

The Talentum Learning Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2018

The Talentum Learning Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's assurance report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the financial statements	28 - 53

The Talentum Learning Trust
(A company limited by guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2018

Members

C Mitchell
M Smith
G Edwards
H Parr

Trustees

A Shaw, Accounting Officer and Chief Executive Officer
J Fisher, Chair (resigned as chair as at 31 August 2018) (resigned 31 August 2018)
W Hurst (resigned 31 August 2018)
J Johnson
C Mitchell, Chair (appointed as chair as at 31 August 2018)

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 2018

The Trustees present their annual report together with the financial statements and auditor's report on the charitable company for the year 1 September 2017 to 31 August 2018. 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 2018 the trust had three academies in a Multi-Academy Trust (MAT). They were:

Churnet View Middle School: a 9-13 middle school (deemed secondary) with 441 pupils on roll as at 17 May 2018 census date

Leek High Specialist Technology School: an 11-18 secondary school with 337 pupils on roll as at 17 May 2018 census date

Westwood College: an 11-18 secondary school with 771 pupils on roll as at 17 May 2018 census date

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of The Talentum Learning Trust are also the directors of the charitable company for the purposes 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 2017 to 31 August 2018 was £362.

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 Bodies 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 Bodies and accesses appropriate resources. Some training utilises the expertise held within the Trust's 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 Local Governing Bodies and Directors in moderating and setting performance targets at Executive Team level.

The Local Governing Bodies have bespoke governor development plans.

Organisational structure

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

The 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.

The Local Governing Bodies monitor the effectiveness of the academies through half-termly meetings with agendas that include the review of Student Welfare, Standards (Performance) and Resources (Finance).

The organisational structure of the Trust is changing with effect from 1 September 2018 in anticipation of new academies joining the Trust. From this point there will be an additional:

- School Representatives Group which consists of the Chairs of Governors from each Academy. This Group will report to the Trust Board.
- An Audit and Compliance Committee which will be formed from the Trustees and will include an auditor who is currently a Local Governor at one of the Academies.
- An Achievement and Progress Committee which will be formed from the Trustees.

To further separate the responsibility and delegation levels, the Chairs of Governors of the existing academies resigned from the Trust Board with effect from 31 August 2018 to create vacancies for the Diocese of Lichfield representatives required to accommodate the new academies.

Arrangements for setting pay and remuneration of key management personnel

The work of the CEO and Headteacher's 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 with appropriate and monitored targets.

Pay decisions for all staff across the academies are moderated and monitored by the Headteacher 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.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the academy trust had more than 49 full time equivalent employees throughout any 7 months within the reporting period. The following information included in Schedule 2 of the Regulations is as follows:

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£	
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
---	---	---

Connected organisations, including related party relationships

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.

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 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".

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 continued to improve its performance and Leek High School and Westwood College maintained their performance in the 2017/18 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 with another year of assessment change to come, accurate measures are difficult, but benchmarking suggests good performance. Other contextual factors such as the number of care facilities in the area are considerable (27 care/residential sites for LAC children recognised by LA and Ofsted).

Churnet View Middle School 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

Churnet View Middle school at Key Stage 2 has improved once again. Children at or above threshold are:

- Reading 66% (+19% over two years)
- Writing 79% (+14% over two years)
- GPS 75% (+24% over two years)
- Maths 67% (+31% over two years)
- Combined 56% (+26% over two years)

The progress values from entry to Year 8 exit are excellent. As a middle school, the results are at least good and for vulnerable groups excellent. There has been a continual improvement over the last three years in attainment and progress measures.

Leek High School results within the context of the cohorts within the school compare well to national. Progress 8 scores are in line with national when reflecting registered pupils and post 16 shows a positive growth in recruitment and retention.

Westwood College produced a good set of results in 2018 with GCSE Progress 8 in line with national and Attainment 8 above national. At post 16 the College continues to be very popular and is ranked well in the county tables.

It should be noted that at Key Stage 4 and 5, due to substantial course content changes, thresholds movements, assessment regime changes and move to terminal examinations, results interpretation and year to year comparison is very difficult. Validated results are available from the DfE site later this year.

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.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

Financial review

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

For the year ended 31 August 2018 total incoming resources of £8,873,747 and total expenditure of £9,129,981 resulted in a deficit before actuarial gains of £256,234.

