

ESFA

Company Registration Number: 10611866

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2018**

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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**Reference and Administrative Details**  
**For the Year Ended 31 August 2018**

**Members**

S Thornton  
D Burnett  
P Brown  
C Malik

**Trustees**

Mr T Shaw  
Ms S Small  
Ms G Spencer\*  
Ms S Sullivan (resigned 1 September 2017)  
Mr M Vignali\*  
Mr D Burnett\*, Chair  
Ms B Youens (appointed 1 September 2017)  
Ms J Rose (appointed 1 September 2017)

\*members of the audit committee

**Company registered number**

10611866

**Company name**

Raleigh Learning Trust

**Principal and registered office**

Woodlands Academy  
Beechdale Road  
Nottingham  
NG8 3EZ

**Company secretary**

C McAlonan

**Chief executive officer**

J Dyson

**Senior management team**

J Dyson, Chief Executive Officer  
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

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**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the Year Ended 31 August 2018**

**Advisers (continued)**

**Independent auditors**

Smith Cooper Audit Limited  
Chartered Accountants and 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 2018**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Trust comprises the following academies:

Westbury Academy  
Woodlands Academy  
Denewood Academy  
Unity Academy  
Ambleside Primary - joined the Trust on 1 February 2018

**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 academy 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 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 four but (unless otherwise determined by ordinary (resolution) shall not be subject to any maximum.
- A minimum of 4 Directors appointed by the Members under Article 50
- Up to 2 Academy Directors under Article 51-52
- 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.

**e. Policies and procedures 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

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

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 2018**

**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	0.167 %

**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 Trust works closely with Transform Teaching School Alliance, NCTL as well as Nottingham University and Nottingham City Council in supporting schools. The Chief Executive holds regular sessions with an Operational group consisting of Principals of Trust Academies.

**Objectives and Activities**

**a. Objects and aims**

The Company's object ("the 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.

**b. Objectives, strategies and activities**

During 2018 the principal activity of the charitable company has been the operation of 5 academies in Nottingham. These Academies include Westbury, Woodlands, Denewood, Unity and Ambleside Primary Academy. In the spring term 2018 Ambleside Primary Academy became the fifth partner within The Raleigh Learning Trust. Prior to the rebrokerage date The Raleigh Learning Trust supported the then governing body in the recruitment of their new Principal who took up her post at the start of the summer term 2018. She has since embarked upon a robust improvement agenda in order to secure the future success of the primary academy.

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

The Raleigh Learning Trust's children remain central to all our endeavours. We will judge everything that takes place in our Academies according to its impact on the children. Decisions will be made in accordance with the prime directive that The Raleigh Learning Trust is a place of learning for the whole school community.

Each Academy will produce a Development Plan on an annual basis where it details how it intends to achieve the aims and objectives for the year. This plan will dovetail with the outline Trust Strategic Plan managed by the CEO.

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

The policy of The Raleigh Learning Trust is to support recruitment and retention of students and employees with disabilities. The Raleigh Learning Trust does this by adapting the physical environment and by making support resources available.

**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.

**Achievements and performance**

**Strategic report**

**a. Achievements and performance**

The current Ofsted grades are as follows:

Westbury: Good  
Woodlands: Good  
Denewood: Special Measures\*  
Unity: Requires Improvement  
Ambleside: Special Measures\*

\*These schools are no longer considered to be in special measures having been subject to an Academy Order.

Woodlands Academy has had an exceptional year in respect of its academic performance reflected in its achievements in GCSE and vocational learning at Key stage 4.

Westbury Academy achieved Key stage 4 GCSE and vocational results in line with the Academy's data predictions. This was coupled with an encouraging outcome in Key stage 2 SATs. Westbury Academy has recently seen the completion of its new build on site. This will allow for the future expansion of pupil numbers



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

and support a growing local need within Nottingham City.

