: progress was above national as was attainment (94% compared to 88%)
Maths: progress was well above national and attainment was also well above national (100% compared to 87%)
 5. More Able – 29% of children achieved a higher standard in reading, which was above national; 17% of children achieved writing at greater depth, which was just below national and 34% of children exceeded the expected standard in Maths, which was above national.
 6. FSM (Free School Meals) (5.7% of the cohort – 2 children) – Reading: 100% of FSM children achieved the national standard
 7. Writing: 50% of FSM children achieved the expected standard
 8. Maths: 100% of FSM children achieved the expected standard

Areas currently under development:

- To continue to link to current School Improvement Plan priorities 2019-20 and Performance Management targets.
- Targeted and more able pupils to receive support, as well as focused teaching in maths and writing.
- Continue to use effective methods of school differentiation, lesson observations, and internal and external moderation.

To put in place a more accurate baseline assessment in early Autumn term enabling earlier identification of children's needs, as well as enabling immediate and effective impact upon the progress of our cohorts.
- Numeracy at greater depth/mastery to continue to be a whole school focus.
- Comprehension skills to be taught explicitly in all classes linked to class novels.

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Trustees Report for the Year Ended 31 August 2019 (continued)

- Reading (with a greater focus on boys) and writing – especially at greater depth - across the curriculum to be evident and a focus area in school.
- **Going Concern**

After making appropriate enquiries, the Board of Trustees have 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 can be found in the Accounting Policies in note1 to the financial statements.

Financial Review

The majority of the Trust's income for the period was obtained from either the ESFA (Education and Skills Funding Agency) or Local Authority as the commissioner of pupil places, the use of which is restricted for particular purposes. The grants and funding received from these bodies for the period and associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31st August 2019, total expenditure of the Academy was in excess of recurrent grant funding from the EFA together with other incoming resources.

As shown in the Statement of Financial Activities, income for the year ended 31st August 2019 totalled £1,272,000 and expenditure totalled £1,374,000, leaving a deficit of £102,000.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £214,000 which has been carried forward to 2019/2020. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

In 2018/19, the governing body of the Academy has adopted the following policies relating to Financial management: -

- Terms of Reference – Financial Management
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Academy Financial Handbook

Reserves Policy

The Trustees recognise the need for the Academy to build up reserve and a policy has been formalised. This is reviewed annually although this policy is not regarded as a static policy as future plans need to be considered when setting the Academy's budget to review income and expenditure. Consideration should be given to any uncertainty over future income or the risk of unexpected events. The Academy, should consider future plans or capital projects when other spending needs might be identified that cannot be met from the income of a single year's budget alone. The minimum level of reserves for the ongoing needs of the Academy will therefore be reviewed at least annually as part of the Academy's planning processes.

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Trustees Report for the Year Ended 31 August 2019 (continued)

The Academy holds both restricted and unrestricted funds. Unrestricted funds are held:

- To provide funds which can be designated to specific areas as identified by the Academy Trust's improvement plan which is updated and reviewed on a regular basis
- To cover ongoing costs in relation to the running of the Academy Trust including catering provisions, trips/events and act as a contingency for other unforeseen costs

The level of reserves will be monitored throughout the year and as part of the normal monitoring and budgetary reporting processes. To identify when reserve levels rise or fall below one month, or rise to above target level of the said period, the reasons and any corrective action, if any, that needs to be taken and to ensure that the reserves policy continues to be relevant as the Academy develops.

The Academy believes that the funding received in any one year should be used to support the children on roll at the time unless there is a specific project which will require the accumulation of funding over more than one year. However, we also wish to ensure the stability of our organisational operations and so, reserve levels should enable us to react quickly to changes in financial circumstances, for example, large, unplanned expenditure. Our plan last year was to gradually build up a reserve which in the first year we met. We are therefore proposing to plan the following build-up of reserves over the next 3 financial years

- 2017-18: Build up reserves of 0-1 months GAG. This will enable current staffing levels to continue and grow.
- 2018-19: To build up reserves totalling 0-1 months GAG. This will enable us to meet any urgent unforeseen expenditure, i.e. emergency repairs to building pending insurance claim or to meet building improvement and maintain staffing levels.
- 2019-20: To maintain and build on the reserves plans. This will enable us to meet any urgent unforeseen expenditure, as mentioned above, and to grow our Multi Academy Trust.
- The Academy are mindful of the budget restraints and will continue to review the reserves policy.