At 31 August 2018 the net book value of fixed assets totalled £22,646,096. This included £21,710,467 for the freehold property and £854,331 for building improvements, £32,308 for computer equipment, £18,046 for motor vehicles and £30,944 for furniture & fixtures.

At 31 August 2018 the trust held unrestricted funds totalled £609,546, restricted income funds of £528,216, restricted fixed asset funds of £22,859,688 and a pension reserve deficit of £3,197,000.

The cash flow statement shows net funds of £1,876,275 at 31 August 2018.

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 Trust's years of operation GAG Funding levels created little opportunity to achieve a surplus. The academies have been closely managing their budgets and implementing cost efficiencies wherever possible to enable the 5% reserve to be accumulated.

This aim has been hindered by the reducing income to the academies in real terms along with increasing costs; the schools are having to utilise their reserves to set balanced budgets for 2018/19.

At 31 August 2018 unrestricted general funds amounted to £609,546 and restricted income funds not available for general purposes of £528,216.

Investment policy

The trust does not hold any investments at present.

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 Talentum Learning Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

The Board and Executive Leadership Team undertook a comprehensive review of the risks to which the Academies are exposed during the Autumn Term 2017. 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 Bodies 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. Headteachers
4. Assistant Headteachers
5. Chief Finance Officer/Business Director
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 principal uncertainty for all of the Trust continues to be the funding of the academies. 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 hard implementation of the National Funding Formula however, transitional arrangements have shown that we will not see any material increase in funding for our academies or for Staffordshire as a whole.

Fundraising

The Trustees have overall responsibility and accountability for the trust's charitable status and this includes its fundraising. They recognise that they have a key role to play in setting the trust's approach to raising funds, in making sure that it is followed in practice and that it reflects the trust's values.

The Trustees' oversight of its charitable fundraising is designed to protect the Trust's reputation and to encourage public trust and confidence. This includes following the law and recognised standards, protecting the Trust from undue risk, and showing respect for donors, supporters and the public.

The Trust Board delegates day-to-day activities, and their management, to the Headteachers of the trust's academies. They do not delegate their ultimate responsibility. The systems and processes in place allow the Trustees:

- to hold the Academy Headteachers to account for how they carry out their role
- access to the right information and advice, to the appropriate level of detail, and in the best format
- to be assured that fundraising is compliant with the fundraising approach that the trust has set, meeting the standards required by the Trustee's duties, and wider law and best practice
- to ensure that delegation is clearly documented, understood and implemented
- to be assured that clear reporting procedures are in place
- to ensure that there are checks that the delegated authority is exercised properly

The work of the fundraising volunteers is overseen by the Academy Headteachers. This is so that they:

- are clear about what they are supposed to do
- are aware of the rules and boundaries within which they must work
- work safely
- know what to do if there's a problem
- know what they need to report and who they report to

The Trustees recognise that they have a duty to manage and protect the Trust's reputation and other assets from undue risk. There are effective systems in place to identify the reputational risks that the Trust may face in its fundraising and to plan for their management.

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 academy's allocated funds from the ESFA, pupil numbers and development plans.

The Talentum Learning Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

- 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.

Individual Local Governing Bodies were introduced at each academy with effect from 1st September 2017 in response to the Board and Governing Body's concern that more time was required to review the individual academies performance in raising standards and managing the continuing reduction of budgets. This has proven successful and has enabled better operational monitoring in each academy.

The following First Schools in the Leek area have received Academy Orders to join the Trust:

- All Saint's CE First School
- Beresford Memorial CE First School
- Leek First School
- Rushton Primary School
- Westwood First School

The Chief Executive Officer and the Business Director have undertaken due diligence in these schools and are facilitating the conversion process for these schools in liaison with solicitors, the Local Authority, the Governing Bodies and the Lichfield Diocese (where appropriate). The anticipated conversion date is currently 1 January 2019.

A further first School and a Special School in Leek have also 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.

Funds held as custodian

As at 31 August 2018, the Trust held £5,225 on behalf of the Leek Education Partnership. This soft federation of 19 schools/academies had previously agreed 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, 15/16 and 16/17 academic years.

The £5,225 was allocated during the current period and due to current financial pressures in all schools, there is no current intention to re-start contributions. The 19 schools continue to meet and work together for the benefit of the pupils within these schools and academies.