Pupils at Denewood demonstrated improving trends in progress in the core areas of Maths and English across Key stages 2 and 3. There were significant improvements in the number of pupils successfully reintegrated to mainstream education from Denewood Academy.

Unity Academy in partnership with local providers demonstrated its best ever year in overall Key stage 4 outcomes. In realising this achievement, they were ably supported by their partner academy Woodlands.

Unity Academy has secured an effective partnership with colleagues from within Futures. This partnership has supported the delivery of purposeful post 16 pathways for a significant proportion of the year 11 cohort (July 2018) with almost 90% of the cohort accounted for in respect of their future needs.

Ambleside Primary Academy continues to be a coasting school. Three year trends demonstrate improving outcomes. There have been significant improvements in mathematics. Trends in all areas fall short of national expectations and progress across all subjects is a key focus for future improvement.

**b. Key performance indicators**

The Trustees consider that the following are key performance indicators for the Trust:

- Pupil numbers (leading directly to the Education & Skills Funding Agency ("ESFA") funding level)
- General financial stability - aim for income to match expenditure each year
- Percentage of income received from ESFA spent on total staff costs
- Staff vacancies
- Introduction of specialist teachers
- Ofsted inspection results
- Capital expenditure per pupil

**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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Financial review**

Most of the Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. In addition, each academy receives an element of funding from the local authority, known as the "top up" element, which is received termly and adjusted to reflect the actual number of pupils on roll on each day in the term. Ambleside Primary receive Early Years funding for pupils in the nursery and these funds are received and adjusted to reflect the actual number of pupils on roll at the nursery on each day in the term. The grants received from the ESFA and from the local authority during the year ended 31 August 2018, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The Trust's total funds at the end of the period are £16,114k, of which £20,032k is in the restricted fixed asset fund, leaving a total deficit reserve balance of both general restricted and unrestricted funds of £3,918k; this is due to the LGPS deficit of £4,514k. However, the LGPS liability will not materialise in the near future and actual reserve funding available to the Trust excluding the LGPS liability is £596k, of which £561k is restricted funding and £35k is unrestricted funding.

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

**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 £16,114k (2017 - £6,726k). The reserves will be used to fund current commitments and implement the aims and objectives of the Trust.

**b. Material investments 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).

**d. Financial risk management objectives and policies**

For each of these risks the likelihood and impact have been considered together with appropriate action plans.

- Succession planning for senior leaders
- Change of Government policy / Nottingham City Council protocol re Permanent Exclusion
- The Trust's non-teaching staff are entitled to membership of the local government pension scheme. The Trust's share of the scheme's assets is a liability of £3,107k. It should be noted that this does not present the Trust with any current liquidity problem.

**e. Fundraising**

Raleigh Learning Trust do not currently undertake any fundraising activities.

**Plans for future periods**

**a. Future developments**

The Trust is currently building capacity to support future growth.

**Funds held as custodian**

The Trust does not currently hold any funds on behalf of others.

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

**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.

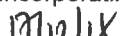
The Trust recognises that equal opportunities is an integral part of good practice in the workplace and it aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on  and signed on its behalf by:



.....  
**Mr T Shaw**  
**Trustee**

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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, 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 2 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Shaw	2	2
Ms S Small	0	2
Ms G Spencer*	2	2
Ms S Sullivan (resigned 1 September 2017)	0	0
Mr M Vignali*	1	2
Mr D Burnett*, Chair	2	2
Ms B Youens (appointed 1 September 2017)	2	2
Ms J Rose (appointed 1 September 2017)	2	2

The Trust has not yet carried out a governance review but this is planned to take place in the Spring term 2019.

The Finance and Audit Committee is a sub committee of the main Board of Trustees. Its purpose is to:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms G Spencer, Chair	3	3
Mr D Burnett	3	3
Mr M Vignali	2	3

**Review of Value for Money**

As Accounting Officer, the Chief Executive 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

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**Governance Statement (continued)**

- 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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Raleigh Learning Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided 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 expense claims
- testing of credit card transactions
- testing of control account and bank reconciliations
- testing of petty cash transactions
- testing of other income
- testing of connected party transactions
- review of financial reporting
- review of ESFA returns and other compliance matters

On a semi-annual basis, the auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trustees confirm that the internal auditor has delivered their schedule of work as planned.

