

The Talentum Learning Trust

Trustees report and financial statements

For the Year Ended 31 August 2017

The Talentum Learning Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24 - 25
Statement of cash flows	26
Notes to the financial statements	27 - 52

The Talentum Learning Trust
(A company limited by guarantee)

Reference and administrative details
For the Year Ended 31 August 2017

Members

C Mitchell
M Smith
W Hurst (resigned 31 August 2017)
G Edwards
H Parr (appointed 8 September 2016)

Trustees

J Fisher, Chair¹
W Hurst¹
J Johnson¹
C Mitchell¹
A Shaw, Accounting Officer and Chief Executive Officer¹

¹ Resources Committee member

Company registered number

09999238

Company name

The Talentum Learning Trust

Principal and registered office

Westwood College, Westwood Park Drive, Leek, Staffordshire, ST13 8NP

Company secretary

C Williams

Senior management team

A Shaw, Chief Executive Officer
P Evans, Headteacher
S Fryer, Headteacher
R Hey, Headteacher
C Williams, Business Director

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

Bankers

Barclays Bank PLC, 83 Haywood Street, Leek, Staffordshire, ST13 5JN

Solicitors

Wrigley's Solicitors LLP, 19 Cookridge Street, Leeds, West Yorkshire, LS2 3AG

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report
For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust was established on 11 February 2016 and operates a group of academies for pupils aged 9 to 19 serving a catchment area in the Staffordshire Moorlands centred around Leek. There are two High Schools with a combined Sixth Form and one Middle School. Its academies have a combined pupil capacity of 2,100.

On 31 August 2017 the trust had three academies in the Multi-Academy Trust (MAT). They were:

Churnet View Middle School:	a 9-13 middle school (deemed secondary) with 439 pupils on roll as at 19th January 2017 census date
Leek High School:	an 11-18 secondary school with 387 pupils on roll as at 19th January 2017 census date
Westwood College:	an 11-18 secondary school with 798 pupils on roll as at 19th January 2017 census date

The area operates a three tier system with approximately 19 feeder First Schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Talentum Learning Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Talentum 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 Talentum Learning Trust has in force Trustees Liability Insurance with Zurich Municipal until the current policy expiry on 31 August 2018. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period 01 September 2016 to 31 August 2017, was £1,877

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Method of recruitment and appointment or election of Trustees

Eligibility to act as a Trustee of The Talentum Learning Trust is within the constitutional framework and clauses as outlined in the Articles of Association. Trustees are appointed by ordinary resolution of the Members.

Members of the Local Governing Body are sought via election from the parent body, staff body and co-opted from the local community, dependent on the skills required to ensure a balanced and efficient group.

Policies and procedures adopted for the induction and training of Trustees

The Trust identifies training needs of the Trustees and the Local Governing Body and accesses appropriate resources. Some training utilises the expertise held within the trust senior staff but opportunities to attend events such as Local Authority briefings and appropriate national training courses are offered to Trustees and Governors.

It is expected that only a very small number of new Trustees will be appointed each year. Any induction will be carried out informally and will be tailored to the specific individual.

An external advisor supports the combined Local Governing Body and Directors in moderating and setting performance targets at Executive Team level.

The combined Local Governing Body has a bespoke governor development plan.

Organisational structure

There is an Executive Leadership Team of Chief Executive Officer (Accounting Officer), Trust Business Director and a Headteacher per academy.

The Academy Trust Board and Local Governing Bodies are responsible for setting strategic direction and general policy. They adopt the annual development plans of each academy and budget and monitor the developments through these. They make decisions about the direction of the Academies, capital expenditure and this is validated by the CEO and reflects the ethos and aims of the trust "Excellence for all". Responsibility for the day to day operation of the academies is delegated to the CEO.

There is a Trust Board Resources Committee which is focused around the Directors of the Trust and has representation from the Local Governing Body.

The Committees of the Local Governing Body monitor the effectiveness of the academies through:

Student Welfare Committee
Standards Committee (Performance)

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Arrangements for setting pay and remuneration of key management personnel

The work of the CEO and Executive Principal is monitored, challenged and reviewed by a panel of the Directors. Additionally, through this process all the Senior Leadership Team posts across the academies are reviewed with a particular focus on the Headteacher Performance Management. All teaching and support staff have a robust PMR cycle, appropriate and monitored targets.

Pay decisions for all staff across the academies are moderated and monitored by the Executive Principal and there is a moderation meeting of multiple academy Headteachers where a range of decisions are calibrated against each other to ensure fairness, parity and clarity.

The academies adopted the STPCD, the National Joint Council for Local Government Services (referred to as the "Green Book"), and County Council conditions on TUPE.

Related parties and other connected charities and organisations

The academies are part of a formal "soft" relationship called The Leek Education Partnership which is a group of First, Middle and High School centred around the Leek area which meet regularly to discuss local and national issues, coordinate intra school/academy activities and maintain a focus on the children in the area.

OBJECTIVES AND ACTIVITIES

Objects and aims

The academy trust exists to promote the education, health and wellbeing of all children in the care of the academies. This will be regardless of background, ability, gender, ethnicity, sexuality or faith and will focus on "Excellence for all". Given the rural nature of the area, the Trust will support the academies in challenging young people, opening up the doors and windows to the world and prepare them as best as possible for their futures as global citizens.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Objectives, strategies and activities

All the academies have development plans that share the key areas of:

- Raising attainment and achievement
- Keeping children safe
- Developing young people and improving their life chances.

In the next three years:

- The Trust may admit more academies if the ethos and values match, due diligence is positive and most importantly, that all children in the Trust would benefit
- The Trust will seek to increase and strengthen further the transitional links.