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 13 December 2018 and signed on its behalf by:



C Mitchell
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:

Trustee	Meetings attended	Out of a possible
A Shaw, Chair (resigned 31 August 2018)	3	3
W Hurst (resigned 31 August 2018), Chair (resigned as chair as at 31 August 2018)	2	3
W Hurst	2	3
J Johnson, Chair	3	3
C Mitchell, Chair (appointed as chair as at 31 August 2018)	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 is required to carry out a review of governance annually and this took place in the Summer term 2018 in addition to the Trustee and Governor skills audits which take place annually. The review noted that:

- The implementation of individual Local Governing Bodies for each school had been successful in enabling more time at Governing Body level for the in-depth scrutiny desired for monitoring of both standards and financial performance.
- The skills audit of both Local Governors and Directors showed a broad range of skills and experience available.
- During the application process for the additional First Schools to join the Trust, the RSC approved the applications with the following conditions:
 - That the majority of the MAT Board be comprised of directors external to any of the schools.
 - That a separate audit committee be introduced.
 - Although these were not requirements of the Academies Financial Handbook the Trust Members took the decision to restructure the governance accordingly and a new governance structure for 1 September 2018 was approved at their meeting held on 27 June 2018 that incorporated these requirements.
- New Directors will be appointed as soon as possible in the 31 August 2019 financial year to ensure that there is a broad and balanced range of skills on the new Trust Board.

Following the review of governance in 2017, the Resources Committee dissolved with effect from 31 August 2017. From 1 September 2017, the responsibility for monitoring of the budget and proposing the annual budgets for the academies was delegated to the new Local Governing Bodies. The trust financial and audit responsibilities were included as fixed agenda items in the board of trustees meetings where reports from the Local Governing Bodies and internal and external auditors were considered and reviewed.

The Talentum Learning Trust
(A company limited by guarantee)

Governance Statement (continued)

From 1 September 2018, a new Audit and Compliance Committee is in place, it has delegated responsibility for two key purposes:

1. As a Finance Committee to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity in line with the ESFA guidelines, the Financial Handbook and Accounts Direction documents.
2. As an Audit Committee to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

It will report its findings regularly to the Trust Board as a critical element of the Trust's annual reporting requirements.

The Audit Committee has no executive powers or operational/duties.

The duties of the committee include:

1. Finance
 - To consider and monitor regularly the Trust and individual schools' short term and long term revenue and capital budget and financial planning to ensure long term sustainability.
 - To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust and individual schools, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Trust Board.
 - To consider the individual schools' indicative funding, notified annually by the ESFA and to assess implications for the school in advance for the financial year.
 - To consider and recommend approval/non-approval of the Trust and individual school budgets to Trust Board.
 - To receive and consider the broad budget headings and areas of expenditure to be adopted each year, including the level and use of contingency funds or reserve balances.
 - To review and approve any virements and other transactions in accordance with the Financial Scheme of Delegation.
 - To review and update all financial policies in accordance with the policy review schedule.
2. Audit
 - To appoint internal auditors on behalf of the Trust Board.
 - To receive, consider and respond to reports from internal and external audit on the effectiveness of the internal controls.
 - Agree an action plan to address the findings of the internal audit reports, and to monitor the action plan to closure.
 - To review on at least an annual basis, the risks faced by the schools and to challenge and approve the associated risk management plans.
 - To recommend to the Trust Board the appointment or reappointment of the external auditors.
 - To review the findings of the external auditors and agree any action plan from it.
 - To review and consider the auditor's management letter in order to ensure it is based on a good understanding of the Trust business and to establish whether any recommendations have been acted upon.

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 Local Governing Bodies for discussion.
- Benchmarking data for academy examination performance is 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:

- Utilising 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 and 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 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

An appropriate Risk register is to be presented to the Board for review and approval on 13 December 2018 that is 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 board of trustees 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, the external 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 three reports on the above additional checks to the Board of Trustees. There were no material control issues identified and best practice recommendations have been implemented.

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 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 13 December 2018 and signed on their behalf, by:



C Mitchell
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



A Shaw
Accounting Officer

Date: 13 December 2018

The Talentum Learning Trust
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 13 December 2018 and signed on its behalf by:



C Mitchell
Chair of Trustees

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 (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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.