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**Governance Statement (continued)**

**Review of Effectiveness**

As Accounting Officer, the Chief Executive 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17/12/18 and signed on their behalf, by:



.....  
**Mr T Shaw**  
Trustee



.....  
**Mr J Dyson**  
Accounting Officer

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**Statement on Regularity, Propriety and Compliance**

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

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

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

  
.....  
J Dyson  
Accounting Officer

Date: - 17-12-18.

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

  
.....  
**Mr T Shaw**  
Trustee

Date: 17<sup>th</sup> December 2018



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**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 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Other information**

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

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

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**Independent Auditors' Report on the Financial Statements to the Members of Raleigh Learning Trust**

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.

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Raleigh Learning Trust**

**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.

*Smith Cooper Audit Limited*

Sarah Flear (Senior Statutory Auditor)

for and on behalf of

**Smith Cooper Audit Limited**

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: *12/12/15*

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 8 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Raleigh Learning Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Raleigh Learning Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw our conclusion includes:

- a review of the outcome of the 2017 regularity audit
- a review of the evidence used to support the Accounting Officer's conclusions on the Regularity Statement
- a review of the internal control environment and whether the environment has regard to regularity of transactions. Consideration to significant changes in the control environment and whether this has led to potential weaknesses
- confirmation through enquiry and sample testing that gifts and hospitality are given and received in line with the Academy Trust's policies
- confirmation through enquiry and sample testing that the use of expense claims or credit cards and petty cash adheres to internal control principles and that items are not for personal benefit
- confirmation through enquiry and sample testing that expenditure does not contravene the funding agreement

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Raleigh Learning Trust and the Education & Skills Funding Agency (continued)**

- confirmation through enquiry and sample testing that the lines of delegation and limits set both internally and by the EFA have been adhered to
- consideration to procurement and tendering procedures ensuring these have been correctly adhered to and administered
- consideration to the compliance of the Academy Trust's delegated authorities over financial transactions and evidence of prior approval from the Secretary of State where applicable
- a review of declarations of business interests for all governors/directors and key staff
- a review of transactions with connected parties ensuring these have been completed following correct procurement and tendering procedures
- a review of meeting minutes of the various committees
- consideration of executive pay ensuring that the Board follow a robust evidence-based process and that these decisions are documented
- consideration to the distribution of ESFA letters received by the Trust and that these are shared with members, trustees, CFO and other members of the senior leadership team and that this distribution is evidenced within board minutes
- a review of any excessive purchases of gifts and alcohol
- consideration of timely responses to findings of auditors

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Smith Cooper Audit Limited*

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

Date: 12/12/18

**RALEIGH LEARNING TRUST**  
(A Company Limited by Guarantee)

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Note					
<b>Income from:</b>					
Donations & capital grants:					
Transfer from local authority on conversion	2	-	-	-	6,916
Other donations and capital grants	2	(1,849)	10,570	8,721	37
Charitable activities: Funding for the academy trust's educational operations	3	27	12,200	12,227	3,723
Investments	4	1	-	1	-
<b>Total income</b>	<b>28</b>	<b>10,351</b>	<b>10,570</b>	<b>20,949</b>	<b>10,676</b>
<b>Expenditure on:</b>					
Charitable activities: Academy trust educational operations					
	-	12,136	400	12,536	3,835
<b>Total expenditure</b>	<b>5</b>	<b>12,136</b>	<b>400</b>	<b>12,536</b>	<b>3,835</b>
<b>Net income / (expenditure) before transfers</b>	<b>28</b>	<b>(1,785)</b>	<b>10,170</b>	<b>8,413</b>	<b>6,841</b>
Transfers between Funds	16	-	(198)	198	-
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>28</b>	<b>(1,983)</b>	<b>10,368</b>	<b>8,413</b>	<b>6,841</b>
Actuarial gains/(losses) on defined benefit pension schemes	20	-	975	-	975
<b>Net movement in funds</b>	<b>28</b>	<b>(1,008)</b>	<b>10,368</b>	<b>9,388</b>	<b>6,726</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	7	(2,945)	9,664	6,726	-
<b>Total funds carried forward</b>	<b>35</b>	<b>(3,953)</b>	<b>20,032</b>	<b>16,114</b>	<b>6,726</b>