The trust will:

- Operate if needed the NSS and NLE support roles
- Make use of global technologies if appropriate
- Aim to be outstanding in all academies
- Be at the heart of the community

Public benefit

The academies will open their doors for community use and be centres for community events (such as Black Umfolosi and Radio 4's Any Questions). The academies make their sports facilities available for hire out of hours to members of the public and community groups.

The Academy Trustees have complied with their duties to have due regard to the guidance on public benefit published by the Charity Commission in exercising powers or duties. This has been with particular reference to Principals 1 and 2 as found in "The Advancement of Education for the Public Benefit 2008".

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

STRATEGIC REPORT

Achievements and performance

The 2015/16 academic year saw the introduction of new headline accountability measures in primary, secondary and post-16 education. Despite these significant changes, Churnet View Middle School improved its performance and Leek High School and Westwood College maintained their performance in the 2016/17 academic year

Leek High School and Westwood College initial indications show at least average performance against national standards at Key Stage 4 and Key Stage 5. In a year where data is in flux and another year of assessment change to come, accurate measures are difficult but benchmarking suggests good performance.

Churnet View Middle shows very good progress measures to Year 8 with SATs provisional progress at Year 6 as within tolerance against national with substantial gains in all areas except writing. Indicators suggest further improvement again in the next academic year

Key Performance Indicators

The predecessor schools of Leek High School and Westwood College (not including Churnet View Middle School) received Ofsted visits in the Autumn of 2015 where both schools were rated as "Good".

Key Stage 2: Churnet View Middle School's most recent Key Stage 2 results as published by the Secretary of State in the School Performance Tables:

- i) 45% achieving Level 4 or above in reading, writing and maths;
- ii) 66% making expected progress in reading, 60% making expected progress in writing, and 62% making expected progress in maths;
- iii) in relation to reading, 23% achieving Level 5 or above; and
- iv) in relation to writing, 3% achieving Level 5 or above;
- v) in relation to maths, 23% achieving Level 5 or above.

Key Stage 4: Leek High School's most recent Key Stage 4 results as published by the Secretary of State under the following column headings in the School Performance Tables:

- i) 56% achieving A* - C GCSEs (or equivalent) in English and maths GCSEs;
- ii) 8% achieving the English Baccalaureate;

Key Stage 4: Westwood College's most recent Key Stage 4 results as published by the Secretary of State under the following column headings in the School Performance Tables:

- i) 62% achieving 5A* - C GCSEs (or equivalent) in English and maths GCSEs;
- ii) 36% achieving the English Baccalaureate

Key Stage 5: Leek High School's most recent Key Stage 4 results as published by the Secretary of State under the following column headings in the School Performance Tables:

- i) 24.3 average point score per entry; and
- ii) VA = 0.09 Est

Key Stage 5: Westwood College's most recent Key Stage 4 results as published by the Secretary of State under the following column headings in the School Performance Tables:

- i) 33.0 average point score per entry; and
- ii) VA = 0.01 Est

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Going concern

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

FINANCIAL REVIEW

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (EFSA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

For the year ended 31 August 2017 total incoming resources of £9,789,792 and total expenditure of £9,495,933 resulted in a surplus of £293,889.

At 31 August 2017 the net book value of fixed assets totalled £34,124,996. This included £34,025,550 for the land & buildings and building improvements, £47,188 for computer equipment, £20,240 for motor vehicles and £20,615 for furniture & equipment.

The cash flow statement shows net funds of £1,997,757 at 31 August 2017.

Reserves policy

The Trustees have determined that the Trust should carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE. The aim to have a minimum of 5% of the General Annual Grant (GAG) held in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants, to aid cash flows, curriculum investment and expansion, make provisions for future uncertainties in income and expenditure and provide a cushion to deal with unexpected emergencies, urgent maintenance and capital projects.

However, during the early years of operation GAG Funding levels create little opportunity to achieve a surplus. The academies are closely managing their budgets and implementing cost efficiencies wherever possible to enable the 5% reserve to be accumulated. At 31 August 2017 unrestricted general funds amounted to £538,506 and restricted funds not available for general purposes of £475,698.

Investment policy

The trust does not hold any investments at present. The Trustees undertook the annual review of, and approved, the investment policy at their meeting on 07 December 2017.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Principal risks and uncertainties

The MAT has continued to undertake work during the year to further embed the internal control systems, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. The Trust has a very comprehensive Finance Manual.

The purpose of the financial regulation system of The Talentum Learning Trust is to ensure that the Trust maintains and develops systems of financial control that will comply with requirements, both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of the funding agreement with the Department for Education.

The Board and Executive Leadership Team undertook a comprehensive review of the risks to which the Academies are exposed during the Autumn Term 2016. They identified systems and procedures, including specific actions which should mitigate any potential impact on the Academies. The additional internal controls were implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Board and Executive Leadership Team will also consider any risks which may arise as a result of any new area of work being undertaken by the MAT.

The Trust complies with the principles of financial control outlined in the Academies Guidance published by the Department for Education. The Financial Regulations will provide detailed information on the Trust's accounting procedures.

The Trust Board is responsible for ensuring that adequate internal controls are in place. Some of these controls are undertaken by the Board itself. In practice, these are applied through the MAT Executive team, sub-committees to the Board, Headteachers and the Local Governing Body to ensure that the risks of error or fraudulent activity are minimised.

To ensure this the Trust Board considers:

- Staff expertise
- Segregation of duties
- Documentation
- Register of business interests
- Financial Accounting systems and records.