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

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

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 or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy'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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 13.12.18

The Talentum Learning Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The Talentum Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 & 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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: *13.12.18*

The Talentum Learning Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Restated Total funds 2017 £
Income from:						
Donations and capital grants	2	34,297	-	240,353	274,650	800,916
Charitable activities: Funding for the academy trust educational operations	3	-	8,545,124	-	8,545,124	8,953,130
Other trading activities	4	53,973	-	-	53,973	35,746
Total income		88,270	8,545,124	240,353	8,873,747	9,789,792
Expenditure on:						
Raising funds		4,923	-	-	4,923	21,318
Charitable activities		9,347	8,669,434	446,277	9,125,058	9,340,550
Total expenditure	5	14,270	8,669,434	446,277	9,129,981	9,361,868
Net (expenditure) / income before transfers		74,000	(124,310)	(205,924)	(256,234)	427,924
Transfers between Funds	18	(2,960)	(101,172)	104,132	-	-
Net income / (expenditure) before other recognised gains and losses		71,040	(225,482)	(101,792)	(256,234)	427,924
Actuarial gains on defined benefit pension schemes	23	-	729,000	-	729,000	320,000
Net movement in funds		71,040	503,518	(101,792)	472,766	747,924
Reconciliation of funds:						
Total funds brought forward		538,506	(3,172,302)	22,961,480	20,327,684	31,049,729
Prior year adjustment (Note 17)		-	-	-	-	(11,469,969)
Total funds carried forward		609,546	(2,668,784)	22,859,688	20,800,450	20,327,684

The notes on pages 28 to 53 form part of these financial statements.

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

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	Restated 2017 £
Fixed assets					
Intangible assets	12		4,056		11,403
Tangible assets	13		22,646,096		22,777,689
			<u>22,650,152</u>		<u>22,789,092</u>
Current assets					
Debtors	14	239,529		507,909	
Cash at bank and in hand		1,876,275		1,997,757	
		<u>2,115,804</u>		<u>2,505,666</u>	
Creditors: amounts falling due within one year	15	(645,653)		(1,130,941)	
Net current assets			<u>1,470,151</u>		<u>1,374,725</u>
Total assets less current liabilities			<u>24,120,303</u>		<u>24,163,817</u>
Creditors: amounts falling due after more than one year	16		(122,853)		(188,133)
Net assets excluding pension scheme liabilities			<u>23,997,450</u>		<u>23,975,684</u>
Defined benefit pension scheme liability	23		(3,197,000)		(3,648,000)
Net assets including pension scheme liabilities			<u>20,800,450</u>		<u>20,327,684</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	528,216		475,698	
Restricted fixed assets funds	18	22,859,688		22,961,480	
Restricted income funds excluding pension liability		<u>23,387,904</u>		<u>23,437,178</u>	
Pension reserve		(3,197,000)		(3,648,000)	
Total restricted income funds			<u>20,190,904</u>		<u>19,789,178</u>
Unrestricted income funds	18		609,546		538,506
Total funds			<u>20,800,450</u>		<u>20,327,684</u>

The Talentum Learning Trust
(A company limited by guarantee)

Balance Sheet (continued)
As at 31 August 2018

The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:



C Mitchell
Chair of Trustees

The notes on pages 28 to 53 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 2018

		2018 £	Restated 2017 £
	Note		
Cash flows from operating activities			
Net cash provided by operating activities	20	64,153	650,724
Cash flows from investing activities:			
Purchase of tangible fixed assets		(360,052)	(493,919)
Capital grants from DfE Group		240,353	594,106
Net cash (used in)/provided by investing activities		(119,699)	100,187
Cash flows from financing activities:			
Repayments of borrowings		(65,936)	(68,335)
Net cash used in financing activities		(65,936)	(68,335)
Change in cash and cash equivalents in the year		(121,482)	682,576
Cash and cash equivalents brought forward		1,997,757	1,315,181
Cash and cash equivalents carried forward	21	1,876,275	1,997,757

The notes on pages 28 to 53 form part of these financial statements.

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 2017 to 2018 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.

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
----------	---------------------

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 ESFA valuation. These are being depreciated in accordance with the depreciation policies set out below.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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
Furniture and fixtures	-	25% straight line
Motor vehicles	-	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.

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 instrument.

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.

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

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

1. 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 previously valued using the Staffordshire County Council valuation. During the year valuations from the ESFA were obtained, which management believe provided a more accurate valuation of the land and buildings. A prior year adjustment has been made to restate the comparative balances.

