

Sussex Learning Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

**Company Registration Number:
07705100 (England and Wales)**

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

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Reference and Administrative details

Members

| | |
|--------------------------------|-----------|
| S Carter | R Tapping |
| R Stevens (appointed 2/2/18) | H Young |
| R Stoneley (appointed 21/9/18) | |

Trustees / Directors registered at Companies House

| | |
|--------------------------|-----------|
| J Ash-Edwards (Chairman) | J Packham |
| P Bradbury | J Pearman |
| M Caidan | R Tapping |
| E Gunter | P Todd |
| H Hill | S Watt |
| C Homer | |

| | |
|-------------------------------------|----------|
| CEO & Accounting Officer | J Morris |
|-------------------------------------|----------|

| | |
|--------------------------|----------|
| Company Secretary | J Howard |
|--------------------------|----------|

Senior Management Team – Secondary Academy

| | |
|---|--------------|
| Headteacher | D Kenrick |
| Head of School | R Stoneley |
| Deputy Headteacher | M Sorrell |
| Assistant Headteacher | R Atwell |
| Assistant Headteacher | K Fitzgerald |
| Assistant Headteacher | M Lowney |
| Assistant Headteacher | N Regan |
| Assistant Headteacher | N Simmons |
| Business & Finance Director & Assistant CEO | C Granlund |

Senior Management Team – Warden Park Primary Academy

| | |
|-----------------------------|------------|
| Headteacher & Assistant CEO | S Davis |
| Deputy Headteacher | E Conneely |
| Deputy Headteacher | E Walling |

Senior Management Team – Northlands Wood Primary Academy

| | |
|--------------------|-----------|
| Headteacher | M Sears |
| Deputy Headteacher | P Johnson |

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Reference and Administrative details (continued)

| | |
|--|---|
| Principal and Registered Office | Broad Street Cuckfield Haywards Heath West Sussex RH17 5DP |
| Company Registration Number | 07705100 (England and Wales) |
| Independent Auditor | Crowe U.K. LLP Riverside House 40-46 High Street Maidstone, Kent, ME14 1JH |
| Bankers | HSBC Bank Plc 38-40 South Road Haywards Heath West Sussex RH16 4LU |
| Solicitors | Browne Jacobson LLP 15th Floor 6 Bevis Marks London EC3A 7BA |

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Trustees report

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

The trust operates two primary academies and one secondary academy in Mid Sussex. The pupil capacity and number of students on roll as per the January 2018 census is detailed in the table below.

| Academy | Pupil capacity | Number on roll (Jan 2018) |
|---|----------------|---------------------------|
| Warden Park School | 1500 | 1492 |
| Warden Park Primary Academy (Year R to 6) | 420 | 348 |
| Warden Park Primary Academy nursery | 32* | 33 |
| Northlands Wood Primary Academy | 420 | 361 |

*Per session

Structure, Governance and Management

Constitution

Sussex Learning Trust is a company limited by guarantee and an exempt charity. It was established on 14 July 2011. Warden Park Secondary Academy converted to Academy status on 1 September 2011 and Heyworth Primary School joined the Academy Trust on 1 January 2012 changing its name on conversion to Warden Park Primary Academy. Northlands Wood Community Primary School joined the Academy Trust on 1 May 2017 changing its name on conversion to Northlands Wood Primary Academy.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trust Articles of Association were last updated in 2016. The trustees of Sussex Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sussex Learning Trust (SLT).

This governance structure for the Trust is shown on page 1 of this report. Details of the trustees who served throughout the year except as noted are included in the Governance Statement.

The governors of the individual academies assist both the senior management team and the trustees in the effective management of the academies through their involvement both as part of the main board and through the work of the local governing bodies as outlined in the Governance Statement. Trustees are elected from the governing bodies of individual member academies.

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.

Principal Activities

The principal activities of the Academy Trust are 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 schools offering a broad and balanced curriculum.
- promote for the benefit of the inhabitants of Haywards Heath and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants.

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Trustees report (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members or co-opted by the Board in accordance with the Trust's Articles of Association, having regard to the approved Role Description for Trustees. Any vacancies are openly advertised and consideration is given to the skills mix of the Board.

The formal requirement for parental representation is met by the presence of elected Parent Governors in each Local Governing Body, although there are current parents of children at Trust academies serving as Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted into the workings of the Academy Trust at briefing sessions held with the Chairman and Chief Executive Officer. These sessions cover both educational and business matters. Trustees are issued with appropriate background material and are subject to a Disclosure and Barring Service (DBS) check. Trustees are encouraged to attend both internal and external training sessions organised for the education sector. The Academy Trust subscribes to the Specialist Schools and Academies Trust and The Key for Governors to facilitate this process.

Organisational Structure

The Trust has 5 members who appoint the Trust board, comprising 11 trustees. The Trust Board appoints its sub-committees and local governing bodies. A scheme of delegation sets out the specific roles and responsibilities of the trust board, sub committees and local governing bodies.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishment and running of academies. The responsibilities of the Trustees are set out in the Scheme of Delegation with due adherence to the Articles of Association.