The Finance manual is read by all staff involved with financial systems, being:

1. Directors
2. Chief Executive Officer
3. Associate Headteachers
4. Academy Assistant Headteachers
5. Chief Finance Officer
6. Support Services Managers
7. Finance Support staff
8. The Chair of the Local Governing Body

The Local Governing Bodies under the guidance of Trust Board will provide a framework of accountability for within the Academies.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

The principal uncertainty for all of the Trust continues to be the funding of the academies. Leek High School had an in-year deficit; reserves were used to fund the redundancies made as at 31st August 2017 in order to balance the budget for 2017/18. The coming financial year will remain challenging for the academy and significant in-year savings must continue to be made. Schools and academies nationally are struggling to maintain their provision with the limited resources available despite best value, economies of scale and efficiencies continuing to be made wherever possible. We are awaiting confirmation of the National Funding Formula however, preliminary suggestions are that we will not see any material increase in funding for our academies or for Staffordshire as a whole.

Plans for future periods

The Trust is committed to "Excellence for all". To further the attainment and achievement of all pupils in all academies the leadership and staff are focusing on:

- Tracking and monitoring pupils using new data and measures which will facilitate better advice and guidance in the "next steps" to success for the pupils.
- Developing broad focus and concentration on literacy abilities, reading capability and writing confidence for all ages.
- Developing the pastoral structures through year leadership and progressive assembly/tutorial daily periods.
- Increasing take up at post 16 which caters for all abilities where possible and working hard to offer a broad curriculum offer within the limit of resources
- Where possible and viable, extending the Trust to include more academies of varying types and phase which will add expertise, variety in discussion, challenge and a view of our educational effect from Early Years to adulthood.
- Taking the "all-through" view as a known factor in raising achievement and creating a "whole" education for each child and reducing the transition effects.
- Resources will be monitored and financial resources will reflect each academies allocated funds from the ESFA, pupil numbers and development plans.
- The Trust will look at developing in house professional development – creating a new level of focus on teaching and learning in and beyond the academies communities; developing research opportunities; training new teachers and creating a high quality recruitment pool; leading on leadership training at all levels.
- Applying for capital grants as a Trust to maintain, improve and develop the building stock, thereby supporting the teaching and learning environment.
- Raising expectations in the parent community by increasing engagement and educating parents around the new performance measures

All of the academies have individual development plans with a synchronised format and the Trust has a complete and regularly reviewed strategic plan.

It is intended to introduce individual Local Governing Bodies at each academy with effect from 1st September 2017. This is in response to the Board and Governing Body's concern that more time is required to review the individual academies performance in raising standards and managing the continuing reduction of budgets.

Six First Schools in the Leek area have requested to join the Trust. The Chief Executive Officer and the Business Director are undertaking due diligence in these schools and are liaising with the Governing Bodies and the Lichfield Diocese (where appropriate) with a view to the schools making an application to the DfE to convert to academy status within The Talentum Learning Trust. The first of the applications was submitted in November 2017.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 August 2017

Funds held as custodian trustee on behalf of others

As at 31 August 2017, the Trust holds £5,225 on behalf of the Leek Education Partnership. This soft federation of 19 schools/academies agree to contribute £3 per pupil on roll in September of each academic year to a central fund held by the Trust which is used for the benefit of pupils within the schools and academies. This may take the form of extra-curricular events, the provision of training for staff and funds to cover supply cover where necessary to enable staff to meet to conduct moderation of pupil work and assessments. Due to accumulated funds the LEP schools did not make these contributions for the 14/15 and 15/16 academic years. It is intended that the contributions will be made in 2017/18.

Employee involvement and employment of the disabled

The Trust is committed to ensuring that disabled people are afforded equality of opportunity in respect of entering and continuing employment with us. By 'employment', we mean all stages from recruitment and selection, terms and conditions of employment, access to training and career development, and, eventually, exit.

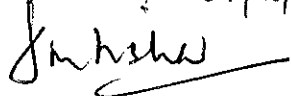
As part of continuing development of good practice, we will take reasonable steps to ensure that our employment policies, procedures, and working environments are as inclusive and accessible as possible. We also recognise that our ability to respond to specific requirements depends on two-way communication. For that reason, disabled applicants and employees are actively encouraged to advise us of any special requirements they may have.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 07/12/17 and signed on its behalf by:



J Fisher
Chair of Trustees

The Talentum Learning Trust
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Talentum 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings attended	Out of a possible
J Fisher, Chair	3	3
W Hurst	3	3
J Johnson	1	3
C Mitchell	3	3
A Shaw, Accounting Officer and Chief Executive Officer	3	3

There is a Governor Development plan in place and the Governance is regularly assessed and reviewed. In particular, under the due diligence processes for new joiners to the trust, the capacity of existing Governors and Trustees is assessed as well as potential new Governors and Trustees from the applicant establishment.

The Trust was required to carry out a review of governance in its first year and this took place in the Spring term 2017 in addition to the Trustee and Governor skills audits which take place annually. The review noted that:

- More time is required at Governing Body level to enable to depth of scrutiny desired for monitoring of both standards and financial performance;
There was one joint Governing Body and one Resources Committee for the three academies as per the structure on conversion to academy status on 1st April 2016; this was effective at that time, but the governors and directors feel more time is needed to focus in depth on each school's monitoring of standards and finances.
- The skills audit of both Governors and Directors showed a broad range of skills and experience available; In addition, a new governor, Mrs C Patterson, was appointed on 3rd April 2017, who is a qualified accountant and auditor, strengthening the skill set of the governors as a group.
- Consideration of the constitution of Members and Directors was taken into account with a view to the First Schools wishing to join the trust; As four of these schools are faith schools it was agreed that appropriate faith representation was needed at Members and Directors level and a new structure for the trust was proposed and agreed with effect from 1st September 2017.
- To facilitate the knowledge at Local Governing Body level from September, Mr W Hurst, a member and director, has agreed to step down from the Members to enable him to serve as the Chair of the Local Governing Body for one of the academies.