These are being depreciated in accordance with the depreciation policies set out in note 1.6.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	34,297	-	-	34,297	17,112
Capital Grants	-	-	240,353	240,353	783,804
	<u>34,297</u>	<u>-</u>	<u>240,353</u>	<u>274,650</u>	<u>800,916</u>
Total 2017	<u>17,112</u>	<u>-</u>	<u>783,804</u>	<u>800,916</u>	

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	7,764,972	7,764,972	8,237,247
Other DfE/ESFA grants	-	384,045	384,045	390,667
	-	8,149,017	8,149,017	8,627,914
Other government grants				
Special educational needs	-	222,473	222,473	125,762
	-	222,473	222,473	125,762
Other funding				
Trip income	-	173,634	173,634	199,454
	-	173,634	173,634	199,454
	-	8,545,124	8,545,124	8,953,130
Total 2017	-	8,953,130	8,953,130	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Staff insurance income	3,098	-	3,098	-
Other income	36,400	-	36,400	16,891
Lettings income	14,475	-	14,475	18,855
	53,973	-	53,973	35,746
Total 2017	35,746	-	35,746	

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

5. Expenditure

	Staff costs	Premises	Other costs	Total	Restated
	2018	2018	2018	2018	Total
	£	£	£	£	2017
					£
Expenditure on direct fundraising trading	-	-	4,923	4,923	21,318
Educational Operations:					
Direct costs	6,075,123	-	701,557	6,776,680	6,930,096
Support costs	955,328	728,451	664,599	2,348,378	2,410,454
	<u>7,030,451</u>	<u>728,451</u>	<u>1,371,079</u>	<u>9,129,981</u>	<u>9,361,868</u>
Total 2017	<u>7,353,421</u>	<u>656,227</u>	<u>1,352,220</u>	<u>9,361,868</u>	

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

6. Charitable activities

	Total funds 2018 £	Restated Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	4,696,989	4,854,458
National insurance	463,332	472,252
Pension cost	914,802	1,011,463
Depreciation	30,431	14,835
Technology costs	6,116	6,534
Educational supplies	63,138	48,570
Examination fees	166,908	153,021
Staff development	72,699	44,446
Education consultancy	148,629	97,732
Security and transport	213,636	226,785
	<u>6,776,680</u>	<u>6,930,096</u>
Support costs - educational operations		
Wages and salaries	756,554	804,400
National insurance	50,030	55,374
Pension cost	148,744	155,474
Depreciation	408,499	353,196
LGPS net finance costs	94,000	79,000
Technology costs	87,212	85,703
Staff development	2,290	1,469
Recruitment and support	4,137	17,292
Maintenance of premises	130,721	167,697
Cleaning	27,971	19,403
Rent and rates	68,352	62,903
Energy costs	169,585	191,463
Insurance	53,888	58,177
Catering	58,266	68,562
Other support costs	253,979	273,304
Amortisation	7,347	7,347
Governance costs	26,803	9,690
	<u>2,348,378</u>	<u>2,410,454</u>
	<u><u>9,125,058</u></u>	<u><u>9,340,550</u></u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

7. Net income/(expenditure)

This is stated after charging:

	2018	Restated
	£	2017
		£
Depreciation of tangible fixed assets:		
- owned by the charity	438,930	368,021
Amortisation of intangible fixed assets	7,347	7,347
Auditors' remuneration - audit	12,250	11,850
Auditors' remuneration - non audit	2,075	2,250
Operating lease rentals	21,281	21,281

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

8. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,210,453	5,416,017
Social security costs	513,362	527,626
Operating costs of defined benefit pension schemes	1,063,546	1,166,937
	<u>6,787,361</u>	<u>7,110,580</u>
Supply teacher costs	213,645	91,824
Staff restructuring costs	29,445	151,017
	<u>7,030,451</u>	<u>7,353,421</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	98	99
Administration and support	124	139
Management	5	5
	<u>227</u>	<u>243</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £140,001 - £150,000	0	1
In the band £150,001 - £160,000	1	0

d. Key management personnel

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 and national insurance contributions) received by key management personnel for their services to the trust was £536,133 (2017: £518,002)

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

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 General Annual Grant.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Westwood College	153,024	159,666
Leek High Specialist Technology College	81,094	89,491
Churnet View Middle School	76,025	79,063
	<u>310,143</u>	<u>328,220</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:

		2018 £	2017 £
A Shaw, Chief Executive Officer	Remuneration	150,000-155,000	145,000-150,000
	Pension contributions paid	20,000-25,000	20,000-25,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to 0 Trustees).