In order to discharge these responsibilities, the Trustees appoint people who are more locally based to serve on the Local Governing Body (LGB) which has been established to ensure the good governance of each academy. The LGB is formally a committee of the Trustees. The role of the LGB is an important one. LGBs carry out their functions on behalf of the Trustees and in accordance with the Trust's policies. The Trust wishes to avoid the duplication of governance and for decisions to be made as close to the impact of decision making as possible. The Trust therefore wishes LGBs to have considerable autonomy to act in the best interests of their academy, within the framework and support provided by the Trust.

The Trustees appoint a Chief Executive Officer (Accounting Officer) and two Assistant CEOs with responsibility for Business and Finance and Primary Projects. The CEO line manages all the academy Headteachers on behalf of the LGB and Trustees ensuring all statutory duties are executed and standards are high and improving. The Trust bases its work on close collaboration between the academies in a spirit of working partnership. The Trust Officers are responsible for furthering this aim. The CEO is charged by the Trustees to ensure that the Trust fulfils its responsibilities to the region via liaison with the Regional Schools Commissioner. The CEO is also responsible for project managing any new schools joining the Trust or Free Schools being established under the auspices of the Trust.

The Scheme of Delegation and Articles of Association are available on request.

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Trustees report (continued)

Organisational Structure (continued)

The CEO is appointed by the Trustees to manage the day-to-day operations of the Academy Trust in consultation with the Head Teachers of the Academies. In order to facilitate effective operations, the CEO and Business and Finance Director have delegated authority within the terms approved by the Trustees for operational matters including educational, finance and employment matters.

The pay and remuneration of key management personnel is set in accordance with the Academy Trust's appraisal and pay policy. The salary range for all staff paid on the leadership spine will take into consideration the provisions of the STPCD together with any broader responsibilities that may be attached to the role. The CEO is responsible for the appraisal and pay awards for key management personnel subject to Trustee review and approval.

Related Parties and other Connected Charities and Organisations

The Academy Trust continues to have several successful partnerships with a number of local primary schools where it provided support for French. Support for ICT and Maths has also been made available to some of these schools.

The Academy Trust has also worked successfully with other schools through the Haywards Heath schools' locality network. Most recently our ACEO has taken a lead role in a locality based Pupil Premium review. The Trust continues to play an active role in the Bentswood Community Partnership (BCP).

These partnerships have enabled the Academy Trust to not only support education for other schools in the Haywards Heath area, but have also brought benefits to the education of the young people at our academies. For example, students at the secondary academy have had many opportunities to develop their leadership and team-building skills through their work with pupils in the primary schools.

The CEO of the Trust is a National Leader of Education and the WPSA is a National Support School. This has brought a wide range of CPD opportunities for the CEO and wider staff in addition to the related revenue generating opportunities for the Trust. The work of an NLE challenges the holder to find ways to support school improvement elsewhere but naturally encourages and stimulates initiatives that benefit the host school. The designation also attracts other schools to consider joining the Trust which naturally brings cost saving and other educational collaborative benefits.

Objects and Aims

Our mission is summarised by our maxims:

'The Best from All' and 'Reach for the stars' and 'Together we learn and grow'

We aim to:

- Provide a happy, safe, secure, healthy, stimulating, well-resourced and caring learning environment for the whole community.
- Meet the needs of all learners including students, adult learners and staff as part of our commitment to inclusion and equal opportunity.
- Challenge all learners to: have high expectations; to broaden their horizons; embrace change; adopt a dynamic approach to their future life plans; achieve the highest standards and celebrate their success.

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Trustees report (continued)

Objects and Aims (continued)

- Offer a broad, balanced and differentiated curriculum relevant to the needs of our economy in which we celebrate cultural diversity and promote: creativity; a love of learning; independence; confidence; the flexibility needed for a rapidly changing world; international understanding and excellent communication skills.
- Encourage all teachers and support staff to attain the highest standards of teaching and support through high quality professional development and rigorous self-evaluation.
- Promote learners' self-confidence, self-respect, self-esteem, self-discipline and self-motivation in the context of encouraging them to develop their skills and valuing their achievements.
- Develop an awareness of others, in all members of the academy community, this leads to excellent interpersonal relationships and the ability to form friendships appropriately.
- Maintain strong partnerships with families, other schools, colleges and universities in Britain and overseas, local businesses and community organisations to promote excellence and progression in learning.
- Encourage and expect high standards of behaviour based on personal responsibility, good manners and courtesy, mutual respect and the peaceful resolution of conflict.
- Involve learners, families and staff in making a positive contribution to the school and wider community by: encouraging active citizenship; promoting sustainable development and supporting other people locally and overseas who may need our help.

