

Company Registration Number: 10611866 (England & Wales)

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

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RALEIGH LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

S Thornton
M Vignali
P Brown
C Malik (resigned 29 November 2018)

Trustees

Mr T Shaw*, Chair
Ms S Small (resigned 12 December 2018)
Ms G Spencer*
Mr M Vignali*, Member Trustee
Mr D Burnett* (resigned 31 December 2018)
Ms B Youens
Ms J Rose (resigned 12 December 2018)
Ms C Malik (appointed 29 November 2018)
Mr G Mansfield*, Vice-Chair (appointed 29 November 2018)

*members of the Finance, Audit & Resource Committee

Company registered number

10611866

Company name

Raleigh Learning Trust

Principal and registered office

Ambleside Academy
Minver Crescent
Nottingham
NG8 5PN

Company secretary

C McAlonan

Chief executive officer

S Kelly

Senior management team

J Dyson, Chief Executive Officer & Accounting Officer (resigned 31 August 2019)
S Kelly, Chief Executive Officer & Accounting Officer (appointed 30 August 2019)
C McAlonan, Chief Finance Officer
M Wells, Westbury Academy Principal
C Barker, Woodlands Academy Principal
M McCluskey, Denewood & Unity Academy Principal
R Ellis, Ambleside Principal (resigned 30 August)
J Bromley, Ambleside Principal (appointed 30 August 2019)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors

Smith Cooper Audit Limited
Chartered Accountants & Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Bankers

Lloyds TSB
Old Market Square
Market Square House
Nottingham
NG1 6FD

Solicitors

Flint Bishop
St Michaels Court
St Michaels Lane
Derby
DE1 3HQ

RALEIGH LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust comprises the following academies:

Westbury Academy
Woodlands Academy
Denewood Academy
Unity Academy
Ambleside Primary

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of Raleigh Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Raleigh Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

The Trust insurance indemnifies the Trustees through the Department for Education risk protection arrangement (RPA).

d. Method of recruitment and appointment or election of Trustees

The Trustees, who are also the Directors, are appointed under the terms of its Articles as follows:

- The number of Directors shall be not less than 3 but (unless otherwise determined by ordinary (resolution) shall not be subject to any maximum
- The members may appoint by ordinary resolution up to 5 Trustees.
- The Trustees may appoint 'co-opted' Trustees under Article 58
- Up to 2 Parent Governors appointed under Articles 53-56
- The Chief Executive Officer under Article 57

Terms of office

The term of office for any Director shall be 4 years unless varied by local agreement, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

All potential Trustees are invited to a meeting with the Chair of the Trustees. The training and induction provided for new Trustees depends on their previous experience. All Trustees are offered training throughout the tenure in office to assist them in meeting their statutory obligations and duties. There were two Trustees appointed within the financial year.

f. Organisational structure

The organisational structure currently consists of 3 levels: the Trustees, the Executive Team and the School Leadership teams. The aim of the management structure is to devolve appropriate levels of responsibility and encourage involvement in decision making at the individual Academy level.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, setting vision, strategy, direction and culture for the Trust, and performance management of the CEO. This is firmly centred on the objective to improve life chances for every child within The Raleigh Learning Trust.

The Executive team are responsible for the implementation of strategy and delivery against the annual plan and budget. In addition The Executive Team will ensure all schools in the Multi Academy Trust are delivering improving school standards at a rate agreed by the Trust Board.

The School Leadership Teams are delegated appropriate and varied authority to govern/manage each Academy implementing the policies adopted by The Trust. As a group the School Leadership Teams are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Trustee. Appointment boards for Academy Principal posts will always include the CEO. Some spending control is devolved to members of the School Leadership Team, with finance limits set requiring a member of the Executive Team to countersign.

The School Leadership Teams are responsible for the day to day operation of the School, in particular organising the teaching staff, facilities and students. This structure empowers staff at all levels to take responsibility to improve and review their working practice.

g. Arrangements for setting pay and remuneration of key management personnel

The remuneration of the Chief Executive Officer is recommended by the CEO Performance Management Committee comprising 2 Trustees and agreed by all Trustees. The remuneration for other Key Management is awarded by the CEO within the framework of The Trust Pay Policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	8
Total pay bill	4,797
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	- %
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i. Related parties and other connected charities and organisations

The Raleigh Learning Trust takes seriously its obligations to remain transparent at all times. All employees with a significant influence and financial responsibility are required to disclose any personal and pecuniary relationships on an annual basis as well as when an event becomes notifiable. Related party disclosures are published on each Academy website.