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 2018 was £362 (2017 - £1,877).

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

12. Intangible fixed assets

	Software £
Cost	
At 1 September 2017 and 31 August 2018	22,045
Amortisation	
At 1 September 2017	10,642
Charge for the year	7,347
At 31 August 2018	17,989
Carrying amount	
At 31 August 2018	4,056
At 31 August 2017	11,403

13. Tangible fixed assets (Restated)

	Freehold property £	Building improvements £	Furniture and fixtures £	Motor vehicles £
Cost				
At 1 September 2017	22,542,959	636,406	29,734	22,080
Additions	-	275,326	20,522	3,713
At 31 August 2018	22,542,959	911,732	50,256	25,793
Depreciation				
At 1 September 2017	488,013	1,706	9,119	1,840
Charge for the year	344,479	55,695	10,193	5,907
At 31 August 2018	832,492	57,401	19,312	7,747
Net book value				
At 31 August 2018	21,710,467	854,331	30,944	18,046
At 31 August 2017	22,054,946	634,700	20,615	20,240

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

13. Tangible fixed assets (Restated) (continued)

	Computer equipment £	Total £
Cost		
At 1 September 2017	64,230	23,295,409
Additions	7,776	307,337
At 31 August 2018	<u>72,006</u>	<u>23,602,746</u>
Depreciation		
At 1 September 2017	17,042	517,720
Charge for the year	22,656	438,930
At 31 August 2018	<u>39,698</u>	<u>956,650</u>
Net book value		
At 31 August 2018	<u>32,308</u>	<u>22,646,096</u>
At 31 August 2017	<u>47,188</u>	<u>22,777,689</u>

At 31 August 2018, included within freehold property is land of £5,319,000 (2017: £5,319,000) which is not depreciated.

14. Debtors

	2018 £	2017 £
Trade debtors	35,252	11,570
VAT recoverable	68,075	138,049
Prepayments and accrued income	136,202	358,290
	<u>239,529</u>	<u>507,909</u>

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	67,254	67,910
Trade creditors	120,789	317,854
Other taxation and social security	127,758	128,516
Other creditors	107,380	123,315
Accruals and deferred income	222,472	493,346
	<u>645,653</u>	<u>1,130,941</u>

Notes to the Financial Statements
For the Year Ended 31 August 2018

15. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	127,911	71,079
Resources deferred during the year	136,726	127,911
Amounts released from previous years	(127,911)	(71,079)
Deferred income at 31 August 2018	<u>136,726</u>	<u>127,911</u>

As at the balance sheet date the academy trust was holding funds relating to grants and trips relating to the 2018/19 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.

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

	2018 £	2017 £
Other loans	<u>122,853</u>	<u>188,133</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
Between one and two years		
Other loans	<u>45,546</u>	<u>64,853</u>
Between two and five years		
Other loans	<u>77,307</u>	<u>123,280</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.

17. Prior year adjustment

In previous years the freehold property for each of the 3 schools in the academy trust was valued using the local authority valuation. During the current year the academy trust received the Education and Skills Funding Agency's valuation which they believe more accurately reflects the valuation of the freehold property on conversion. Therefore, a prior period adjustment has been made to reduce the cost of the freehold property by £11,525,842 in the period ended 31 August 2016 and depreciation by £55,874 in the period ended 31 August 2016 and by £134,065 in the year ended 31 August 2017.