Unrestricted funds can be spent on any purpose at the discretion of the directors, within the objects of the Academy as set out in its governing documents. These funds are generated from activities including income from school meals, breakfast and after school clubs and lettings.

At the year ended 31st August 2019, the balance of restricted general funds was in a deficit of £509,000 due to the Local Government Pension Scheme liability of £566,000. Restricted general contain recourses, which must be spent on particular purposes. Income includes EFA grants such as GAG, pupil premium and SEN grants as well as any donations received which have restrictions attached. The majority of the Academy's running costs are included in the restricted general funds.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund and therefore the pension liability has been aligned with this fund.

At the year ended 31st August 2019, the balance of the restricted fixed asset funds was £1,854,000. Restricted fixed asset funds contain recourses spent on capital purposes. Income includes EFA capital grants and donated fixed assets such as the land and buildings transferred from the local authority. Expenditure relates the annual depreciation charge made to the Statement of Financial Activities to reflect the use of fixed assets. The fund can represent unexpended grants received for capital purposes or the carrying value of funded fixed assets.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Investment Policy

Under the Memorandum and Articles of Association, the Academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Trustees see fit. The Trust currently operates interest bearing bank accounts but at present does not have any funds invested.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are centred on maintaining pupil numbers and the processes in which the Academies receive their primary source of income from the EFA/DfES. This is a key area that is being monitored, reviewed and managed by the Trust. The Academy considers all risks and since conversion, including, quality of teaching, ICT security, safeguarding, Health & Safety, and financial controls and Trustees have implemented a system to assess and mitigate risks that may impact the Academy both immediately and medium-term.

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. As with all schools, the majority of incoming monetary resources are Government funded and The Trust will monitor the outcome of the National Funding Formula and Early Years Funding Steams with the aim of mitigating any losses with forward planning, whilst this level of funding is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that pupil success and achievement are closely monitored and reviewed.

Staffing – to achieve its objectives the Academy is reliant on the quality of its staff. However, reduction in the GAG and the agreed reduction of the PAN to 30 to be reviewed annually. Trustees monitor and review policies and procedures to ensure continued professional development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Academy has a system of internal controls based on a framework of management checks and procedures including segregation of duties and a system of delegation and accountability. An independent Internal Auditor has been appointed to ensure compliance with the Academies Financial Handbook and support has been sought from an independent firm of accountants.

Leadership and Management – Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement remain high. Trustees are required to undertake a skills audit annually to ensure they have the qualities and skills required to perform their duties.

Fundraising

The Academy Trust does not work with commercial participators or professional fundraisers, and fundraising is not undertaken amongst members of the general public unconnected with the Academy Trust. The Academy Trust fundraisers locally through events. There is no use of intrusive or persistent fundraising approaches and no undue pressure to donate.

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Trustees Report for the Year Ended 31 August 2019 (continued)

Plans for Future Periods

Key priorities for improvement continue at pace and include,

- To work in partnership with other schools to develop and grow Acer Learning Trust
- To continue to raise attainment, sustain and maintain the excellent pupil progress and attainment
- To raise standards in writing through rigorous teaching of spelling, punctuation and grammar, developing positive attitudes towards learning and encouraging all pupils to take ownership of their own learning
- To develop the of leadership and management across the whole school through CPD and peer to peer work
- To continue with CPD to develop and improve skills to increase capacity to support the educational opportunities on offer to our pupils
- To provide a high-quality learning provision and environment to accommodate the pupil numbers at Holley Park Academy

Funds Held as Custodian on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

In so far as the trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees Report , incorporating a Strategic Report, was approved by order of the members of the Governing Body on 12/12/19..... and signed on its behalf by:



.....
D Dent
Trustee



.....
S Richards
Trustee

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Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the period. Attendance during the year at meetings of the Board of Trustees was as follows (including extra ordinary meetings):

Trustee	Meetings Attended	Out of a Possible
Mr D Dent	5	7
Ms G Wood	5	7
Mrs S Richards	7	7
Mr G Cue	4	7
Mr R Chamberlain	3	7
Ms K Tye	3	7
Mrs V Brown	2	7

The Trustees Board has met regularly over the academic year 2017-2018 and has good attendance at meetings. Trustees have a broad background with varying professional qualities. The meetings are held and clerked by a trained professional clerk and accurate minutes retained. The Board receives relevant information on all aspects of school attainment, business and financial performance data using headline information and clear consistent financial reports and management accounts taken from the finance system. The Head teacher and Business Manager prepare and present reports which are compliant with Ofsted requirements and the Academies Financial Handbook. The Board have appropriately challenged the validity and source of data included in these reports which included benchmarked data at a local and national level.