In order to realise these aims, Trustees, Governors and staff of the Trust seek to:

- Promote excellence by working in close partnership with families to fulfil the potential of every learner to do their best as individuals and as members of teams.
- Foster the habits that will enable our students to enjoy learning for life.
- Encourage our students to respect themselves, other students, their families and their teachers within a safe, secure and caring environment.
- With the crucial support of families, develop healthy and hard-working young citizens with an international outlook who will play an active, responsible, creative and positive role in the academy and wider community.

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Trustees report (continued)

Public Benefit

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. Trustees have referred to the guidance in the Charities Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. Trustees consider that the Academy Trust's aims are demonstrably to benefit the public, as the academies within the Trust meet the educational needs of young people living in the areas appropriately designated by the Local Authority and the needs of other young people who meet the agreed admission criteria should further places be available.

The Academy Trust includes a primary academy formerly in an OFSTED special measures category and engages in activities to support this academy and its wider community which is one of the most economically challenged neighbourhoods in the Mid-Sussex area.

Furthermore, the Academy Trust supports the teaching of French in a number of other local primary schools.

The Academy Trust has strengthened its links with other local schools through the Haywards Heath schools' locality network. The CEO, as NLE, is a systems leader supporting many schools in West Sussex to improve.

Objectives, Strategies and Activities

Below is a summary of the Trust's main priorities for 2017-18.

- By 2020 all three existing academies will be deemed 'outstanding' because of student achievement, behaviour & safety, leadership & management and teaching
- More schools will have joined to widen the impact and importance of the Trust locally and nationally
- We will be understood as a local Trust operating for the benefit of all children in the area
- We will be at the heart of collaboration within mid-Sussex and West Sussex schools helping to shape and deliver improvements for the children of the area
- The Quality of Teaching will be at least good or better
 - 55% 'outstanding'
 - Development of 'growth mindset' thinking across the schools
 - Flexible differentiation is standard
 - Questioning skills increase independence
 - Pupils involved with their own progress tracking
 - CPD for the teachers led by the teachers
- Attainment & Inclusion – for those children at risk of exclusion
 - Improve impact of interventions
 - Children will make at least expected progress
 - The trend will revert to continuing a 'closing of the gap' in attainment between PP pupils and non-PP pupils
- Attendance & behaviour for learning
 - 95.8% + attendance each term
 - Reduction of pupils with less than 85% attendance
 - Improved punctuality
 - Increase student voice and its impact

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Trustees report (continued)

Objectives, Strategies and Activities (continued)

- Curriculum & Assessment
 - Curriculum meets the needs of our demographic and national expectations
 - We will establish new methods of assessment post NC levels
 - Encourage parents to become more involved in learning
- Progress
 - Students are set targets that will ensure they exceed national expectations
 - All students will make at least good progress from early years to KS 2 (primary) and KS2 to KS4 (secondary)
- Achievement
 - Students are supported to achieve their full potential in all subjects
 - Opportunities are provided to students to support and enhance their learning
- Learning
 - Students learning experiences are engaging and enhanced by ICT
 - Parents and students engage with learning in and out of school
 - All programmes of study will be differentiated and will excite and engage all learners
 - Technology will be used to enhance learning and promote independence and e-confidence

Governance and consolidating the Trust

- Trust values and aims are thoroughly embedded. As other schools approach us to enquire about joining the Trust we are able to continually reassess our values and aspirations and ensure we remain compliant with all legislation and policy.
- Academy freedoms have been exercised with respect to setting and reviewing our admissions policies.
- The policy review process is up-to-date ensuring stakeholders are continually reviewing policy & practice reflects the needs of our students and the educational and safe-guarding 'landscape'. The Trustees are working on ensuring our policies are 'future proof' as it appears the Trust will expand in the near future.
- The Trustees and Governors are content that safeguarding arrangements are entirely compliant, including the duties to address radicalisation and terrorism.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Objectives, Strategies and Activities (continued)

Community

- The Trust continues to take a role in the Bentswood Community Association and WPPA continues to be widely used for community use.
- Partnerships with families at both academies are strong.
- Staff from the Warden Park Primary Academy and Northlands Wood Primary Academy play significant roles in supporting the collaborative work of the Haywards Heath group of primary schools. This has including hosting training activities for staff from other schools. Likewise the Secondary enjoys excellent links with many schools in West Sussex for shared CPD opportunities.

Admissions

- The secondary academy is at capacity and early indications for 2019 suggest we will continue to be significantly over-subscribed.
- Pupil numbers are well in advance of expectations at Warden Park Primary Academy and Northlands Wood Primary Academy. They are increasingly the schools of choice within their communities.

Strategic report

Financial health

The financial health of the Trust remains sound particularly given the context of the national educational funding environment and the factors specific to the Trust outlined below.