The Talentum Learning Trust
(A company limited by guarantee)

Governance Statement (continued)

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- To ensure that the grant from the DfE is used only for the purposes intended.
- To ensure the academies are working to the relevant financial standards.
- To establish and maintain a transparent system of prudent and effective Internal Controls and approve the Statement of Internal Control annually.
- To approve the Annual Budget Plans and Best Value Statements as advised by the CEO / CFO, academy Principals and LGBs.
- To approve each academy's completed financial self-assessment forms.
- To approve a written description of financial systems and procedures
- To assess and manage risk.
- To receive reports of the financial position of the academies, including their income and expenditure and financial commitments.
- To ensure that adequate financial monitoring of the academies' budgets and activities is being undertaken by the Finance Teams.
- To monitor the progress on any action identified to improve financial arrangements at academies.
- To scrutinise and approve significant contracts proposed to be entered into by the MAT or individual academies within appropriate limits as per the financial scheme of delegation.
- To consider details of any significant matters affecting the MAT's assets.
- To review the performance of external providers e.g. services provided under SLAs.
- To review and approve the MAT's annual consolidated accounts.
- To review and approve the financial budgets for the following year.
- To review and approve the levels of insurance cover for the MAT's assets.
- To receive the findings made by the various auditors and their management letter, and any other financial reviews, and consideration of what actions should be taken arising from their recommendations.

Following the review of governance, the Resources Committee will be dissolved with effect from 31st August 2017. The responsibility for monitoring of the budget and proposing the annual budgets for the academies will be delegated to the new Local Governing Bodies. The trust financial responsibilities will be included in the board of trustees meetings where reports from the Local Governing Bodies will be considered.

Attendance at Resources committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Fisher, Chair	3	4
J Johnson	1	4
W Hurst	4	4
C Mitchell	3	4
A Shaw, Accounting Officer and Chief Executive Officer	4	4

Governor Representation at Resources Committee:

	Meetings attended	Out of a possible
C Balderstone	3	4
S Knight	4	4

The Talentum Learning Trust
(A company limited by guarantee)

Governance Statement (continued)

Review of Value for Money

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

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

- Ensuring that the Trust continue to scrutinise and manage the resource use at an academy level. With the pressures of reduced funding and increased costs, the pragmatism and conservative approaches that have been in place will continue to be prevalent in budget planning and discussions. Thresholds for course viability will be further tightened to ensure that value for money can be seen in course delivery and fairness in resource allocation across subjects is noted.
- Linked to performance, results and class size/group sizes will be analysed and a view taken on outcomes. This is being done over a reasonable period of time to note variance in cohorts and popularity changes in subject but will be a discussion point at Executive Leadership Team level and where relevant, reported to LGBs for discussion.
- Benchmarking data for academy examination performance will be used and reported on.
- Benchmarking data for costings against staffing, administration, and other costs is used in comparison to similar schools where possible. The audit and accounts process will support this.
- The analysis of ring-fenced funding such as pupil premium, Year 7 Catch Up and Sports Premium monies are reported on within statutory requirements and regularly monitored by link Governors.
- The academies and Trust will continue to strive to make savings without losing the quality of products and services; negotiate the best rates in all contract negotiations; and use the buying power of a larger and possibly growing organisation to drive down costs and increase value for money.

In addition, we are seeking to effect Value for Money by:

- Examining the potential to offer joint appointments across the MAT
- Achieving economies of scale in purchasing policy, for example, ICT procurement, HR advice and legal support, administrative supplies, maintenance work
- Achieving savings in planning and administrative time, and developing the potential for MAT administrative staff who can work with each academy
- Enhancing strategic planning across all phases and academies
- Joining together to access extended services

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Talentum Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

The Talentum Learning Trust
(A company limited by guarantee)

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

An appropriate Risk register is to be presented to the Board for review and approval on 07 December 2017 that will be reviewed annually and/or on new joiners to the trust arriving (schools/academies).

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.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of accounting systems

On a termly basis, Dains the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the period, Dains has provided four reports on the above additional checks to the Resources Committee. There were no material control issues identified and best practice recommendations have been implemented.

The Talentum Learning Trust
(A company limited by guarantee)

Governance Statement (continued)

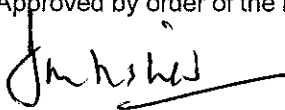
Review of Effectiveness

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

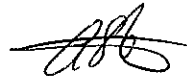
- the work of the external auditors;
- the work of the Chief Finance Officer
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 07/12/17 and signed on their behalf, by:



J Fisher
Chair of Trustees



A Shaw
Accounting Officer

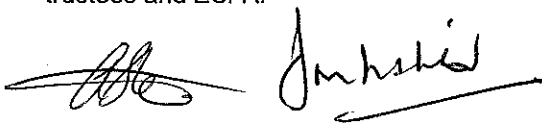
The Talentum Learning Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Talentum Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



A Shaw
Accounting Officer

07/12/17

The Talentum Learning Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2017

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

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

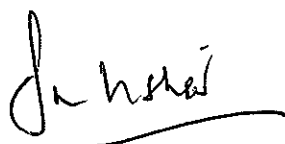
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 07/12/17 and signed on its behalf by:



J Fisher
Chair of Trustees

The Talentum Learning Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Talentum Learning Trust

Opinion

We have audited the financial statements of The Talentum Learning Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

The Talentum Learning Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Talentum Learning Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

The Talentum Learning Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Talentum Learning Trust

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy'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's 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. The description forms part of our Auditor's report.