The notes on pages 23 to 46 form part of these financial statements.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**  
**Registered number: 10611866**

**Balance Sheet**  
**As at 31 August 2018**

	Note	£000	2018 £000	2017 £000
<b>Fixed assets</b>				
Tangible assets	13		20,004	9,664
<b>Current assets</b>				
Debtors	14	888		466
Cash at bank and in hand		1,587		539
		<u>2,475</u>		<u>1,005</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,851)</u>		<u>(836)</u>
<b>Net current assets</b>			<u>624</u>	<u>169</u>
<b>Total assets less current liabilities</b>			<u>20,628</u>	<u>9,833</u>
Defined benefit pension scheme liability	20		<u>(4,514)</u>	<u>(3,107)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>16,114</u></u>	<u><u>6,726</u></u>
<b>Funds of the academy</b>				
Restricted income funds:				
Restricted income funds	16	561		162
Restricted fixed asset funds	16	20,032		9,664
Restricted income funds excluding pension liability		<u>20,593</u>		<u>9,826</u>
Pension reserve		<u>(4,514)</u>		<u>(3,107)</u>
Total restricted income funds			<u>16,079</u>	<u>6,719</u>
Unrestricted income funds	16		<u>35</u>	<u>7</u>
<b>Total funds</b>			<u><u>16,114</u></u>	<u><u>6,726</u></u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

A/12/18

  
 .....  
**Mr T Shaw**  
**Trustee**

The notes on pages 23 to 46 form part of these financial statements.

**RALEIGH LEARNING TRUST**  
(A Company Limited by Guarantee)

**Statement of Cash Flows**  
For the Year Ended 31 August 2018

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	938	532
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1	-
Purchase of tangible fixed assets		(4,569)	(39)
Capital grants from DfE Group		144	37
Donated fixed assets		4,255	-
Cash transferred from existing academy joining the trust		279	-
Cash transferred on conversion to an academy trust		-	9
<b>Net cash provided by investing activities</b>		<b>110</b>	<b>7</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,048</b>	<b>539</b>
Cash and cash equivalents brought forward		539	-
<b>Cash and cash equivalents carried forward</b>	19	<b>1,587</b>	<b>539</b>

The notes on pages 23 to 46 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 2018**

**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

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

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

The financial statements are 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

**1.3 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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% straight-line basis
Computer equipment	-	33.33% 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 incorporating Income and Expenditure Account.

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

**1.7 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.8 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.

**1.9 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

**1.10 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 costs 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.12 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 Bank.

**1.13 Academies joining the Trust**

The transfer in of academies into the Trust involves the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities acquired on the transfer in of Ambleside Primary School to the Academy Trust have been valued at their fair value. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations in the Statement of Financial Activities, and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

**RALEIGH LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting Policies (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

*Pension scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*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.

Critical areas of judgment:

*Transfer in of academies to the Trust*

On 1 February 2018 the assets and liabilities of Ambleside Primary School were transferred into the Academy Trust. Significant balances transferred included the LGPS pension scheme deficit and leasehold land and buildings. Whilst valuations have been received in respect of these assets and liabilities, there is an inherent level of judgment and estimation involved in their recognition as alluded to above.