- **Reserves**
The Trust started the year with a strong reserves position which has allowed the Trust to develop through the creation of the separate CEO role and introduction of a central MAT budget. The substantial reserve carried forward to 2018/19 has been retained as a precaution against funding uncertainty and future cost pressures. Given the national funding position and the challenges of the increasing staff cost base, it will be necessary for those reserves to be used very carefully whilst awaiting the outcome of the Fairer Funding review and the implementation of the National Funding Formula which has been further delayed.
- **Expansion of Warden Park Primary Academy and Northlands Wood Primary Academy**
The increase in Pupil Admission Numbers (PAN) and significant improvements in the performance of Warden Park Primary Academy since conversion have resulted in a very positive impact on pupil numbers with increases in reception numbers and in year admissions. A similar increase in PAN for Northlands Wood Primary Academy was agreed with WSCC to address demand for primary places locally during the prior year and a number of in year admissions has also resulted in increased numbers on roll at NWPA. The ESFA per pupil funding allocation is provided on a lagged basis using census data from the previous academic year. Some growth funding has been provided by WSCC during 2017-18 but this has not fully compensated for the shortfall in ESFA funding that both primary academies have suffered as a result of the rapid growth in pupil numbers. In the medium term, the increase in the PAN will re-enforce the financial stability of the primary academies and contribute to the financial health of the Trust.

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Trustees report (continued)

Strategic report (continued)

Financial health (continued)

- **Nursery at Warden Park Primary Academy**
In January 2018, Warden Park Primary Academy extended its Early Years provision to include a nursery thus extending the age range of pupils to 2 to 11 years old. This has proved to be highly successful and self-financing.
- **Best use of resources and maximising income**
The Trust has continued to focus on ensuring value for money in all activities undertaken by maximising income and controlling costs as outlined in the Value for Money section of the Governance report.

Pupil Premium

Our use of Pupil Premium across the Academy Trust is consistent with the Department for Education's aim to eliminate barriers to learning and achievement based on home circumstances.

The Trust has fully engaged with the principles of Pupil Premium funding and has embedded those principles in planning and monitoring of attainment to ensure that these funds have the desired impact.

Full details of Pupil Premium grant expenditure, impact of the strategy and the strategy for 2018-19 can be found on the separate academies' websites.

Fundraising

The majority of the Trust's income is derived from grant funding. The Trust does receive a small number of donations but does not raise any funds direct from the public.

Key Performance Indicators

Warden Park Primary Academy

Overall Effectiveness

'Leadership and management', 'Teaching, learning and assessment', 'Personal development, behaviour and welfare', 'Outcomes for pupils' and 'The effectiveness of the Early Years Foundation Stage (EYFS)' are all 'good'.

The school is a real family community, very harmonious and with excellent relationships.

Leaders have taken the right actions so that teaching has improved significantly and the proportion of pupils at age-related expectations is increasing year-on-year for all pupils across the school. Despite lower than average starting points and prior attainment, over time, pupils outcomes for all pupils have improved to their current position of being in line with national averages (with the exception of KS2 reading outcomes in 2018).

Pupils are very proud of their school and feel safe in the care of their teachers. The systems to keep pupils safe are robust. Pupils' behaviour around the school and in lessons is good.

Leaders have created a very positive culture within the academy. Staff are overwhelmingly supportive of the improvements in the school and the plans to improve the school further.

Parents are enthusiastic in their praise for the work of the school.

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Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Primary Academy (continued)

Leadership and Management

A positive and tangible culture of school improvement and teamwork based on a truly shared vision has been sustained through establishing a culture of both support and accountability. Professional development is tightly focused on both individual need (identified by discussion or monitoring) linked to current school priorities.

Academy development planning is based on rigorous data monitoring and accurate self evaluation. Plans are SMART and realistic.

Regular monitoring of pupil progress is rigorous and has an impact on learning and intervention programs.

Arrangements for appraisal are effective and up to date.

We meet all safeguarding legislation and give priority to pupils' safety. Governors are rigorous in ensuring this. Leaders effectively tackle discrimination and promote harmony and tolerance amongst all pupils.

Parents and carers feel welcome at the school. 100% of parents would recommend the school to others.

Attendance is improving. We are tenacious in following up on absence and improving the attendance of persistent absentees. Attendance is now in line with national data (2017/18 – 96%), it has improved over the past two years and we target it to increase above 96%.

The curriculum is well organised, broad and exciting.

Pupil Outcomes

Early Years

| % reaching Good level of Development (GLD) | 2016 | 2017 | 2018 |
|--|------|------|------|
| WPPA | 61% | 60% | 68% |
| National | 69% | 71% | 72% |

Children, including those who have special educational needs and/or disabilities, make consistently strong progress from their starting points. For example, when comparing the proportion of children attaining at age related expectations at the beginning and end of the reception year, the following increases were measured; literacy – 45%, maths – 33%.

Where children's starting points are below those of other children of their age, assessment shows they are catching up quickly. Any differences between the attainment of groups, including those for whom the school receives additional funding and all children nationally, are diminishing quickly and significantly, particularly in the areas of literacy and maths.

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Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Primary Academy (continued)

Early Years (continued)

The Early Years provision is much stronger than it has been in the past and, as a result, children are better prepared for Key Stage 1. The proportion of pupils achieving a good level of development (GLD) has increased to 68%. Children make very good progress during the Reception year from very low starting points on entry to school.