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Governance Statement (continued)

The Finance, Audit and Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Trust by enabling more efficient and effective use of resources whilst seeking ways to ensure an outstanding and sustainable provision is maintained. Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr D Dent	5	6
Ms G Wood	5	6
Mrs S Richards	6	6
Mr G Cue	4	6
Mr R Chamberlain	3	6

Review of Value for Money

As accounting officer the Executive Headteacher 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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Improving Educational Results and Opportunities

- During the year the Academy was able to offer targeted small group interventions to both Key Stage 1 and Key Stage 2 children who had been identified through careful progress tracking as requiring additional support.
- Use of Pupil Premium enabled additional interventions to take place for these pupils.
- A nurture group for vulnerable children or children identified by teachers as who would benefit from this type of work was launched and is delivered over lunchtimes. This has built confidence to children, working in a slightly less formal setting than a classroom environment to increase their self-esteem.
- Best value is sought when purchasing resources, staff with financial responsibilities ensure purchases are fit for purpose are in line with school priorities.

The Purpose of the System of Internal Control

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

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Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- review of suppliers to achieve best value i.e cleaning contract
- offer of 30 hours for Nursery children
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and agreed to appoint Monkwearmouth Learning Trust to undertake checks to ensure financial compliance. Further support has been received from an independent Accountancy firm.

Review of Effectiveness

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

As accounting officer the Headteacher 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.

Acer Learning Trust

Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises 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 Governing Body on 12/12/19..... and signed on its behalf by:



.....
D Dent
Trustee



.....
S Richards
Accounting officer
Trustee

Acer Learning Trust

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust Governing Body 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 2018.

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 Governing Body and ESFA.



.....
S Richards, Headteacher
Accounting officer

Date: 12/12/19

Acer Learning Trust

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 12/12/19 and signed on its behalf by:



.....
D Dent
Trustee

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust

Opinion

We have audited the financial statements of Acer Learning Trust (the 'academy trust') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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.

Other information (covers the Reference and Administrative Details, the Trustees Report the Governance Statement the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report .

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust (continued)

Use of our report

This report is made solely to the academy trust's trustees, 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 trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *13th December 2019*
.....

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

Independent Reporting Accountant's Report on Regularity to Acer Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acer Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

Acer Learning Trust

Independent Reporting Accountant's Report on Regularity to Acer Learning Trust and the Education & Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *13th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Donations and capital grants	2	18	3	19	40
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,153	-	1,153
Other trading activities	4	79	-	-	79
Total		<u>97</u>	<u>1,156</u>	<u>19</u>	<u>1,272</u>
Expenditure on:					
Raising funds	5	62	-	-	62
<i>Charitable activities:</i>					
Academy trust educational operations	6	4	1,270	38	1,312
Total		<u>66</u>	<u>1,270</u>	<u>38</u>	<u>1,374</u>
Net income/(expenditure)		31	(114)	(19)	(102)
Transfers between funds		(39)	39	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(214)	-	(214)
Net movement in deficit		(8)	(289)	(19)	(316)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>20</u>	<u>(220)</u>	<u>1,873</u>	<u>1,673</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>12</u>	<u>(509)</u>	<u>1,854</u>	<u>1,357</u>

Acer Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Donations and capital grants	2	5	3	7	15
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,133	-	1,133
Other trading activities	4	76	-	-	76
Total		<u>81</u>	<u>1,136</u>	<u>7</u>	<u>1,224</u>
Expenditure on:					
Raising funds	5	30	-	-	30
<i>Charitable activities:</i>					
Academy trust educational operations	6	6	1,231	43	1,280
Total		<u>36</u>	<u>1,231</u>	<u>43</u>	<u>1,310</u>
Net income/(expenditure)		45	(95)	(36)	(86)
Transfers between funds		(61)	54	7	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	83	-	83
Net movement in (deficit)/funds		(16)	42	(29)	(3)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>36</u>	<u>(262)</u>	<u>1,902</u>	<u>1,676</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>20</u>	<u>(220)</u>	<u>1,873</u>	<u>1,673</u>