**RALEIGH LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	-	-	-	-	6,916
Donated fixed assets	-	-	4,255	4,255	-
Capital grants	-	-	144	144	37
Transfer from existing academy joining the trust	-	(1,849)	6,171	4,322	-
Subtotal	-	(1,849)	10,570	8,721	37
	-	(1,849)	10,570	8,721	6,953
<i>Total 2017</i>	-	(2,819)	9,772	6,953	

**RALEIGH LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General annual grant	-	4,700	4,700	1,244
Start up grant	-	186	186	100
Other DfE Group grants	-	658	658	122
	<u>-</u>	<u>5,544</u>	<u>5,544</u>	<u>1,466</u>
<b>Other government grants</b>				
Special educational projects	-	4,488	4,488	528
Local authority grants	-	1,928	1,928	1,654
	<u>-</u>	<u>6,416</u>	<u>6,416</u>	<u>2,182</u>
<b>Other income from the academy trust's educational operations</b>				
Alternative education provision	-	204	204	38
Other income	27	36	63	37
	<u>27</u>	<u>240</u>	<u>267</u>	<u>75</u>
	<u>27</u>	<u>12,200</u>	<u>12,227</u>	<u>3,723</u>
<i>Total 2017</i>	<u>7</u>	<u>3,716</u>	<u>3,723</u>	

**4. Investment income**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short term deposits	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>



**RALEIGH LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**5. Expenditure**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<i>Total</i>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Academy's educational operations:					
Direct costs	5,188	-	4,401	9,589	3,016
Support costs	1,490	342	1,115	2,947	819
	<u>6,678</u>	<u>342</u>	<u>5,516</u>	<u>12,536</u>	<u>3,835</u>
<i>Total 2017</i>	<u>1,922</u>	<u>48</u>	<u>1,865</u>	<u>3,835</u>	

**6. Analysis of expenditure by activities**

	<b>Direct costs</b>	<b>Support costs</b>	<b>Total</b>	<i>Total</i>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational operations	9,589	2,947	12,536	3,835
	<u>3,016</u>	<u>819</u>	<u>3,835</u>	
<i>Total 2017</i>	<u>3,016</u>	<u>819</u>	<u>3,835</u>	

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**7. Charitable activities**

	<b>Total funds 2018 £000</b>	<i>Total funds 2017 £000</i>
<b>Direct costs</b>		
Teaching and educational support staff costs	4,176	1,146
National insurance	382	112
Pension cost	630	181
Depreciation	65	20
Education supplies	158	39
Other direct costs	83	49
Trips and travel costs	90	30
Alternative provision	4,005	1,439
	<hr/> <b>9,589</b> <hr/>	<hr/> <b>3,016</b> <hr/>
<b>Support costs</b>		
Support staff costs	974	278
National insurance	58	14
Pension cost	458	191
Depreciation	335	89
Office costs	60	11
Technology costs	26	15
Rent and rates	62	2
Energy Costs	98	21
Insurance	18	4
Catering costs	210	21
Other support costs	435	118
Maintenance of premises and equipment	112	24
Governance costs	31	19
Cleaning costs	70	12
	<hr/> <b>2,947</b> <hr/>	<hr/> <b>819</b> <hr/>
Total Academy's educational operations	<hr/> <b>12,536</b> <hr/>	<hr/> <b>3,835</b> <hr/>

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**Notes to the Financial Statements**  
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**8. Net income/(expenditure)**

This is stated after charging:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>400</b>	<i>110</i>
Auditors' remuneration - audit	<b>16</b>	<i>13</i>
Auditors' remuneration - other services	<b>13</b>	<i>4</i>
Operating lease rentals	<b>17</b>	<i>3</i>
	<b>=====</b>	<i>=====</i>

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

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**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	4,789	1,416
Social security costs	440	126
Operating costs of defined benefit pension schemes	1,088	372
	<hr/>	<hr/>
Agency staff costs	6,317	1,914
	361	8
	<hr/>	<hr/>
	<b>6,678</b>	<i>1,922</i>
	<hr/> <hr/>	<hr/> <hr/>

Included within operating costs of defined benefit pension schemes is £98,000 (2017: £32,000) net finance costs.