The Trust works closely with Transform Teaching School Alliance, NCTL as well as Nottingham University and Nottingham City Council in supporting schools. The CEO meets with Principals half-terminly as the Trust "Education Group". This group drives collaboration models, standardised approaches and the overall education agenda for the Trust. The central Executive Team meet half-terminly to manage "centralisation".

Objectives and activities

a. Objects and aims

The Company's object is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum.

RALEIGH LEARNING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

In this report, I am delighted to share the progress and successes of the Raleigh Learning Trust, as well as some of the challenges we have faced in 2018-2019.

During 2018-2019, the principal activity of the charitable company was the operation of five academies in Nottingham. The type of school and sizes vary considerably and includes; two special academies, a mainstream primary and two pupil referral units.

Trustees believe the sustainability of the Raleigh Learning Trust has been further enhanced in the growth of its central service and emerging school improvement team. These investments have been considered as the bedrock of further sponsorship activities, and trustees are confident that additional trust school improvement capacity is now being generated within the estate. All academies are subject to Ofsted Inspections and have been in "open windows" across the year. Self-evaluation indicates that Ambleside Academy improvements in Phonics, KS1 & 2 results will secure a "Requires Improvement" rating (previously "Inadequate" on joining). The two special academies self-evaluation indicate each will retain a "Good" rating and both pupil referral units will also achieve a "Good" rating (previously, one "Required Improvement" and the other was "Inadequate" on joining). Trustees are satisfied that internal validation is showing all Trust schools are moving forward or maintaining a good standard of education.

Trustees worked with the central executive team to develop a three-year development plan (Growth & Ambition 2019-21) as a clear road map with key performance indicators. In 2018-2019 the Raleigh Learning Trust held its inaugural annual staff conference. This event was attended by all employees from across the estate and the vast majority of trustees, with a focus on 2019-2020 priorities and feedback on pilots from the Trust leadership triad programme. The Raleigh Learning Trust also established a JNCC policy harmonisation tasking group, implemented a series of collaborative trust-wide networks against school improvement priorities, developed the group of Academy Principals as an executive leadership team of the Trust, and widened school improvement support through the implementation of Trust-wide lead professionals. Trustees have also offered significant support to the central executive team to secure a clear strategic plan to strengthen governance at all levels further, having adopted the NGA Cluster Model for its local arrangements. The majority of leaders across the trust have benefited from NPQ programmes and led to significant cross-academy collaborative progress focused projects. Children have benefited from many trust-wide sporting events with engagement from all academies, and achievement has been supported through collaborative approaches to examination delivery and support, models of "inclusion not exclusion" – resulting in no permanent exclusions issued following the end of the Spring launch.

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunities in all areas of its activities, including a working environment in which the contribution and needs of all people are valued. Critical improvements in 2018-2019 include a significant investment in the working environment of the central team, strategic decision to reduce workload by moving to a collection cycle that now calls for teacher assessments three times per year, revised marking and assessment policy and a teacher contact ratio Trust average of 0.77.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Raleigh Learning Trust is a Multi Academy Trust currently catering for children aged 3 to 16 and strives to promote and support the advancement of education within a local context. The Academies provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport.

Wherever possible each Academy also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Strategic report

Achievements and performance

a. Achievements and performance

No Ofsted inspections have been held this year. Internal assessment rates four academies as "Good" and one academy "Requires Improvement" ("Inadequate" on conversion to an academy).

b. Key performance indicators

Mainstream primary: the trust sponsors one mainstream primary academy (sponsored 01/02/2018).

Early Years and Foundation Stage (EYFS)

- Improved by three percentage points from 2018 (59%). The gap to national has closed to within 12.5 percentage points.

Year 1 Phonics

- Improved by 17 percentage points from 2018 (2019, 83%). This is the first year the academy has been in line with the national (83%).

Year 2 SATs

- Meeting the expected standard in reading has improved by 30 percentage points from 2018 (2019, 56%). The gap to national has closed to within 19 percentage points.
- Meeting the expected standard in writing has improved by 26 percentage points from 2018 (2019, 51%). The gap to national has closed to within 19 percentage points.
- Meeting the expected standard in maths has improved by 23 percentage points from 2018 (2019, 61%). The gap to national has closed to within 15 percentage points.