Acer Learning Trust

(Registration number: 08158718) Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	10	1,848	1,873
Current assets			
Debtors	11	36	42
Cash at bank and in hand		<u>272</u>	<u>186</u>
		308	228
Creditors: Amounts falling due within one year	12	<u>(233)</u>	<u>(151)</u>
Net current assets		<u>75</u>	<u>77</u>
Total assets less current liabilities		<u>1,923</u>	<u>1,950</u>
Net assets excluding pension liability		1,923	1,950
Pension scheme liability	20	<u>(566)</u>	<u>(277)</u>
Net assets including pension liability		<u>1,357</u>	<u>1,673</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	13	57	57
Restricted fixed asset fund	13	1,854	1,873
Restricted pension fund	13	<u>(566)</u>	<u>(277)</u>
		1,345	1,653
Unrestricted funds			
Unrestricted income fund	13	<u>12</u>	<u>20</u>
Total funds		<u>1,357</u>	<u>1,673</u>

The financial statements on pages 26 to 51 were approved by the trustees, and authorised for issue on 12/12/19 and signed on their behalf by:


.....
D Dent
Trustee

Acer Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	80	88
Cash flows from investing activities	17	<u>6</u>	<u>(7)</u>
Change in cash and cash equivalents in the year		86	81
Cash and cash equivalents at 1 September		<u>186</u>	<u>105</u>
Cash and cash equivalents at 31 August	18	<u><u>272</u></u>	<u><u>186</u></u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

A summary of the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

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

Going concern

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

Income

All 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 receivable

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

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

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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'.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

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 all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Leasehold land & buildings	125 years straight line
Leasehold extension	50 years straight line
Leasehold improvements	15 years straight line
Furniture and equipment	4 years straight line
Computer equipment	3 years straight line

Liabilities

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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

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

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

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 Education Skills and Funding Agency and the Department for Education Group.

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.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Defined Benefit Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Academy Trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £38,000 (2018 - £43,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors 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 impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Educational trips and visits	18	-	-	18	5
Capital grants	-	-	19	19	7
Other donations	-	3	-	3	3
	<u>18</u>	<u>3</u>	<u>19</u>	<u>40</u>	<u>15</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000
Total 2018	<u>5</u>	<u>3</u>	<u>7</u>	<u>15</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants			
General Annual Grant GAG	948	948	970
Other ESFA Group grants	117	117	101
	<u>1,065</u>	<u>1,065</u>	<u>1,071</u>
Other government grants			
Local authority grants	83	83	60
	83	83	60
Non-government grants and other income			
Other income from the academy trusts educational operations	5	5	2
Total grants	<u>1,153</u>	<u>1,153</u>	<u>1,133</u>
	Restricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1,133</u>	<u>1,133</u>	

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Hire of facilities	2	2	2
Catering income	36	36	32
Other sales	7	7	9
Breakfast club	34	34	33
	<u>79</u>	<u>79</u>	<u>76</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>76</u>	<u>76</u>	

5 Expenditure

	Non Pay Expenditure			Total 2019 £ 000	Total 2018 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	62	-	-	62	30
Academy's educational operations					
Direct costs	697	-	76	773	792
Allocated support costs	306	116	117	539	488
	<u>1,065</u>	<u>116</u>	<u>193</u>	<u>1,374</u>	<u>1,310</u>
	Non Pay Expenditure			Total 2018 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2018	<u>988</u>	<u>132</u>	<u>190</u>	<u>1,310</u>	

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating lease rentals	6	8
Depreciation	38	43
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	2	7
	<u>2</u>	<u>7</u>

6 Charitable activities

	2019 £ 000	2018 £ 000
Direct costs - educational operations	773	792
Support costs - educational operations	539	488
	<u>1,312</u>	<u>1,280</u>

	Educational operations £ 000	2019 £ 000	2018 £ 000
Analysis of support costs			
Support staff costs	306	306	248
Depreciation	38	38	43
Technology costs	3	3	1
Premises costs	78	78	89
Other support costs	70	70	83
Governance costs	44	44	24
Total support costs	<u>539</u>	<u>539</u>	<u>488</u>

7 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	764	747
Social security costs	68	64
Operating costs of defined benefit pension schemes	213	173
	<u>1,045</u>	<u>984</u>
Supply Teachers	20	4
	<u>1,065</u>	<u>988</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Staff (continued)

Staff numbers

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

	2019 No.	2018 No.
Charitable Activities		
Teachers	11	11
Administration and support	17	19
Management	1	2
	<u>29</u>	<u>32</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £295,836 (2018 - £306,163).