**b. Staff numbers**

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
Teachers	170	96
Management	14	7
Administration and support	69	34
	<hr/>	<hr/>
	<b>253</b>	<i>137</i>
	<hr/> <hr/>	<hr/> <hr/>

**c. Higher paid staff**

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	0
In the band £130,001 - £140,000	1	0

**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 £564,844 (2017: £233,580 (as restated)).

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**Notes to the Financial Statements**  
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**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:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Ambleside Academy	93	-
Denewood Academy	83	38
Unity Academy	84	33
Woodlands Academy	98	39
Westbury Academy	132	47
	<hr/>	<hr/>
Total	<b>490</b>	<i>157</i>
	<hr/> <hr/>	<hr/> <hr/>

**11. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration (2017: £NIL).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year, no Trustees received any reimbursement of expenses (2017: £NIL).

**12. Trustees' and Officers' Insurance**

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

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**13. Tangible fixed assets**

	Long term leasehold land and buildings £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2017	9,600	28	146	9,774
Additions	4,303	115	151	4,569
Transfers in from existing academy	6,159	7	4	6,170
At 31 August 2018	<u>20,062</u>	<u>150</u>	<u>301</u>	<u>20,513</u>
<b>Depreciation</b>				
At 1 September 2017	89	1	20	110
Charge for the year	319	15	65	399
At 31 August 2018	<u>408</u>	<u>16</u>	<u>85</u>	<u>509</u>
<b>Net book value</b>				
At 31 August 2018	<u>19,654</u>	<u>134</u>	<u>216</u>	<u>20,004</u>
At 31 August 2017	<u>9,511</u>	<u>27</u>	<u>126</u>	<u>9,664</u>

On 1 February 2018 the ownership of existing school land, buildings and other assets were transferred to the Trust from Ambleside Primary School.

The Trust acquired £6,170,840 of school land, buildings and other assets from Ambleside Primary School at no cost. Included within these assets is £1,248,979 relating to land and £4,910,304 relating to buildings. The assets were valued using the Depreciated Replacement Cost (DRC) method by the Academy when it converted in previous years. The Trustees regard the value of the assets to not have changed significantly to warrant further valuation.

The academy trust's transactions relating to land and buildings included the acquisition of a newly constructed building at Westbury Academy which was donated to the academy trust from the local authority at a fair value of £4,254,702.

**14. Debtors**

	2018 £000	2017 £000
Trade debtors	78	41
VAT repayable	447	221
Other debtors	8	-
Prepayments and accrued income	355	204
	<u>888</u>	<u>466</u>

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

**15. Creditors: Amounts falling due within one year**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Trade creditors	<b>555</b>	<i>415</i>
Other creditors	<b>9</b>	<i>131</i>
Accruals and deferred income	<b>1,287</b>	<i>290</i>
	<b>1,851</b>	<i>836</i>
	<b>1,851</b>	<i>836</i>
	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
<b>Deferred income</b>		
Deferred income at 1 September 2017	<b>253</b>	<i>-</i>
Resources deferred during the year	<b>1,204</b>	<i>253</i>
Amounts released from previous years	<b>(253)</b>	<i>-</i>
	<b>1,204</b>	<i>253</i>
Deferred income at 31 August 2018	<b>1,204</b>	<i>253</i>

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**  
For the Year Ended 31 August 2018

**16. Statement of funds**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Unrestricted funds	7	28	-	-	-	35
<b>Restricted general funds</b>						
General Annual Grant (GAG)	154	4,700	(4,198)	(198)	-	458
Other DfE Group Grant	-	658	(658)	-	-	-
Other Government Grant	-	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)
	(2,945)	10,351	(12,136)	(198)	975	(3,953)
<b>Restricted fixed asset funds</b>						
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
	9,664	10,570	(400)	198	-	20,032
Total restricted funds	6,719	20,921	(12,536)	-	975	16,079
Total of funds	6,726	20,949	(12,536)	-	975	16,114

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



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

**16. Statement of funds (continued)**

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 that it could carry forward at 31 August 2018.