Year 6 SATs

- Meeting the expected standard in reading has not improved. Falling one percentage point from 2018 (2019, 53%). The gap to national is 22 percentage points.
- Meeting the expected standard in writing has not improved. Falling nine percentage points from 2018 (2019, 64%). The gap to national is 14 percentage points.
- Meeting the expected standard in SPAG has improved by six percentage points from 2018 (2019, 68%). The gap to national has closed to within ten percentage points.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- Meeting the expected standard in maths has improved by 25 percentage points from 2018 (2019, 72%). The gap to national has closed to within four percentage points.

Progress

- Reading has improved by 0.07 and is well below average (2019, -3.0)
- Writing has not improved, the gap has widened by 0.04 and is below average (2019, -2.4)
- Maths has been enhanced by 1.7 but continues to be well below average (2019, -1.0)

Special schools: the trust sponsors two special academies (converted 01/04/2017).

Validated

- Progress in writing in one academy is "Average" (-3.5)
- Validated data is not available for reading, maths and writing (one academy) due to cohort sizes

Unvalidated

- Progress 8 in both academies is "Well Below" (avg. -1.35)

Westbury: benchmarked similar school analysis (2018 available data)

- KS1 prior attainment is low (bottom 40%)
- No school achieved the expected standard in reading, writing and mathematics
- Fourth highest performing school working towards the expected standard in reading ("middle")
- Third highest progress score in writing (top 30% of similar schools)
- Second highest progress score in maths (top 20% of similar schools)
- Second highest performing school in GPS (top 20% of similar schools)
- Third highest attainment eight scores (top 30% of similar schools)
- Second highest progress eight scores (top 20% of similar schools)
- Fourth highest progress in English and mathematics (middle 40% of similar schools)
- Highest GCSE entries and equivalent scores (top 10% of similar schools)

Woodlands: benchmarked similar school analysis (2017 available data)

- KS1 prior attainment broadly average
- No school achieved the expected standard in reading, writing and mathematics
- One of six schools that did not achieve a progress score for reading
- One of three schools that did not achieve a progress score in writing
- One of six schools that did not achieve a progress score in mathematics.
- KS2 lowest prior attainment of similar schools
- Joint second highest attainment eight scores (top 20% of similar schools)
- Second highest progress eight scores (top 20% of similar schools)
- Highest progress in English (top 10% of similar schools)
- Second highest progress in mathematics (top 25% of similar schools)
- Second highest P8 EBacc and Open score (top 20% of similar schools)
- Highest GCSE entries and GCSE / Equivalency score (top 10% of similar schools)

National comparisons for pupil referral units are complex, given the "short-stay" nature of the core offer

- The KS2-3 site attendance improved by 18 percentage points (2019, absence ended at 17.3% and "Well Above" the national PRU absence rate (2016, 36%))
- The KS4 attendance reduced by 0.9 percentage points and remained broadly "Average" and within two percentage points of the national PRU absence rate (2016, 36%)
- Attainment 8 broadly in line with the PRU national (2019, 6.0) - mainstream schools 47.1, state-funded special schools 2.7, hospital, alternatives, PRU's academy free schools 6.4
- The Academy has once again performed strongly to ensure disaffected pupils secure progress post 16. 2019, 8 is currently 18.82% and over 18 percentage points above the PRU national (37%)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Denewood and Unity academies have worked to broaden the offer and increase access and achievement in a wide range of GCSEs. Highlights include:

Grade	2015/16 (63)	2016/17 (78)	2017/18 (87)	2018/19 (78)
9(A*)			1	0
8(A*)			4	0
7(A)			1	0
6(B)			2	0
5(C)		1	3	2
4(C)	11	10	6	10
3(D/E)	4	21	26	28
2(E/F)	13	25	31	39
1(F/G)	4	24	29	35
U	11	7	17	25
Total	43	88	120	139
Total pass	32	81	103	114