Simon Hawkins (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 7.12.17

The Talentum Learning Trust
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to The Talentum Learning Trust
and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 29 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Talentum Learning Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Talentum Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Talentum 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 The Talentum Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The Talentum Learning Trust's funding agreement with the Secretary of State for Education dated 31 March 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The Talentum Learning Trust
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to The Talentum Learning Trust
and the Education and Skills Funding Agency (continued)**

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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: *7.12.17*

The Talentum Learning Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	12 months to 31 August 2017 £	5 months to 31 August 2016 £
Income from:						
Donations & capital grants:						
Transferred on conversion	2	-	-	-	-	31,824,949
Other donations and capital grants	2	17,112	-	783,804	800,916	44,910
Charitable activities: Funding for the academy trust educational operations	3	-	8,953,130	-	8,953,130	3,760,991
Other trading activities	4	35,746	-	-	35,746	18,806
Total income		52,858	8,953,130	783,804	9,789,792	35,649,656
Expenditure on:						
Raising funds		21,318	-	-	21,318	1,646
Charitable activities: Academy trust educational operations		-	8,965,172	509,443	9,474,615	3,985,281
Total expenditure	5	21,318	8,965,172	509,443	9,495,933	3,986,927
Net income / (expenditure) before transfers		31,540	(12,042)	274,361	293,859	31,662,729
Transfers between Funds	17	(23,659)	(34,947)	58,606	-	-
Net income / (expenditure) before other recognised gains and losses		7,881	(46,989)	332,967	293,859	31,662,729
Actuarial gains / (losses) on defined benefit pension schemes	22	-	320,000	-	320,000	(613,000)
Net movement in funds		7,881	273,011	332,967	613,859	31,049,729
Reconciliation of funds:						
Total funds brought forward		530,625	(3,445,313)	33,964,417	31,049,729	-
Total funds carried forward		538,506	(3,172,302)	34,297,384	31,663,588	31,049,729

The notes on pages 27 to 52 form part of these financial statements.

The Talentum Learning Trust
(A company limited by guarantee)
Registered number: 09999238

Balance sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	12		11,403		18,750
Tangible assets	13		34,113,593		33,931,560
			34,124,996		33,950,310
Current assets					
Debtors	14	507,909		231,681	
Cash at bank and in hand		1,997,757		1,315,181	
		2,505,666		1,546,862	
Creditors: amounts falling due within one year	15	(1,130,941)		(548,976)	
Net current assets			1,374,725		997,886
Total assets less current liabilities			35,499,721		34,948,196
Creditors: amounts falling due after more than one year	16		(188,133)		(256,467)
Net assets excluding pension scheme liabilities			35,311,588		34,691,729
Defined benefit pension scheme liability	22		(3,648,000)		(3,642,000)
Net assets including pension scheme liabilities			31,663,588		31,049,729
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	475,698		196,687	
Restricted fixed assets funds	17	34,297,384		33,964,417	
Restricted income funds excluding pension liability		34,773,082		34,161,104	
Pension reserve		(3,648,000)		(3,642,000)	
Total restricted income funds			31,125,082		30,519,104
Unrestricted income funds	17		538,506		530,625
Total funds			31,663,588		31,049,729

The Talentum Learning Trust
(A company limited by guarantee)

Balance sheet (continued)
As at 31 August 2017

The financial statements were approved by the Trustees, and authorised for issue, on 07/12/17 and are signed on their behalf, by:


J Fisher
Chair of Trustees

The notes on pages 27 to 52 form part of these financial statements.

The Talentum Learning Trust
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2017

	Note	Year ended 31 August 2017 £	5 month period ended 31 August 2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>650,724</u>	<u>353,227</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(493,919)	(41,064)
Capital grants from DfE/ESFA		<u>594,106</u>	<u>17,255</u>
Net cash provided by/(used in) investing activities		<u>100,187</u>	<u>(23,809)</u>
Cash flows from financing activities:			
Repayments of borrowings		(68,335)	-
Cash transferred from local authority		<u>-</u>	<u>985,763</u>
Net cash (used in)/provided by financing activities		<u>(68,335)</u>	<u>985,763</u>
Change in cash and cash equivalents in the year		<u>682,576</u>	<u>1,315,181</u>
Cash and cash equivalents brought forward		<u>1,315,181</u>	<u>-</u>
Cash and cash equivalents carried forward	20	<u><u>1,997,757</u></u>	<u><u>1,315,181</u></u>

The notes on pages 27 to 52 form part of these financial statements.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Talentum Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.4 Expenditure

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Software	-	33% straight line
----------	---	-------------------

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

The freehold property in the accounts relates to the academy premises which were donated to the academy on conversion from Staffordshire County Council and the Leek Federation Learning Trust Limited. The freehold property were valued using the Staffordshire County Council valuation. These are being depreciated in accordance with the depreciation policies set out below.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Freehold land	-	Not depreciated
Building improvements	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Taxation

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

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government 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 22, 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 2017. 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.

Freehold Property

The freehold property within the financial statements relates to academy premises which were donated to the academy on conversion from Staffordshire County Council and The Leek Federation Learning Trust Limited. The freehold property were valued using the Staffordshire County Council valuation. These are being depreciated in accordance with the depreciation policies set out in note 1.6.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	12 months to 31 August 2017 £	5 months to 31 August 2016 £
Transferred on conversion	-	-	-	-	31,824,949
Donations	17,112	-	-	17,112	27,655
Capital grants	-	-	783,804	783,804	17,255
Subtotal	17,112	-	783,804	800,916	44,910
	17,112	-	783,804	800,916	31,869,859
<i>Total 2016</i>	<i>689,041</i>	<i>(2,954,000)</i>	<i>34,134,818</i>	<i>31,869,859</i>	

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	12 months to 31 August 2017 £	5 months to 31 August 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	8,237,247	8,237,247	3,480,736
Other DfE/ESFA grants	-	390,667	390,667	143,139
Start up grant	-	-	-	75,000
	-	8,627,914	8,627,914	3,698,875
Other government grants				
Special educational needs	-	125,762	125,762	38,208
	-	125,762	125,762	38,208
Other funding				
Trip Income	-	199,454	199,454	23,908
	-	199,454	199,454	23,908
	-	8,953,130	8,953,130	3,760,991
<i>Total 2016</i>	<i>-</i>	<i>3,760,991</i>	<i>3,760,991</i>	