**Analysis of academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £000</b>	<i>Total 2017 £000</i>
Denewood Academy	187	100
Unity Academy	161	138
Woodlands Academy	23	3
Westbury Academy	65	(60)
Raleigh Learning Trust (central)	30	(12)
Ambleside Primary	130	-
Total before fixed asset fund and pension reserve	<u>596</u>	<u>169</u>
Restricted fixed asset fund	20,032	9,664
Pension reserve	(4,514)	(3,107)
Total	<u><u>16,114</u></u>	<u><u>6,726</u></u>

**Analysis of academies by cost**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2018 £000</b>	<i>Total 2017 £000</i>
Denewood Academy	882	136	1,613	78	2,709	1,071
Unity Academy	205	239	2,454	119	3,017	957
Woodlands Academy	1,211	31	48	144	1,434	620
Westbury Academy	1,392	371	114	261	2,138	830
Raleigh Learning Trust (central)	172	219	3	260	654	247
Ambleside Primary	1,326	494	98	266	2,184	-
	<u>5,188</u>	<u>1,490</u>	<u>4,330</u>	<u>1,128</u>	<u>12,136</u>	<u>3,725</u>

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**Notes to the Financial Statements**  
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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 9 February 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 2017 £000</i>
Unrestricted funds	-	7	-	-	-	7
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	1,225	(1,068)	(3)	-	154
Other DfE Group Grant	-	122	(122)	-	-	-
Other Government Grant	-	2,277	(2,277)	-	-	-
Start up grant	-	100	(92)	-	-	8
Pension reserve	-	(2,827)	(165)	-	(115)	(3,107)
	-	897	(3,724)	(3)	(115)	(2,945)
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	-	9,735	(108)	-	-	9,627
Other capital grants	-	10	-	3	-	13
DfE Group capital grant	-	27	(3)	-	-	24
	-	9,772	(111)	3	-	9,664
Total restricted funds	-	10,669	(3,835)	-	(115)	6,719
Total of funds	-	10,676	(3,835)	-	(115)	6,726

**17. Analysis of net assets between funds**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Restricted fixed asset funds 2018 £000</b>	<b>Total funds 2018 £000</b>
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)
	35	(3,953)	20,032	16,114

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**Notes to the Financial Statements**  
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**17. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£000	£000	£000	£000
Tangible fixed assets	-	-	9,664	9,664
Current assets	7	998	-	1,005
Creditors due within one year	-	(836)	-	(836)
Provisions for liabilities and charges	-	(3,107)	-	(3,107)
	<u>7</u>	<u>(2,945)</u>	<u>9,664</u>	<u>6,726</u>

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

	2018	2017
	£000	£000
Net income for the year (as per Statement of Financial Activities)	8,413	6,841
<b>Adjustment for:</b>		
Depreciation charges	400	110
Dividends, interest and rents from investments	(1)	-
Increase in debtors	(277)	(466)
Increase in creditors	772	836
Capital grants from DfE and other capital income	(4,399)	(37)
Defined benefit pension scheme obligation inherited	2,030	2,827
Defined benefit pension scheme cost less contributions payable	254	133
Defined benefit pension scheme finance cost	98	32
Net assets transferred from Local Authority	-	(9,744)
Net assets transferred in from existing Academy	(6,352)	-
<b>Net cash provided by operating activities</b>	<u>938</u>	<u>532</u>

**19. Analysis of cash and cash equivalents**

	2018	2017
	£000	£000
Cash in hand	1,587	539
<b>Total</b>	<u>1,587</u>	<u>539</u>

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**20. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £410,574 (2017 - £89,272).