Number of GCSE courses		5 (Maths, Eng lit, Eng lang, science, DT)	13 (Maths, Eng lit, Eng lang, biology, chemistry, physics, art, ICT, psychology, Italian, RE, citizenship, history)	15 (Maths, Eng lit, Eng lang, biology, statistics, art, business, citizenship, geography, French, history, ICT, photography, DT, RE)
GCSE Maths	2015/16 (63)	2016/17 (78)	2017/18 (87)	2018/19 (78)
Sat	23 (37%)	40 (51%)	44 (51%)	48 (62%)
Passed	17 (74%)	35 (88%)	35 (80%)	41 (85%)
Passed at ≥ 4	-	4	3	3
GCSE English lang				
Sat	21 (33%)	39 (50%)	43 (49%)	38 (49%)
Passed	19 (90%)	34 (87%)	40 (93%)	34 (89%)
Passed at ≥ 4	-	4	4	8
GCSE English lit				
Sat	-	6 (8%)	12 (14%)	10 (13%)
Passed	-	4 (67%)	7 (58%)	6 (60%)
Passed at ≥ 4	-	0	4	0
GCSE Science				(biology only)
Sat	-	3 (4%)	12 (14%)	8 (10%)
Passed	-	3 (100%)	12 (100%)	7 (88%)
Passed at ≥ 4	-	1	4	0
Eng + maths		36 (46%)	43 (49%)	40 (51%)
Eng + maths at ≥ 4		2	3	3

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- 9 less pupils than in 2017/18
- Wide range of GCSE courses on offer – 15, up from 13 in 2017/18
- Highest awarded grade was a 5, both in English language
- Increase in number of pupils taking at least 1 GCSE
- Increase in number of pupils passing at least 1 GCSE
- Increase in number of pupils taking both English and maths (51% compared to 49%)
- Same proportion of pupils on a GCSE pathway (55%)
- Same number of pupils achieving 4 of above in English and maths

c. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees will always try to match income with expenditure in the current year (set and manage a balanced budget) and will only carry forward reserves that it considers necessary.

Reserves at the end of the year are £14,211k (2018: £16,114k). The reserves will be used to fund current commitments and implement the aims and objectives of the Trust.

The Trust's total funds at the end of the period are £14,211k, of which £19,968k is in the restricted fixed asset fund, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £5,757k; this is due to the LGPS deficit of £6,598k. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the Trust excluding the LGPS liability is £841k, of which £760k is restricted funding and £81k is unrestricted funding.

b. Investment policy

Any funds which the Trust does not immediately need to cover anticipated expenditure will be invested in such a way as to maximise the Academy's income. The Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship. Funds would be appropriately allocated as expenditure as required.

c. Principal risks and uncertainties

Each academy evaluates and monitors its own risks, and the Trust maintains its own risk register. The main risks that the Trust is exposed to are summarised below in section (d).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

d. Financial risk management objectives and policies

The Principal risks and uncertainties facing the Trust are as follows:

1. The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, safeguarding, health and safety and discipline.
2. The Trust has considerable reliance on continued government funding through the ESFA and whilst the current level of funding is expected to continue there is no assurance that government policy of practice will remain the same or that public funding will continue at the same level or the same terms.
3. Recruitment and retention of high quality teaching and leadership staff. Recruitment fields and quality of applicants has reduced in the last few years. The Trustees monitor and review policies and procedures to continue training and development of staff while ensuring there is a clear succession plan.
4. The Trust not making the projected improvements in standards. (Staffing remodelling and restructuring programme is being undertaken to strengthen and increase capacity in leadership, attendance and standards.)
5. Failures in governance / management and particular the risk that arises from the potential failure to effectively manage the Trusts finances, internal controls, compliance with regulations and legislation, statutory returns etc.

Fundraising

Raleigh Learning Trust do not currently undertake any fundraising activities. Local Governing Body developments will work to coordinate fundraising activities.

Plans for future periods

The Trust is currently building capacity to support future growth with a robust development plan underpinned by strong KPIs.

Employee involvement and employment of the disabled

Whilst employed at the Trust, we work with employees, taking into account their personal circumstances to ensure appropriate development, training and progression opportunities are made available.

The Trust recognises that equal opportunities is an integral part of good practice in the workplace and it aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

The policy of the Trust is to support recruitment and retention of pupils and employees with disabilities. The Trust seeks to do this by adapting the physical environment, by making support resources available and through training and career developments.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 12 December 2019 and signed on its behalf by:



Mr T Shaw
Chair of Trustees

RALEIGH LEARNING TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Raleigh 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 Raleigh 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. In 2019-20 this has moved to twice per term (6 times per year). In addition to the full board, a number of sub-committees are maintained, these trustee sub-committees include:

1. Standard and achievement
2. Vulnerable groups
3. Finance, resource and audit

The chair of the board holds the CEO to account during a weekly update meeting and trustee working parties focus on specific trustee workstreams. During 2018-19 these included:

1. LGB working party
2. Policy harmonisation

Finally, each trustee is "linked" to a single academy to carry out termly reviews.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Shaw*	3	3
Ms S Small (resigned 12 December 2018)	0	1
Ms G Spencer*	3	3
Mr M Vignali*	0	3
Mr D Burnett (resigned 31 December 2018)	0	1
Ms B Youens	2	3
Ms J Rose (resigned 12 December 2019)	0	1
Ms C Malik (appointed 29 November 2018)	1	2
Mr G Mansfield (appointed 29 November 2018)	2	2

In the Spring term 2019 Trustees established a working party group to develop a local governance cluster model which will be implemented within the next academic year. Further reviews of governance will take place in Autumn 2019.