The Early Years Leader has high expectations and their work to improve the setting and the quality of teaching has been impressive. Adults have high expectations of children, both when they are learning through play and when they are taking part in adult-led activities. Adults are tireless in their support of children's social skills, and support children as they play by encouraging them in their talking and decision-making. Adult-led sessions are focused on developing important academic skills, and more formal classroom activities are pitched well so children enjoy learning and understand the way they need to behave in the classroom

Y1 Phonics Check

| % meeting expected standard | 2016 | 2017 | 2018 |
|------------------------------------|-------------|-------------|-------------|
| WPPA | 80% | 88% | 90% |
| National | 81% | 81% | 83% |

Pupils in Year 1 achieve highly in the national phonics check. 98% of non SEND pupils met the expected standard. The attainment of almost all groups of pupils is in line with national averages or above. Both boys and girls achieve more highly than other children nationally and the gender gap is not significant (2%). Non-disadvantaged children achieve more highly than other non-disadvantaged children nationally. The attainment of disadvantaged pupils is broadly in line with other disadvantaged pupils nationally. SEND pupil attainment is in line with other SEND pupils nationally.

Key stage 1

% Expected Standards

| 2018 | Reading | | Writing | | Maths | | RWM | |
|-------------|----------------|-----------------|----------------|-----------------|--------------|-----------------|-------------|-----------------|
| | WPPA | National | WPPA | National | WPPA | National | WPPA | National |
| EXS | 73% | 75% | 68% | 70% | 77% | 76% | 67% | 65% |
| GDS | 20% | 26% | 8% | 16% | 17% | 22% | 7% | 12% |

The attainment of pupils attaining at ARE is in line with national averages for R, W and M. 100% of children with no SEND and who are not entitled to PP funding met ARE. The proportion of pupils attaining GDS in RWM combined is broadly in line.

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Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Primary Academy (continued)

Key stage 1 (continued)

Disadvantaged

The progress from different starting points of the very large majority of disadvantaged pupils is similar to other pupils nationally.
 The attainment of disadvantaged pupils is in line with other similar pupils nationally.
 The gap between the attainment of disadvantaged WPPA pupils and all non-disadvantaged pupils nationally is in line with national data.

SEN

For pupils who have special educational needs and/or disabilities, attainment is in line with, or higher than other similar pupils

2018 Key Stage 1 Progress: pupil groups

The progress of all disadvantaged pupils is in line with other disadvantaged pupils nationally for R, W and M. The gap between the progress of PP pupils and all other pupils is in line with national data for R, W and M. The progress of different ability groups (Emerging/Expected EYFS) is in line with or above national data. The progress of SEND pupils is significantly more rapid than other similar pupils nationally.

**Key Stage 2
 % Expected Standards**

| 2018 | Reading | | Writing | | Maths | | RWM | |
|------|---------|----------|---------|----------|-------|----------|------|----------|
| | WPPA | National | WPPA | National | WPPA | National | WPPA | National |
| EXS | 65% | 75% | 76% | 78% | 74% | 76% | 56% | 64% |
| GDS | 24% | 28% | 8% | 20% | 16% | 24% | 5% | 10% |

While there remained a legacy of underachievement in Y6 in 2017/18, attainment in writing and maths is in line with national data in terms of the proportion of pupils reaching ARE.
 Pupils from different ethnic groups, and boys and girls, made similar progress to each other throughout the school. Disadvantaged pupils made more progress than the cohort as a whole. The attainment of disadvantaged pupils in writing and maths was in line with national figures. Attainment in reading of this group was poor. Attainment of SEND pupils was in line with or above national data and was particularly strong in maths. Prior attainment and gender variance is not significant. Pupil numbers in some of the above groups makes data analysis in itself vulnerable, i.e. individuals and their needs are key.

Character Education

A new character education curriculum has been in place since September 2017 and is helping pupils to develop as well-rounded citizens.

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Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Primary Academy (continued)

NATIONAL RECOGNITION FOR WARDEN PARK PRIMARY ACADEMY

Warden Park Primary took part in a research project commissioned by the DfE in 2017. The Anti-Bullying Alliance had pointed them in the school's direction, as Warden Park Primary had been recognised by them for their work in preventing and tackling bullying. The report has now been published by DfE and can be found via the link below. The report contains common themes found throughout the research and 7 case studies. It's intended to be used as a resource by schools and other stakeholders looking for examples of anti-bullying practices.

<https://www.gov.uk/government/publications/approaches-to-preventing-and-tackling-bullying>

Opening a Nursery and lowering the age range to include children age 2, 3 and 4 years

The Trust supported the strong business case and educational rationale for opening a nursery at Warden Park Primary Academy in January 2018 by expanding EYFS provision and taking advantage of the many opportunities while ensuring value for money.

Key considerations for Trustees and Governors were, most significantly, the benefit to children's overall learning, attainment and use of resources to increase school-readiness and progress made in EYFS.