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	12 months to 31 August 2017 £	5 months to 31 August 2016 £
Other income	16,891	-	16,891	9,831
Lettings income	18,855	-	18,855	8,975
	<u>35,746</u>	<u>-</u>	<u>35,746</u>	<u>18,806</u>
<i>Total 2016</i>	<u>18,806</u>	<u>-</u>	<u>18,806</u>	

5. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	21,318	21,318	1,646
Educational Operations:					
Direct costs	6,338,173	-	591,923	6,930,096	2,936,786
Support costs	1,015,248	790,292	738,979	2,544,519	1,048,495
	<u>7,353,421</u>	<u>790,292</u>	<u>1,352,220</u>	<u>9,495,933</u>	<u>3,986,927</u>
<i>Total 2016</i>	<u>3,247,720</u>	<u>336,303</u>	<u>402,904</u>	<u>3,986,927</u>	

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

6. Charitable activities

	12 months to 31 August 2017 £	<i>5 months to 31 August 2016 £</i>
Direct costs - educational operations		
Wages and salaries	4,859,664	2,222,180
National insurance	467,046	208,363
Pension cost	1,011,463	366,447
Depreciation	14,835	4,047
Technology costs	6,534	11,930
Educational supplies	48,570	12,710
Examination fees	153,021	15,733
Staff development	44,446	32,324
Education consultancy	97,732	33,818
Security and transport	226,785	29,234
	<u>6,930,096</u>	<u>2,936,786</u>
Support costs - educational operations		
Wages and salaries	804,400	371,058
National insurance	55,374	21,182
Pension cost	155,474	58,489
Depreciation	487,261	201,515
LGPS net finance costs	79,000	43,000
Technology costs	85,703	44,652
Staff development	1,469	887
Recruitment and support	17,292	4,325
Maintenance of premises	167,697	36,835
Cleaning	19,403	9,124
Rent and rates	62,903	28,797
Energy costs	191,463	61,814
Insurance	58,177	5,879
Catering	68,562	26,473
Other support costs	273,304	118,323
Amortisation	7,347	3,295
Governance costs	9,690	12,847
	<u>2,544,519</u>	<u>1,048,495</u>
	<u><u>9,474,615</u></u>	<u><u>3,985,281</u></u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

7. Net income/(expenditure)

This is stated after charging:

	12 months to 31 August 2017 £	<i>5 month period ended 31 August 2016 £</i>
Amortisation of intangible assets	7,347	3,295
Depreciation of tangible fixed assets:		
- owned by the charity	502,096	205,562
Operating lease rentals	21,281	2,266
Auditors remuneration	11,850	11,500
Auditors remuneration - Non audit	2,250	2,000
	=====	=====

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

8. Staff costs

Staff costs were as follows:

	12 months 31 August 2017 £	<i>5 month period ended 31 August 2016 £</i>
Wages and salaries	5,416,017	2,377,506
Social security costs	522,420	229,545
Operating costs of defined benefit pension schemes	1,166,937	424,937
	<u>7,105,374</u>	<u>3,031,988</u>
Apprenticeship levy	5,206	-
Supply teacher costs	91,824	40,156
Staff restructuring costs	151,017	175,576
	<u><u>7,353,421</u></u>	<u><u>3,247,720</u></u>

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

	Year ended 31 August 2017 No.	<i>5 month period ended 31 August 2016 No.</i>
Teachers	99	106
Administration and support	139	144
Management	5	5
	<u>243</u>	<u>255</u>

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

	Year ended 31 August 2017 No.	<i>5 month period ended 31 August 2016 No.</i>
In the band £60,001 - £70,000	3	4
In the band £140,001 - £150,000	1	1

The key management personnel of the trust comprise the trustees and 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 trust was £468,466 (2016: £187,682).

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

9. Central services

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

- Chief Executive Officer
- Financial Services
- Educational support services
- Human resources
- Other as arising

The academy charges for these services on the following basis:

Top slicing contributions are charged by a flat rate percentage (4%) of the General Annual Grant.

The actual amounts charged during the year were as follows:

	Year ended 31 August 2017 £	<i>5 month period ended 31 August 2016 £</i>
Westwood College	159,666	67,486
Leek High Specialist Technology College	89,491	37,937
Churnet View Middle School	79,063	33,128
	<u>328,220</u>	<u>138,551</u>
Total		

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

		Year ended 31 August 2017 £	<i>5 month period ended 31 August 2016 £</i>
A Shaw, Chief Executive Officer	Remuneration	145,000-150,000	55,000-60,000
	Pension contributions paid	20,000-25,000	5,000-10,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £0).

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,877 (2016 - £786).

12. Intangible fixed assets

	Software £
Cost	
At 1 September 2016 and 31 August 2017	22,045
Amortisation	
At 1 September 2016	3,295
Charge for the year	7,347
At 31 August 2017	10,642
Carrying amount	
At 31 August 2017	11,403
At 31 August 2016	18,750

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

13. Tangible fixed assets

	Freehold property £	Building improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost					
At 1 September 2016	34,068,801	10,883	-	28,300	29,138
Additions	-	625,523	22,080	1,434	35,092
At 31 August 2017	34,068,801	636,406	22,080	29,734	64,230
Depreciation					
At 1 September 2016	199,397	74	-	2,044	4,047
Charge for the year	478,554	1,632	1,840	7,075	12,995
At 31 August 2017	677,951	1,706	1,840	9,119	17,042
Net book value					
At 31 August 2017	33,390,850	634,700	20,240	20,615	47,188
At 31 August 2016	33,869,404	10,809	-	26,256	25,091
					Total £
Cost					
At 1 September 2016					34,137,122
Additions					684,129
At 31 August 2017					34,821,251
Depreciation					
At 1 September 2016					205,562
Charge for the year					502,096
At 31 August 2017					707,658
Net book value					
At 31 August 2017					34,113,593
At 31 August 2016					33,931,560