8 Related party transactions - trustees' remuneration and expenses

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

S Richards (Head teacher and trustee):

Remuneration: £45,000 - £50,000 (2018 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

G Wood (Staff trustee):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 21.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 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.

10 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2018	1,952	79	39	2,070
Additions	<u>2</u>	<u>7</u>	<u>4</u>	<u>13</u>
At 31 August 2019	<u>1,954</u>	<u>86</u>	<u>43</u>	<u>2,083</u>
Depreciation				
At 1 September 2018	111	53	33	197
Charge for the year	<u>21</u>	<u>12</u>	<u>5</u>	<u>38</u>
At 31 August 2019	<u>132</u>	<u>65</u>	<u>38</u>	<u>235</u>
Net book value				
At 31 August 2019	<u>1,822</u>	<u>21</u>	<u>5</u>	<u>1,848</u>
At 31 August 2018	<u>1,841</u>	<u>26</u>	<u>6</u>	<u>1,873</u>

Land & buildings owned by the Local Authority are leased to the Academy Trust on a 125 year lease. In accordance with recommended accounting practice, the Academy Trust has recognised the value of the land & buildings in the balance sheet and charges depreciation on it over the life of the lease.

Land & buildings are included on the Balance Sheet at a depreciated replacement cost as recommended by the Education and Skills Funding Agency. A valuation was undertaken by Mouchel, as commissioned by the Education Funding Agency, on 31 March 2013 when land and buildings were valued at £1,732,000.

11 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	1	2
VAT recoverable	12	22
Prepayments	<u>23</u>	<u>18</u>
	<u>36</u>	<u>42</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12 Creditors: amounts falling due within one year

	2019	2018
	£ 000	£ 000
Trade creditors	201	111
Accruals	8	11
Deferred income	24	29
	<u>233</u>	<u>151</u>
	2019	2018
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2018	29	29
Resources deferred in the period	(29)	(29)
Amounts released from previous periods	24	29
Deferred income at 31 August 2019	<u>24</u>	<u>29</u>

At the balance sheet date the Trust was holding funds received in advance in respect of Universal Free School Meals.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	948	(987)	39	-
Pupil Premium	-	32	(32)	-	-
Other DfE/ESFA	57	173	(173)	-	57
Other grants	-	3	(3)	-	-
	<u>57</u>	<u>1,156</u>	<u>(1,195)</u>	<u>39</u>	<u>57</u>
Restricted fixed asset funds					
Transfer on conversion	1,657	-	(12)	-	1,645
DfE/EFA capital grants	191	19	(5)	(192)	13
Capital expenditure from GAG	25	-	(21)	192	196
	<u>1,873</u>	<u>19</u>	<u>(38)</u>	<u>-</u>	<u>1,854</u>
Restricted pension funds					
Pension reserve	<u>(277)</u>	<u>-</u>	<u>(75)</u>	<u>(214)</u>	<u>(566)</u>
Total restricted funds	1,653	1,175	(1,308)	(175)	1,345
Unrestricted funds					
Unrestricted funds	<u>20</u>	<u>97</u>	<u>(66)</u>	<u>(39)</u>	<u>12</u>
Total funds	<u><u>1,673</u></u>	<u><u>1,272</u></u>	<u><u>(1,374)</u></u>	<u><u>(214)</u></u>	<u><u>1,357</u></u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	971	(1,025)	54	-
Pupil Premium	-	36	(36)	-	-
Other DfE/ESFA	57	126	(126)	-	57
Other grants	-	3	(3)	-	-
	<u>57</u>	<u>1,136</u>	<u>(1,190)</u>	<u>54</u>	<u>57</u>
Restricted fixed asset funds					
Transfer on conversion	1,790	-	(12)	(121)	1,657
DfE/EFA capital grants	85	7	(22)	121	191
Capital expenditure from GAG	<u>27</u>	<u>-</u>	<u>(9)</u>	<u>7</u>	<u>25</u>
	1,902	7	(43)	7	1,873
Restricted pension funds					
Pension reserve	<u>(319)</u>	<u>-</u>	<u>(41)</u>	<u>83</u>	<u>(277)</u>
Total restricted funds	1,640	1,143	(1,274)	144	1,653
Unrestricted funds					
Unrestricted funds	<u>36</u>	<u>81</u>	<u>(36)</u>	<u>(61)</u>	<u>20</u>
Total funds	<u><u>1,676</u></u>	<u><u>1,224</u></u>	<u><u>(1,310)</u></u>	<u><u>83</u></u>	<u><u>1,673</u></u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. 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 2019.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants and staff development grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy Trust.