In particular, the trust seeks to deliver better outcomes for children through high quality early years education and childcare provision, managed as an educationally integrated service.

They also ensured:

- clarity and certainty about what, if any, extra costs would actually be incurred
- that running costs could be covered by fees for funded places
- that the level of fees for unfunded places was affordable and accessible for families, making the academy even more attractive to local families

The nursery has helped cement even stronger partnerships with parents, and greater opportunities for families to engage and understand the learning environment attended by the children from a younger age. Despite restrictions on capital available for investment, the facilities provided for 2, 3 and 4 year old children at the academy are rich and stimulating and can be shared between the Key stage 1 and nursery children. The provision and experiences available are valuable in developing children's confidence and skills and contributing to being fully school ready by the time they join reception.

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Trustees report (continued)

Key Performance Indicators (continued)

Northlands Wood Primary Academy

- 'Leadership and management', 'Teaching, learning and assessment', 'Personal development, behaviour and welfare', 'Outcomes for pupils' and 'The effectiveness of the Early Years Foundation Stage (EYFS)' are all 'good' with elements of 'outstanding'.
- First full year as an Academy with the Sussex Learning Trust
- New Headteacher in post: Very positive first year with NWPA
- Many new staff appointed and who made positive starts, adding to the dynamics of the team and school improvements
- A positive shift in culture, encapsulating a forward thinking school
- Pupils' behaviour around the school and in lessons is outstanding
- Staff are overwhelmingly supportive of the improvements in the school and the plans to improve the school further.
- A focus on generating new memorable learning opportunities for children, families and Staff.
- Lots of visitors and families came into the school and supported the learning which was happening throughout.

Leadership development was a key driver in the successes which the school experienced. This was delivered on a whole range of levels, including Senior Leaders, Middle Leaders, Teachers, Support staff and pupils. Staff who had before not considered themselves as leaders, stepped up and took on roles which developed them enormously and in doing so broadened the leadership capacity of the school. Children revelled in taking on roles such as Academy Ambassadors, Digital Leaders, Sports Crew and Buddies to younger pupils. These are just a few of many pupil leadership possibilities NWPA are wanting to pursue.

- Safeguarding procedures are clear and all staff know their roles in ensuring our children and staff remain safe. Regular training is provided and updates received by DSLs from West Sussex
- Appraisals are effective and up to date. This correlates with professional development; tightly focused on the needs of individuals and current school priorities
- The curriculum is well organised, both in the delivery of content and progression of skills
- Pupils across the school were given opportunities to lead on various elements and raise their profile and skills

Cross Trust opportunities were ever present across a wide variety of subjects and disciplines.

Figures from a recent parent survey indicate that **over one-third** of parents feel that they are seeing benefits of us joining the Sussex Learning Trust **in lots of ways**, with **84%** seeing benefits, some lots and all looking forward to seeing more. Examples of Cross Trust work we have engaged in this past year include: ICT and Digital Leaders work across the three academies; joint choir performances; Science Laboratory trips to WPSA for all our Key Stage 2 children; kindness assemblies delivered to our children by students from WPSA; shared writing opportunities for some of our Greater Depth Year 6 children; as well as many occasions when staff have worked together and received joint CPD sessions and conferences.

Results were really pleasing across the board. Early Years remain above National figures for the percentage of children at GLD (Good Level of Development), while Year 1 and Year 2 phonics check were at an all time high. KS1 showed excellent attainment in Reading and Writing, with Maths being strong also. Our Key Stage 2 Year 6 cohort performed admirably in their SATs - achieving a brilliant 72% combined score for Reading, Writing and Maths. This was up from 50% in the previous year.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Key Performance Indicators (continued)

Northlands Wood Primary Academy (continued)

Analysis as to why good levels of success were achieved has been completed to further focus the work being done this year.

| Phase | This year's results | Last year's results |
|-----------------|---------------------|---------------------|
| Y1 Phonics | 88% | 84% |
| Y2 Reading | 88% | 81% |
| Y2 Writing | 73% | 71% |
| Y2 Maths | 77% | 67% |
| Y6 Reading | 81% | 74% |
| Y6 Writing | 90% | 64% |
| Y6 Maths | 79% | 74% |
| Y6 RWM Combined | 72% | 50% |

Assessment processes are rigorous and robust. Pupil Progress meetings provided a supportive approach to ensuring children were on track to meet targets and that progress was accounted for throughout the year. These were led effectively by the Deputy Head Teacher and SEN team.

School developments have extended far further than Literacy and Maths, with a high level of investment being made in a number of areas - both financially but also in training and support for staff and pupils.

Key developments include:

Forest School, which was born out of joint training alongside WPPA and has grown rapidly in what is being delivered. All children, last year, received a *faster session*, which will continue into this year with all children receiving nine morning sessions across the year; three each term. This has been further boosted with a successful grant of £3,500 from Tesco's Bags of Help scheme.