Included in freehold property is freehold land at a cost of £10,141,100 which is not depreciated.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

14. Debtors

	2017 £	2016 £
Trade debtors	11,570	9,932
VAT recoverable	138,049	61,799
Prepayments and accrued income	358,290	159,950
	<u>507,909</u>	<u>231,681</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	67,910	67,911
Trade creditors	317,854	67,441
Other taxation and social security	128,516	-
Other creditors	123,315	15,827
Accruals and deferred income	493,346	397,797
	<u>1,130,941</u>	<u>548,976</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	71,079	-
Resources deferred during the year	127,911	71,079
Amounts released from previous years	(71,079)	-
Deferred income at 31 August 2017	<u>127,911</u>	<u>71,079</u>

As at the balance sheet date the academy trust was holding funds relating to grants and trips relating to the 2017/18 academic year.

Other loans relate to loans from the local authority inherited by the trust on conversion. The loans are interest free. The first repayment was due in October 2016 with payments due annually and the last payment to be on the fifth anniversary of the first repayment.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

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

	2017	2016
	£	£
Other loans	188,133	256,467
	<u><u> </u></u>	<u><u> </u></u>

Included within the above are amounts falling due as follows:

	2017	2016
	£	£
Between one and two years		
Other loans	64,853	65,936
	<u><u> </u></u>	<u><u> </u></u>
Between two and five years		
Other loans	123,280	190,531
	<u><u> </u></u>	<u><u> </u></u>

Other loans relate to loans from the local authority inherited by the trust on conversion. The loans are interest free. The first repayment was due in October 2016 with payments due annually and the last payment to be on the fifth anniversary of the first repayment.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	530,625	52,858	(21,318)	(23,659)	-	538,506
Restricted funds						
General annual grant	172,087	8,237,246	(7,923,288)	(34,947)	-	451,098
Other DfE/ESFA grants	-	390,668	(390,668)	-	-	-
Start up grants	24,600	-	-	-	-	24,600
Other government grants	-	125,762	(125,762)	-	-	-
Other income	-	199,454	(199,454)	-	-	-
Pension reserve	(3,642,000)	-	(326,000)	-	320,000	(3,648,000)
	<u>(3,445,313)</u>	<u>8,953,130</u>	<u>(8,965,172)</u>	<u>(34,947)</u>	<u>320,000</u>	<u>(3,172,302)</u>
Restricted fixed assets funds						
Assets transferred on conversion	33,912,074	-	(493,076)	-	-	33,418,998
Capital expenditure from start up grants	18,750	-	(7,347)	-	-	11,403
Capital expenditure from GAG	16,363	-	(8,555)	58,606	-	66,414
DfE/ESFA grants	17,230	52,958	(465)	-	-	69,723
Conditional improvement fund	-	730,846	-	-	-	730,846
	<u>33,964,417</u>	<u>783,804</u>	<u>(509,443)</u>	<u>58,606</u>	<u>-</u>	<u>34,297,384</u>
Total restricted funds	<u>30,519,104</u>	<u>9,736,934</u>	<u>(9,474,615)</u>	<u>23,659</u>	<u>320,000</u>	<u>31,125,082</u>
Total of funds	<u>31,049,729</u>	<u>9,789,792</u>	<u>(9,495,933)</u>	<u>-</u>	<u>320,000</u>	<u>31,663,588</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 11 February 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
General Funds	-	707,847	(1,646)	(175,576)	-	530,625
	<u>-</u>	<u>707,847</u>	<u>(1,646)</u>	<u>(175,576)</u>	<u>-</u>	<u>530,625</u>
Restricted funds						
General annual grant	-	3,480,735	(3,467,813)	159,165	-	172,087
Other DfE/ESFA grants	-	143,140	(143,140)	-	-	-
Start up grants	-	75,000	(28,355)	(22,045)	-	24,600
Other government grants	-	38,208	(38,208)	-	-	-
Other income	-	23,908	(23,908)	-	-	-
Pension reserve	-	(2,954,000)	(75,000)	-	(613,000)	(3,642,000)
	<u>-</u>	<u>806,991</u>	<u>(3,776,424)</u>	<u>137,120</u>	<u>(613,000)</u>	<u>(3,445,313)</u>
Restricted fixed assets funds						
Assets transferred on conversion	-	34,117,563	(205,489)	-	-	33,912,074
Capital expenditure from start up grants	-	-	(3,295)	22,045	-	18,750
Capital expenditure from GAG	-	-	(48)	16,411	-	16,363
DfE/ESFA grants	-	17,255	(25)	-	-	17,230
	<u>-</u>	<u>34,134,818</u>	<u>(208,857)</u>	<u>38,456</u>	<u>-</u>	<u>33,964,417</u>
Total restricted funds	<u>-</u>	<u>34,941,809</u>	<u>(3,985,281)</u>	<u>175,576</u>	<u>(613,000)</u>	<u>30,519,104</u>
Total of funds	<u>-</u>	<u>35,649,656</u>	<u>(3,986,927)</u>	<u>-</u>	<u>(613,000)</u>	<u>31,049,729</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

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

Unrestricted General Funds

This funds represents those resources which may be used towards meeting any of the charitable objectives at the discretion of the Trustees.

Restricted General Funds

This funds represents grants received for the academy's operational activities and development.

Pension Fund

This fund represents the academy's share of the pension liability on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received from the ESFA to carry out works of a capital nature and the donation of freehold land and buildings from Staffordshire County Council and The Leek Federation Learning Trust Ltd and a small amount of capital expenditure from GAG.