The Finance, Audit and Resource Management Committee is a sub-committee of the main board of trustees. Its purpose is to advise the main board on matters relating to the Academies Financial Handbook, financial performance, financial risk and effective financial control. Decisions of the Finance Committee are by majority vote. The Finance committee composition is laid out in the Terms of Reference.

Its purpose is to:

- Approve the draft budget

RALEIGH LEARNING TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- Monitor spending throughout the year
- Assess the impact of spending against success criteria
- Ensure propriety and good financial management

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms G Spencer, Chair	2	3
Mr T Shaw	3	3
Mr D Burnett (resigned 31 December 2018)	0	1
Mr G Mansfield (appointed 29 November 2018)	2	2

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:

- Sharing of skills and best practice across the Trust
- Offering placements in special schools to other local authorities
- Strengthening internal control systems
- Improving outcomes for pupils

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Raleigh Learning Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

The internal auditor's role 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 purchase systems
- testing of payroll system
- testing of control account/bank reconciliations
- testing of controls around other areas such as expense claims, credit card transactions, petty cash and other compliance matters

On an annual basis, the internal auditor reports to the board of Trustees through the Finance, Audit and Resource Management Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Smith Cooper Audit Limited has been able to deliver their schedule of work as planned and no material control issues were identified.

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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 Finance, Audit and Resource Management 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 and signed on their behalf by:



Mr T Shaw
Chair of Trustees



Mr S Kelly
Accounting Officer

Date: 12/12/19

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Raleigh Learning Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Mr S Kelly
Accounting Officer

Date: 16/12/19

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Mr T Shaw
Chair of Trustees

Date: 12/12/19

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RALEIGH LEARNING TRUST**

Opinion

We have audited the financial statements of Raleigh Learning Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RALEIGH LEARNING TRUST (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 including the Strategic 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 including the Strategic Report.

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

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

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RALEIGH LEARNING TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

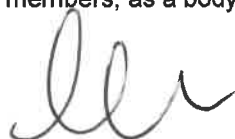
Auditors' responsibilities for the audit of the financial statements

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.



Sarah Flear (Senior Statutory Auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountants & Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 17/12/19

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Raleigh Learning Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Raleigh 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 Raleigh Learning Trust and 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 Raleigh Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Raleigh Learning Trust's funding agreement with the Secretary of State for Education dated 7 February 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit Limited

Smith Cooper Audit Limited
2 Lace Market Square
Nottingham
NG1 1PB

Date: *17/11/19*

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:					
Donations and capital grants	3	-	-	490	490
Charitable activities: funding for the academy trust's educational operations	4	45	13,891	-	13,936
Investments	5	1	-	-	1
Total income	46	13,891	490	14,427	20,949
Expenditure on:					
Charitable activities: Academy trust education operations		-	14,469	567	15,036
Total expenditure		-	14,469	567	15,036
Net income/(expenditure)		46	(578)	(77)	(609)
Transfers between funds	16	-	(13)	13	-
Net movement in funds before other recognised gains/(losses)		46	(591)	(64)	(609)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	21	-	(1,294)	-	(1,294)
Net movement in funds		46	(1,885)	(64)	(1,903)
Reconciliation of funds:					
Total funds brought forward		35	(3,953)	20,032	16,115
Net movement in funds		46	(1,885)	(64)	(1,903)
Total funds carried forward		81	(5,838)	19,968	14,211

The notes on pages 26 to 48 form part of these financial statements.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10611866

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	13	19,968	20,004
Current assets			
Debtors	14	726	888
Cash at bank and in hand		1,330	1,587
		2,056	2,475
Creditors: amounts falling due within one year	15	(1,215)	(1,851)
Net current assets		841	624
Total assets less current liabilities		20,809	20,628
Net assets excluding pension liability		20,809	20,628
Defined benefit pension scheme liability	21	(6,598)	(4,514)
Total net assets		14,211	16,114
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	16	19,968	20,032
Restricted income funds	16	760	561
		20,728	20,593
Restricted funds excluding pension asset	16	20,728	20,593
Pension reserve	16	(6,598)	(4,514)
Total restricted funds	16	14,130	16,079
Unrestricted income funds	16	81	35
Total funds		14,211	16,114