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

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**20. Pension commitments (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £455,000 (2017 - £124,000), of which employer's contributions totalled £343,000 (2017 - £93,000) and employees' contributions totalled £112,000 (2017 - £31,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
RPI increases	2.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28	27.9

	At 31 August 2018 £000	At 31 August 2017 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	9,008	5,357
Discount rate -0.1%	9,510	5,675
Mortality assumption - 1 year increase	9,555	5,689
Mortality assumption - 1 year decrease	8,965	5,342
Adjustment to pension increases + 0.1%	9,474	5,650
Adjustment to pension increases - 0.1%	9,040	5,382

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**20. Pension commitments (continued)**

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

	<b>Fair value at 31 August 2018 £000</b>	<i>Fair value at 31 August 2017 £000</i>
Equities	3,052	1,590
Gilts	131	77
Other bonds	497	290
Property	656	280
Cash	87	51
Other	318	118
	<hr/>	<hr/>
Total market value of assets	<b>4,741</b>	<b>2,406</b>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £193,000 (2017 - £80,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	<b>2018 £000</b>	<i>2017 £000</i>
Current service cost	(838)	(226)
Net interest	(98)	(32)
Settlements	241	-
	<hr/>	<hr/>
Total	<b>(695)</b>	<b>(258)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2018 £000</b>	<i>2017 £000</i>
Opening defined benefit obligation	5,513	-
Transferred upon conversion	-	5,029
Transferred in on existing academies joining the trust	3,984	-
Current service cost	838	226
Interest cost	185	58
Actuarial (gains)/losses	(869)	169
Contributions by scheme participants	112	31
Estimated benefits paid net of transfers in	(6)	-
Liabilities assumed/(extinguished) on settlements	(502)	-
	<hr/>	<hr/>
Closing defined benefit obligation	<b>9,255</b>	<b>5,513</b>
	<hr/> <hr/>	<hr/> <hr/>

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**Notes to the Financial Statements**  
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**20. Pension commitments (continued)**

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

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Opening fair value of scheme assets	2,406	-
Transferred upon conversion	-	2,202
Transferred in on existing academies joining the trust	1,954	-
Interest income	87	26
Actuarial losses	106	54
Employer contributions	343	93
Contributions by scheme participants	112	31
Estimated benefits paid net of transfers in	(6)	-
Settlement prices received/(paid)	(261)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>4,741</b>	<i>2,406</i>
	<hr/> <hr/>	<hr/> <hr/>

**21. Operating lease commitments**

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

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
<b>Amounts payable:</b>		
Within 1 year	17	5
Between 1 and 5 years	38	11
	<hr/>	<hr/>
Total	<b>55</b>	<i>16</i>
	<hr/> <hr/>	<hr/> <hr/>

**22. 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.

**23. Related party transactions**

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

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**Notes to the Financial Statements**  
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**24. Transfer of existing academies into the academy**

On 1 February 2018 the trust acquired the activities, assets and liabilities of Ambleside Primary School for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were at fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as a donation.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

**Ambleside Primary**

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Tangible fixed assets</b>			
Long-term leasehold property	6,114	-	6,114
Leasehold improvements	46	-	46
Fixtures and fittings	7	-	7
Computer equipment	4	-	4
Debtors due within one year	145	-	145
Cash in bank and in hand	279	-	279
<b>Current liabilities</b>			
Creditors due within one year	(243)	-	(243)
<b>Non-current liabilities</b>			
LGPS pension deficit	(2,030)	-	(2,030)
<b>Net assets</b>	<u>4,322</u>	<u>-</u>	<u>4,322</u>

All assets were transferred at fair value.

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Leasehold land and buildings	-	6,160	6,160
Other tangible fixed assets	-	11	11
LGPS pension deficit	(2,030)	-	(2,030)
Other identified assets and liabilities	181	-	181
<b>Total</b>	<u>(1,849)</u>	<u>6,171</u>	<u>4,322</u>