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds

	Balance at 1 September 2017 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	538,506	88,270	(14,270)	(2,960)	-	609,546
Restricted funds						
General annual grant	451,098	7,764,972	(7,622,294)	(96,060)	-	497,716
Other DfE/ESFA grants	-	384,045	(377,859)	(5,112)	-	1,074
Start up grants	24,600	-	-	-	-	24,600
Other government grants	-	222,473	(222,473)	-	-	-
Other income	-	173,634	(168,808)	-	-	4,826
Pension reserve	(3,648,000)	-	(278,000)	-	729,000	(3,197,000)
	<u>(3,172,302)</u>	<u>8,545,124</u>	<u>(8,669,434)</u>	<u>(101,172)</u>	<u>729,000</u>	<u>(2,668,784)</u>
Restricted fixed assets funds						
Assets transferred on conversion	22,083,094	-	(359,001)	-	-	21,724,093
Capital expenditure from start up grants	11,403	-	(7,347)	-	-	4,056
Capital expenditure from GAG	66,414	-	(22,279)	50,150	-	94,285
DfE/ESFA grants	69,723	52,762	(3,538)	5,112	-	124,059
Conditional improvement fund	730,846	187,591	(54,112)	48,870	-	913,195
	<u>22,961,480</u>	<u>240,353</u>	<u>(446,277)</u>	<u>104,132</u>	<u>-</u>	<u>22,859,688</u>
Total restricted funds	<u>19,789,178</u>	<u>8,785,477</u>	<u>(9,115,711)</u>	<u>2,960</u>	<u>729,000</u>	<u>20,190,904</u>
Total of funds	<u>20,327,684</u>	<u>8,873,747</u>	<u>(9,129,981)</u>	<u>-</u>	<u>729,000</u>	<u>20,800,450</u>

18. 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 fund represents grants received for the academy's operational activities and development.

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 Limited and a small amount of capital from GAG.

The conditional Improvement Fund relates to a grant received for roof repairs on Westwood College, Leek High School and Churnet View Middle School.

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

Under the funding agreement with 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 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Restated Total 2017 £
Westwood College	495,663	426,376
Leek High School Specialist Technology School	132,550	89,358
Churnet View Middle School	401,836	401,271
Central	107,713	97,199
Total before fixed asset fund and pension reserve	1,137,762	1,014,204
Restricted fixed asset fund	22,859,688	22,961,480
Pension reserve	(3,197,000)	(3,648,000)
Total	20,800,450	20,327,684

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. 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 2018 £	Total 2017 £
Westwood College	2,685,220	441,664	30,305	720,921	3,878,110	3,777,676
Leek High Specialist Technology School	1,495,979	152,369	10,423	462,458	2,121,229	2,501,299
Churnet View Middle School	1,514,661	285,109	22,410	278,108	2,100,288	2,086,208
Central	195,263	76,186	-	34,628	306,077	295,307
	<u>5,891,123</u>	<u>955,328</u>	<u>63,138</u>	<u>1,496,115</u>	<u>8,405,704</u>	<u>8,660,490</u>

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

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 As restated £
General 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	22,442,105	-	(359,011)	-	-	22,083,094
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>22,494,448</u>	<u>783,804</u>	<u>(375,378)</u>	<u>58,606</u>	<u>-</u>	<u>22,961,480</u>
Total restricted funds	<u>19,049,135</u>	<u>9,736,934</u>	<u>(9,340,550)</u>	<u>23,659</u>	<u>320,000</u>	<u>19,789,178</u>
Total of funds	<u>19,579,760</u>	<u>9,789,792</u>	<u>(9,361,868)</u>	<u>-</u>	<u>320,000</u>	<u>20,327,684</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