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:


Mr T Shaw
Chair of Trustees

Date:

12/12/19

The notes on pages 26 to 48 form part of these financial statements.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(216)	938
Cash flows from investing activities	19	(41)	110
Change in cash and cash equivalents in the year		(257)	1,048
Cash and cash equivalents at the beginning of the year		1,587	539
Cash and cash equivalents at the end of the year	20	1,330	1,587

The notes on pages 26 to 48 form part of these financial statements

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements have been presented in Sterling which is the functional currency of the Academy Trust. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life.

Depreciation is provided on the following bases:

Leasehold property	- over the useful economic life (33 to 50 years)
Leasehold land	- over the term of the lease (125 years)
Furniture and fixtures	- 20% on a straight-line basis
Computer equipment	- 33.33% on a straight-line basis

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.

1.8 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 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 bases 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

2. 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 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.

Pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

RALEIGH LEARNING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donated fixed assets	-	-	-	4,255
Capital Grants	-	490	490	144
Transfer from existing academy joining the trust	-	-	-	4,322
	<u>-</u>	<u>490</u>	<u>490</u>	<u>8,721</u>
<i>Total 2018</i>	<u>(1,849)</u>	<u>10,570</u>	<u>8,721</u>	

4. Funding for the Academy Trust's education operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,973	5,973	4,700
Start up grant	-	175	175	186
Other DfE Group grants	-	941	941	658
	<u>-</u>	<u>7,089</u>	<u>7,089</u>	<u>5,544</u>
Other government grants				
Special education projects	-	3,906	3,906	4,488
Local authority grants	-	2,857	2,857	1,928
	<u>-</u>	<u>6,763</u>	<u>6,763</u>	<u>6,416</u>
Other income from the academy trust's educational operations				
Alternative education provision	-	-	-	204
Other income	45	39	84	63
	<u>45</u>	<u>39</u>	<u>84</u>	<u>267</u>
	<u>45</u>	<u>13,891</u>	<u>13,936</u>	<u>12,227</u>
<i>Total 2018</i>	<u>27</u>	<u>12,200</u>	<u>12,227</u>	

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5. Investment income

	Unrestricted funds 2019 £000	<i>Unrestricted funds 2018 £000</i>
Short term deposits	1	1

6. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Academy Trust's educational operations					
- Direct costs	6,455	-	4,557	11,012	9,589
- Support costs	2,233	391	1,400	4,024	2,947
	8,688	391	5,957	15,036	12,536
<i>Total 2018</i>	6,678	342	5,516	12,536	

7. Analysis of expenditure by activities

	Direct costs 2019 £000	Support costs 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Educational operations	11,012	4,024	15,036	12,536
<i>Total 2018</i>	9,589	2,947	12,536	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	6,455	5,188
Depreciation	110	65
Educational supplies	192	158
Other direct costs	108	83
Trips and travel costs	115	90
Alternative provision	4,033	4,005
	11,012	9,589

Analysis of support costs

	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Staff costs	2,233	1,490
Depreciation	458	335
Office costs	40	60
Technology costs	110	26
Rent and rates	93	62
Energy costs	104	98
Insurance	24	18
Catering costs	256	210
Other support costs	492	435
Maintenance of premises and equipment	121	112
Governance	20	31
Cleaning costs	73	70
	4,024	2,947

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8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£000	£000
Operating lease rentals	27	17
Depreciation of tangible fixed assets	568	400
Fees paid to auditors for:		
- audit	18	16
- other services	14	13
	143	137

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Ex-gratia/compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and salaries	5,936	4,789
Social security costs	551	440
Pension costs	1,707	1,088
	8,194	6,317
Agency staff costs	494	361
	8,688	6,678

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs (continued)

b. Staff numbers

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Teachers	177	<i>170</i>
Management	8	<i>14</i>
Administration and support	69	<i>69</i>
	254	<i>253</i>

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>2</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £130,001 - £140,000	1	<i>1</i>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the academy trust was £610,641 (2018: £564,844).

RALEIGH LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Central services

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

- Human resources
- Finance
- Legal services
- Educational support services

The Academy charges for these services on the following basis:

Flat percentage of income - 7%.