Computing has been another area which has grown significantly and seen lots of improvements. Over 70 new iPads have been purchased and a new Computing Curriculum developed to incorporate this investment and development. Teachers have been working hard to gain their Apple Teacher status and a substantial amount of INSET/Staff Meeting time was given over to training and development to ensure this development was successful. Staff grew significantly in confidence and expertise and the children benefited enormously as a result. Again, this was further helped by the success of another grant, this time to work with Girl Coders and also Disadvantaged Children through the medium of coding and Sphero robots. This funded project began last year and continues into 2018 - 2019.

STEM flourished last year with our Science leader driving forward all manner of exciting ideas and bringing the wider community together. The school was often full of STEM ambassadors from local businesses, parents sharing their knowledge and expertise and also students from the Secondary school assisting in various experiments. NWPA children took part in a number of competitions, with huge success, and the concept of pupil STEM ambassadors was born. A STEM week provided opportunities for parents and grandparents to explore and 'be curious' alongside their child - something which was met with great delight and interest.

Sport and P.E. also began its transformation. Beginning to make the shift from a school which 'turns up' to one which competes and walks away victorious. Netball matches were won, Cross country children progressed through into County stages of the sport and the school became a hub for Mid Sussex Active and Badminton England. The level of sports coaching provided to the children improved dramatically and the sense of a change of times is palpable.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Key Performance Indicators (continued)

Northlands Wood Primary Academy (continued)

Sport and P.E. (continued) The Daily Mile became commonplace for all children across the school and the number of sporting based clubs which were offered reached record numbers. All of this resulted in Northlands Wood receiving the Platinum Award for Schools Games Mark.

Parents and Carers have continued to be very supportive of the school and survey results demonstrate a high level of trust in the school, with 97% of parents reporting their child is happy in school and 100% of parents would recommend our school to other parents.

Warden Park Secondary Academy

WPSA has undergone considerable change in senior leaders in the last year. A new Headteacher started in September 2017 and two long standing Deputy Headteachers retired during the course of the 2017/18 academic year. A new Deputy Headteacher and Assistant Headteacher have been appointed and started in May 2018 and September 2018 respectively.

In 2018 WPSA students' attainment and progress was significantly above the national and Local Authority averages as detailed in the tables below.

Ebacc attainment 2018 (GCSE average grades):

| | English | Maths | Ebacc | Open |
|----------------------|----------------|--------------|--------------|-------------|
| All | 5.83 | 5.24 | 5.42 | 5.33 |
| Boys | 5.42 | 5.37 | 5.31 | 4.89 |
| Girls | 6.15 | 5.14 | 5.51 | 5.68 |
| Disadvantaged | 4.53 | 3.5 | 3.34 | 3.45 |

*2018 data remains provisional until approx. January 2019

Student progress overall as measured by ALPS P8 indicator is a 3 which places progress in the top 20% of schools nationally. In the ALPS analysis of subjects, 11 subjects are graded red (top 25% nationally); 14 graded in the middle 50%; 2 graded blue (bottom 25%). 6 subjects graded ALPS 2 (top 10% nationally). Strong progress rates in subjects with high cohort numbers, English, Maths, Science, History, Art, PE, Business and French have underpinned the success.

All prior attainment groups made excellent progress, particularly so High Prior Attainers who have been an area of focus previously.

Sustaining excellent outcomes for High Prior Attainers, reducing achievement gaps between boys and girls and improving outcomes for disadvantaged students will remain priority areas of action in 2018/19.

Four whole school priorities form the basis for the school development plan:

- Effective learning for every student – securing outstanding progress
- Professional learning – research and innovation
- Influential leadership – making a difference at every level
- Disadvantaged students – eradicating achievement gaps

Sussex Learning Trust Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Secondary Academy (continued)

CPD for teachers is focused on 'Effective learning for every student – securing outstanding progress' and is primarily delivered through Professional Learning Communities (PLC) based on identified areas of priority from self evaluation or current research. Each teacher was a member of one of the following PLCs in 2017/18:

- Challenge for all; Effective explanations; Extended writing; Feedback and follow up; Flipped learning; Know your students; Peer assessment; Plenaries; Questioning; Student well-being

In support of PLC working a Research library has been introduced and all teachers are able to use this as a basis to support their PLC work. By working collaboratively and by using research and innovating in our practice there has been a distinct improvement in the quality of teaching in the classroom and on the prioritisation of developing teacher pedagogy as part of a culture change with regard to teaching and learning in building a drive for excellence.

Developing the skills and capabilities of leaders is a long-term priority in building a culture in which distributed leadership unpins the Academy's future success. In July 2018 all middle leaders undertook a leadership development training programme focused on enhancing self knowledge and identifying areas for individuals to prioritise for professional development. Through the introduction of inter department reviews the evaluative skills of curriculum leaders is being developed. This a precursor to planned peer reviews across schools in 2018/19 working with the SSATs Leading Edge Programme.

The 2018 results indicate that the relative disappointing achievement of disadvantaged students in recent years has begun to be addressed. Improving outcomes in this area is a whole school priority and the appointment of a new deputy Headteacher in May 2018 has provided the opportunity to restructure the leadership of this work.