The Conditional Improvement Fund relates to a grant received for roof repairs on Westwood College and Leek High School.

The Devolved Formula Capital relates to grants received from the ESFA for works of a capital nature.

Under the funding agreement from the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Westwood College	426,376	90,601
Leek High School Specialist College	89,358	259,864
Churnet View Middle School	401,271	318,031
Central	97,199	58,816
Total before fixed asset fund and pension reserve	1,014,204	727,312
Restricted fixed asset fund	34,297,384	33,964,417
Pension reserve	(3,648,000)	(3,642,000)
Total	31,663,588	31,049,729

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Westwood College	2,646,860	381,785	27,872	721,159	3,777,676	1,708,467
Leek High Specialist Technology School	1,759,608	292,554	13,705	435,432	2,501,299	1,009,296
Churnet View Middle School	1,495,832	268,149	6,993	315,234	2,086,208	869,092
Central	188,873	72,760	-	33,674	295,307	191,216
	<u>6,091,173</u>	<u>1,015,248</u>	<u>48,570</u>	<u>1,505,499</u>	<u>8,660,490</u>	<u>3,778,071</u>

The above table does not include any LGPS Pension adjustments included within the Statement of Financial Position.

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	12 months to 31 August 2017 £
Intangible fixed assets	-	-	11,403	11,403
Tangible fixed assets	-	-	34,113,593	34,113,593
Current assets	538,506	1,794,773	172,388	2,505,667
Creditors due within one year	-	(1,130,942)	-	(1,130,942)
Creditors due in more than one year	-	(188,133)	-	(188,133)
Provisions for liabilities and charges	-	(3,648,000)	-	(3,648,000)
	<u>538,506</u>	<u>(3,172,302)</u>	<u>34,297,384</u>	<u>31,663,588</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed assets funds</i>	<i>12 months to 31 August</i>
	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Intangible fixed assets	-	-	18,750	18,750
Tangible fixed assets	-	-	33,931,560	33,931,560
Current assets	530,625	1,002,130	14,107	1,546,862
Creditors due within one year	-	(548,976)	-	(548,976)
Creditors due in more than one year	-	(256,467)	-	(256,467)
Provisions for liabilities and charges	-	(3,642,000)	-	(3,642,000)
	<u>530,625</u>	<u>(3,445,313)</u>	<u>33,964,417</u>	<u>31,049,729</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>Year ended 31 August 2017 £</i>	<i>5 month period ended 31 August 2016 £</i>
Net income for the year (as per Statement of Financial Activities)	293,859	31,662,729
Adjustment for:		
Depreciation and amortisation charges	509,443	208,857
Cash donated on conversion	-	(985,763)
Increase in debtors	(86,530)	(231,681)
Increase in creditors due in 1 year	391,756	480,525
Capital grants from DfE and other capital income	(783,804)	(17,255)
Defined benefit pension scheme obligation inherited	-	2,954,000
Defined benefit pension scheme cost less contributions payable	247,000	32,000
Defined benefit pension scheme finance cost	79,000	43,000
Loans donated on conversion	-	324,378
Fixed assets donated on conversion	-	(34,117,563)
Net cash provided by operating activities	<u>650,724</u>	<u>353,227</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

20. Analysis of cash and cash equivalents

	Year ended 31 August 2017 £	5 month period ended 31 August 2016 £
Cash in hand	1,997,757	1,315,181
Total	<u>1,997,757</u>	<u>1,315,181</u>

21. Capital commitments

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>143,789</u>	<u>-</u>

22. Pension commitments

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

Introduction

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

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

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £623,937 (2016 - £274,054).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £380,000 (2016 - £153,016), of which employer's contributions totalled £296,000 (2016 - £118,832) and employees' contributions totalled £84,000 (2016 - £34,134). The agreed contribution rates for future years are 21.2% for employers and 5.7% 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	75.00 %	75.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

	Year ended At 31 August 2017 £	5 month period ended At 31 August 2016 £
Sensitivity analysis		
Discount rate -0.5%	787,000	688,000
Salary rate +0.5%	258,000	262,000
Pension increase rate +0.5%	508,000	405,000

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,531,000	1,090,500
Debt instruments	242,000	159,940
Property	161,000	116,320
Cash and other liquid assets	81,000	87,240
	<u>2,015,000</u>	<u>1,454,000</u>

The actual return on scheme assets was £180,000 (2016 - £156,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	Year ended 31 August 2017 £	5 month period ended 31 August 2016 £
Current service cost	(543,000)	(152,000)
Interest income	34,000	17,000
Interest cost	(113,000)	(60,000)
	<u>(622,000)</u>	<u>(195,000)</u>
Actual return on scheme assets	<u>180,000</u>	<u>156,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 August 2017 £	5 month period ended 31 August 2016 £
Opening defined benefit obligation	5,096,000	-
Upon conversion	-	4,081,000
Current service cost	543,000	152,000
Interest cost	113,000	60,000
Employee contributions	84,000	34,000
Actuarial (gains)/losses	(140,000)	769,000
Benefits paid	(33,000)	-
	<u>5,663,000</u>	<u>5,096,000</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

	Year ended 31 August 2017 £	5 month period ended 31 August 2016 £
Opening fair value of scheme assets	1,454,000	-
Upon conversion	-	1,127,000
Interest income	34,000	17,000
Actuarial losses	180,000	156,000
Employer contributions	296,000	120,000
Employee contributions	84,000	34,000
Benefits paid	(33,000)	-
	<u>2,015,000</u>	<u>1,454,000</u>

23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	21,281	3,758
Between 1 and 5 years	20,507	2,131
Total	<u>41,788</u>	<u>5,889</u>

24. 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.

25. Related party transactions

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

No related party transaction took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.