The actual amounts charged during the year were as follows:

	2019	2018
	£000	£000
Ambleside Academy	223	93
Denewood Academy	140	83
Unity Academy	78	84
Woodlands Academy	98	98
Westbury Academy	139	132
Total	678	490

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

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

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13. Tangible fixed assets

	Long term leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 September 2018	20,062	150	291	10	20,513
Additions	395	65	72	-	532
At 31 August 2019	<u>20,457</u>	<u>215</u>	<u>363</u>	<u>10</u>	<u>21,045</u>
Depreciation					
At 1 September 2018	409	16	85	-	510
Charge for the year	420	36	110	2	568
At 31 August 2019	<u>829</u>	<u>52</u>	<u>195</u>	<u>2</u>	<u>1,078</u>
Net book value					
At 31 August 2019	<u>19,628</u>	<u>163</u>	<u>168</u>	<u>8</u>	<u>19,967</u>
At 31 August 2018	<u>19,654</u>	<u>134</u>	<u>207</u>	<u>9</u>	<u>20,004</u>

14. Debtors

	2019 £000	2018 £000
Trade debtors	4	78
VAT repayable	166	447
Other debtors	2	8
Prepayments and accrued income	554	355
	<u>726</u>	<u>888</u>

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15. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	576	555
Other creditors	2	9
Accruals and deferred income	637	1,287
	1,215	1,851
	1,215	1,851
	2019	2018
	£000	£000
Deferred income at 1 September 2018	1,204	253
Resources deferred during the year	304	1,204
Amounts released from previous periods	(1,204)	(253)
	304	1,204
	304	1,204

Included within deferred income are grant funds and other donations received in advance of entitlement and trip income received for trips not taking place until after the year end.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General funds	35	46	-	-	-	81
Restricted general funds						
General Annual Grant	458	5,973	(5,679)	(13)	-	739
Other DfE Group grants	-	941	(941)	-	-	-
Other government grants	-	6,763	(6,763)	-	-	-
Start up grant	-	175	(175)	-	-	-
Other income	103	39	(121)	-	-	21
Pension reserve	(4,514)	-	(790)	-	(1,294)	(6,598)
	(3,953)	13,891	(14,469)	(13)	(1,294)	(5,838)
Restricted fixed asset funds						
Assets transferred on conversion/existing academies joining the trust	15,460	-	(376)	-	-	15,084
Other capital grants	104	384	(24)	(28)	-	436
DfE Group capital grants	249	106	(82)	41	-	314
Donated asset	4,219	-	(85)	-	-	4,134
	20,032	490	(567)	13	-	19,968
Total Restricted funds	16,079	14,381	(15,036)	-	(1,294)	14,130
Total funds	16,114	14,427	(15,036)	-	(1,294)	14,211

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

Unrestricted funds

Unrestricted income funds represent other incoming resources to the Trust which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose. The funds predominantly relate to the assets acquired on conversion or transfer of an academy into the trust, being the land and buildings at each academy, plus any fixed asset additions made subsequently.

Restricted general funds

Restricted general funds primarily comprise GAG, other DfE grants and local authority grants which are to be applied for the primary purpose of the Trust in line with the master funding agreement and other specific funding letters. Other restricted funds represent income from alternative education provision and school trips. These funds are applied for the primary purpose of the Trust and for the provision of these services, and to the extent they relate to carried forward GAG funding, this has been transferred to the GAG reserve.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Raleigh Learning Trust	841	596
Restricted fixed asset fund	19,968	20,032
Pension reserve	(6,598)	(4,514)
Total	14,211	16,114

Total cost analysis by academy

The Academy Trust operates a pooled budget as a single reporting entity, in accordance with the ESFA, which considers the funding needs and allocations of each constituent academy. As a consequence, a number of costs have been taken centrally and accordingly, no analysis of expenditure by individual academy would be meaningful to present here.