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

	Balance at 1 September 2016 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 As restated £
Unrestricted funds						
General Funds	530,625	141,128	(35,588)	(26,619)	-	609,546
Restricted funds						
General annual grant	172,087	16,002,218	(15,545,582)	(131,007)	-	497,716
Other DfE/ESFA grants	-	774,713	(768,527)	(5,112)	-	1,074
Start up grants	24,600	-	-	-	-	24,600
Other government grants	-	348,235	(348,235)	-	-	-
Other income	-	373,088	(368,262)	-	-	4,826
Pension reserve	(3,642,000)	-	(604,000)	-	1,049,000	(3,197,000)
	<u>(3,445,313)</u>	<u>17,498,254</u>	<u>(17,634,606)</u>	<u>(136,119)</u>	<u>1,049,000</u>	<u>(2,668,784)</u>
Restricted fixed assets funds						
Assets transferred on conversion	22,442,105	-	(718,012)	-	-	21,724,093
Capital expenditure from start up grants	18,750	-	(14,694)	-	-	4,056
Capital expenditure from GAG	16,363	-	(30,834)	108,756	-	94,285
DfE/ESFA grants	17,230	105,720	(4,003)	5,112	-	124,059
Conditional improvement fund	-	918,437	(54,112)	48,870	-	913,195
	<u>22,494,448</u>	<u>1,024,157</u>	<u>(821,655)</u>	<u>162,738</u>	<u>-</u>	<u>22,859,688</u>
	<u>19,049,135</u>	<u>18,522,411</u>	<u>(18,456,261)</u>	<u>26,619</u>	<u>1,049,000</u>	<u>20,190,904</u>
Total of funds	<u>19,579,760</u>	<u>18,663,539</u>	<u>(18,491,849)</u>	<u>-</u>	<u>1,049,000</u>	<u>20,800,450</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	4,056	4,056
Tangible fixed assets	-	-	22,646,096	22,646,096
Current assets	609,546	1,296,722	209,536	2,115,804
Creditors due within one year	-	(645,653)	-	(645,653)
Creditors due in more than one year	-	(122,853)	-	(122,853)
Provisions for liabilities and charges	-	(3,197,000)	-	(3,197,000)
	<u>609,546</u>	<u>(2,668,784)</u>	<u>22,859,688</u>	<u>20,800,450</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Restated Total funds 2017 £
Intangible fixed assets	-	-	11,403	11,403
Tangible fixed assets	-	-	22,777,689	22,777,689
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>22,961,480</u>	<u>20,327,684</u>

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

	2018 £	Restated 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(256,234)	427,924
Adjustment for:		
Depreciation and amortisation charges	446,277	375,378
Decrease/(increase) in debtors	268,380	(86,530)
(Decrease)/increase in creditors	(431,917)	391,756
Capital grants from DfE and other capital income	(240,353)	(783,804)
Defined benefit pension scheme cost less contributions payable	184,000	247,000
Defined benefit pension scheme finance cost	94,000	79,000
Net cash provided by operating activities	<u>64,153</u>	<u>650,724</u>

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,876,275	1,997,757
Total	<u>1,876,275</u>	<u>1,997,757</u>

22. Capital commitments

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>84,901</u>	<u>143,789</u>

23. 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.

Contributions amounting to £106,934 were payable to the schemes at 31 August 2018 (2017 - £117,278) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £593,318 (2017 - £623,937).

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.

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 2018 was £363,000 (2017 - £380,000), of which employer's contributions totalled £288,000 (2017 - £296,000) and employees' contributions totalled £75,000 (2017 - £84,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
Commutation of pensions to lump sums - pre April 2008	50.00 %	50.00 %
Commutation of pensions to lump sums - post April 2008	75.00 %	75.00 %

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate -0.5%	796,000	787,000
Salary rate +0.5%	238,000	258,000
Pension increase rate +0.5%	542,000	508,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,746,000	1,531,000
Debt instruments	474,000	242,000
Property	200,000	161,000
Cash and other liquid assets	74,000	81,000
Total market value of assets	2,494,000	2,015,000

The actual return on scheme assets was £142,000 (2017 - £180,000).

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

	2018 £	2017 £
Current service cost	(472,000)	(543,000)
Interest income	54,000	34,000
Interest cost	(148,000)	(113,000)
Total	(566,000)	(622,000)
Actual return on scheme assets	142,000	180,000

The Talentum Learning Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	5,663,000	5,096,000
Current service cost	472,000	543,000
Interest cost	148,000	113,000
Employee contributions	75,000	84,000
Actuarial gains	(637,000)	(140,000)
Benefits paid	(30,000)	(33,000)
	<u>5,691,000</u>	<u>5,663,000</u>
Closing defined benefit obligation	<u>5,691,000</u>	<u>5,663,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,015,000	1,454,000
Interest income	54,000	34,000
Actuarial gains	92,000	180,000
Employer contributions	288,000	296,000
Employee contributions	75,000	84,000
Benefits paid	(30,000)	(33,000)
	<u>2,494,000</u>	<u>2,015,000</u>
Closing fair value of scheme assets	<u>2,494,000</u>	<u>2,015,000</u>

24. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	39,684	21,281
Between 1 and 5 years	45,678	20,507
	<u>85,362</u>	<u>41,788</u>
Total	<u>85,362</u>	<u>41,788</u>

25. Members' liability

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

26. Related party transactions

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

27. Post balance sheet events

On 1 January 2019 5 schools are expected to join the academy trust. During the financial year to 31 August 2019 there is a possibility that a further 2 schools will join the academy trust.