14 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total funds £ 000
Tangible assets	-	-	1,848	1,848
Current assets	245	57	6	308
Current liabilities	(233)	-	-	(233)
Pension scheme liability	-	(566)	-	(566)
	<u>12</u>	<u>(509)</u>	<u>1,854</u>	<u>1,357</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	1,873	1,873
Current assets	172	57	-	229
Current liabilities	(151)	-	-	(151)
Pension scheme liability	-	(277)	-	(277)
Total net assets	<u>21</u>	<u>(220)</u>	<u>1,873</u>	<u>1,674</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	4	11
Amounts due between one and five years	2	6
	<u>6</u>	<u>17</u>

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net expenditure	(102)	(86)
Depreciation	5	38
Capital grants from DfE and other capital income	(19)	(7)
Defined benefit pension scheme cost less contributions payable	20	69
Defined benefit pension scheme finance cost	20	6
Decrease in debtors	6	8
Increase in creditors	82	7
	<u>80</u>	<u>90</u>
Net cash provided by Operating Activities	<u>80</u>	<u>88</u>

17 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Purchase of tangible fixed assets	(13)	(14)
Capital funding received from sponsors and others	19	7
	<u>6</u>	<u>(7)</u>
Net cash provided by/(used in) investing activities	<u>6</u>	<u>(7)</u>

18 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	272	186
	<u>272</u>	<u>186</u>
Total cash and cash equivalents	<u>272</u>	<u>186</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 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.

20 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 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.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £76,654 (2018: £77,823).

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found at:
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £76,654 (2018: £77,823).

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

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £85,000 (2018 - £81,000), of which employer's contributions totalled £68,000 (2018 - £65,000) and employees' contributions totalled £17,000 (2018 - £16,000). The agreed contribution rates for future years are 16.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.50
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.00</u>	<u>3.10</u>

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	25.10	26.40
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>26.90</u>	<u>28.70</u>

Sensitivity analysis

	At 31 August 2019	At 31 August 2018
	£000	£000
Discount rate +0.1%	1,352	944
Discount rate -0.1%	1,432	1,000
Mortality assumption – 1 year increase	1,345	945
Mortality assumption – 1 year decrease	1,437	999
CPI rate +0.1%	1,413	987
CPI rate -0.1%	<u>1,370</u>	<u>957</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	540	469
Property	71	59
Government bonds	34	28
Corporate bonds	94	78
Cash and other liquid assets	17	15
Other	69	46
Total market value of assets	<u>825</u>	<u>695</u>

The actual return on scheme assets was £49,000 (2018 - £43,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	137	98
Interest income	(21)	(15)
Interest cost	27	23
Total amount recognised in the SOFA	<u>143</u>	<u>106</u>

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

	2019 £ 000	2018 £ 000
At start of period	972	894
Current service cost	96	98
Interest cost	27	23
Employee contributions	17	16
Actuarial (gain)/loss	242	(55)
Benefits paid	(4)	(4)
Past service cost	41	-
At 31 August	<u>1,391</u>	<u>972</u>

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

	2019 £ 000	2018 £ 000
At start of period	695	575
Interest income	21	15
Actuarial gain/(loss)	28	28
Employer contributions	68	65
Employee contributions	17	16
Benefits paid	(4)	(4)
At 31 August	<u>825</u>	<u>695</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Related party transactions

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

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Mrs J Chamberlain

(Mrs J Chamberlain is a related party by virtue of her husband, Mr R Chamberlain, being a Trustee of the Academy Trust)

During the year Mrs J Chamberlain was employed by the Academy Trust as a Teaching Assistant and was paid in line with the national pay scales.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Mrs J Chamberlain was £Nil (2018 - £Nil).