RALEIGH LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General funds	7	28	-	-	-	35
Restricted general funds						
General Annual Grant	154	4,700	(4,198)	(198)	-	458
Other DfE Group grants	-	658	(658)	-	-	-
Other government grants	-	6,416	(6,416)	-	-	-
Start up grant	8	186	(194)	-	-	-
Other income	-	421	(318)	-	-	103
Pension reserve	(3,107)	(2,030)	(352)	-	975	(4,514)
	<u>(2,945)</u>	<u>10,351</u>	<u>(12,136)</u>	<u>(198)</u>	<u>975</u>	<u>(3,953)</u>
Restricted fixed asset funds						
Assets transferred on conversion/existing academies joining the trust	9,627	6,171	(338)	-	-	15,460
Other capital grants	13	102	(2)	(9)	-	104
DfE Group capital grants	24	42	(24)	207	-	249
Donated asset	-	4,255	(36)	-	-	4,219
	<u>9,664</u>	<u>10,570</u>	<u>(400)</u>	<u>198</u>	<u>-</u>	<u>20,032</u>
Total Restricted funds	<u>6,719</u>	<u>20,921</u>	<u>(12,536)</u>	<u>-</u>	<u>975</u>	<u>16,079</u>
Total funds	<u><u>6,726</u></u>	<u><u>20,949</u></u>	<u><u>(12,536)</u></u>	<u><u>-</u></u>	<u><u>975</u></u>	<u><u>16,114</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	19,968	19,968
Current assets	1,296	760	-	2,056
Creditors due within one year	(1,215)	-	-	(1,215)
Provisions for liabilities and charges	-	(6,598)	-	(6,598)
Total	81	(5,838)	19,968	14,211

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	20,004	20,004
Current assets	35	2,411	28	2,474
Creditors due within one year	-	(1,850)	-	(1,850)
Provisions for liabilities and charges	-	(4,514)	-	(4,514)
Total	35	(3,953)	20,032	16,114

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019	2018
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(609)	8,413
Adjustments for:		
Depreciation	568	400
Capital grants from DfE and other capital income	(490)	(4,399)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	-	2,030
Defined benefit pension scheme cost less contributions payable	677	254
Defined benefit pension scheme finance cost	113	98
Decrease/(increase) in debtors	162	(277)
(Decrease)/increase in creditors	(636)	772
Net assets transferred in from existing Academy	-	(6,352)
Net cash (used in)/provided by operating activities	(216)	938

19. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(532)	(4,569)
Capital grants from DfE Group	490	144
Donated fixed assets	-	4,255
Cash transferred on existing academy joining the trust	-	279
Net cash (used in)/provided by investing activities	(41)	110

20. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	1,330	1,587

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NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' 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 Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS has been undertaken and employer contribution rates have been reassessed and will be payable from 1 September 2019 at 23.68%..

The employer's pension costs paid to TPS in the year amounted to £435,725 (2018 - £410,574).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £614,000 (2018 - £455,000), of which employer's contributions totalled £464,000 (2018 - £343,000) and employees' contributions totalled £150,000 (2018 - £112,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.9	2.7
Inflation assumption (CPI)	2.2	2.3

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.7	22.7
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	23.3	24.9
Females	26.2	28

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	11,795	9,008
Discount rate -0.1%	12,458	9,510
Mortality assumption - 1 year increase	12,560	9,555
Mortality assumption - 1 year decrease	11,700	8,965
Pension increases +0.1%	12,413	9,474
Pension increases -0.1%	11,840	9,040

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21. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	3,447	3,052
Gilts	181	131
Other bonds	476	497
Property	730	656
Cash	162	87
Other	528	318
Total market value of assets	5,524	4,741

The actual return on scheme assets was £236,000 (2018 - £193,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	985	838
Past service cost	154	-
Interest income	(133)	(87)
Interest cost	246	185
Settlements	-	(241)
Administrative expenses	2	-
Total amount recognised in the Statement of Financial Activities	1,254	695

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

	2019 £000	2018 £000
At 1 September	9,255	5,513
Transferred in on existing academies joining the trust	-	3,984
Current service cost	985	838
Past service costs	154	-
Interest cost	246	185
Actuarial losses/(gains)	1,397	(869)
Benefits paid	(65)	(6)
Contributions by scheme participants	150	112
Liabilities assumed/(extinguished) on settlements	-	(502)
At 31 August	12,122	9,255

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019	2018
	£000	£000
At 1 September	4,741	2,406
Transferred in on existing academies joining the trust	-	1,954
Interest income	133	87
Actuarial gains	103	106
Employer contributions	464	343
Contributions by scheme participants	150	112
Estimated benefits paid net of transfers in	(65)	(6)
Settlement prices received/(paid)	-	(261)
Administration costs	(2)	-
At 31 August	5,524	4,741

22. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£000	£000
Not later than 1 year	27	17
Later than 1 year and not later than 5 years	71	38
	98	55

23. 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.

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24. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's normal procurement procedures.

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