Going Concern

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

Reserves Policy

At 31 August 2018, the trust has total funds of £31,843,000 (2017: £31,811,000) and fixed asset funds at the same date totally £32,969,000 (2017: £33,076,000). At 31 August 2018, the Restricted General Fund had a deficit balance of £1,560,000 (2017: £2,045,000). The deficit has arisen as a result of recording the liability in respect of the Local Government Pension Scheme deficit of £1,560,000 (2017: £2,000,000) and the underfunding particularly in respect of the primary academies which means that no reserves are held in the Restricted General Fund. For its own purposes, the Academy Trust excludes the FRS102 Section 28 calculated liability when calculating free reserves but has given careful consideration to the cash flow implications that may arise from the accounting disclosure in terms of increased contributions. Trustees have approved a plan to work towards holding a reserve of £565,000 at the end of 2018/19. This level of reserve will allow the Trust to undertake some development activity, manage funding uncertainty and provide some security against unexpected issues or events.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Reserves Policy (continued)

The Academy Trust has £434,000 in the Unrestricted General Fund as at 31 August 2018 (2017: £780,000). This reserve has been generated over a number of years through academy commercial activity such as catering and letting and from fundraising activities. This fund is freely available for its general purposes and has been held as an accumulating fund for major capital projects to enhance teaching and learning facilities in accordance with the Academy Development Plan as well as supporting core activities in the current funding environment.

Investment Policy

In the year ended 31 August 2018, higher interest deposit accounts have been used to achieve a more favourable return on funds where appropriate.

Risk Management

The Trustees have assessed the key risks to which the Academy Trust may be exposed, in particular those relating to pupil numbers, educational outcomes, the challenges of recruiting and retaining staff in shortage subjects, the development of our facilities, academy funding, finance and Trust expansion. Trustees have implemented a number of systems to assess and mitigate the risks that the Academy Trust faces in relation to all the areas mentioned above.

As part of a long term strategic approach to risk management; the Trustees have developed and will maintain a risk register identifying the major areas of risk to which the Academy Trust and its member academies are exposed. The register identifies actions and procedures to mitigate those risks. This register is being developed and monitored by the CEO, Business and Finance Director, Head of Finance and by Board of Trustees and via the Local Governing bodies and Audit committee. The principal risks facing the Academy Trust at a strategic level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls; for further details see the Governance Statement below.

Principal risks and uncertainties

The risks below are risks faced by independent Academy Trusts and are not specific to Sussex Learning Trust.

External

- Changes in Government policy with respect to academies.
- Additional cost pressures which are not funded such as a change to financial legislation affecting the employment of staff such as minimum wage levels or pension and national insurance contributions
- Reductions in Government spending (such reductions would be likely to apply in a similar way to all schools).
- Demographic changes affecting the number of children requiring educational provision in the Mid-Sussex area.
- Neighbouring schools increasing their roll.
- More academies operating in Mid-Sussex with better facilities - possibly sponsored by large organisations.

Legal

- Operating outside the Academy Trust's charitable objects.
- Health and safety infringements.
- Falling foul of employment law.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Risk management (continued)

Principal risks and uncertainties (continued)

Governance

- Trustees acting in their own interests and not in the interests of the Academy Trust.
- The Board as a whole lacking the skill set required to run the Academy Trust successfully.
- Management information being insufficiently robust for effective decision making.
- Failure to respond to changes in external compliance requirements.

The Trustees have identified the following potential risks and uncertainties as applying specifically to the Sussex Learning Trust:

- **Falling rolls.** This is seen to be highly unlikely based on current admissions information.
- **Branding/reputation.** Our reputation remains strong as evidenced by high and increasing levels of interest and applications at each of our academies.
- **Delays in opening planned academies.** Such delays would impact on budget plans and cashflows for a specific year and are hard to manage due to factors related to stakeholders in the projects that are beyond the Trust's control.
- **Decrease in income affecting provision.** Given the UK public sector economic outlook, political and policy uncertainty, changes in NI and pension contribution rates and changes in formula funding, there is considerable uncertainty over funding levels in the near future. The budget strategy for 2018/19 provides for some contingency against unwelcome future developments but this remains a key area of risk and focus for management and board of trustees:
- **Lagged funding.** As outlined in the financial health section above, lagged funding represents a significant risk and challenge to both Warden Primary Academy and Northlands Wood Primary Academy although this will reduce as the expansion in the PAN affects each year group over time until they are full two form entry academies.

Financial risks

- **Bank balances and investments.** There is no significant risk other than a financial institution ceasing to trade. The Academy is therefore seeking a prudent spread for future investment over a number of very reliable and / or government-backed institutions.
- **Bad debts.** There are no material debtors which are not government backed institutions.
- **Credit rating.** The Academy Trust's credit rating is not in jeopardy and there has been no need as yet for advanced credit facilities since conversion.
- **Cashflow.** If the funding position does not improve, there will be increasing pressure on academy cashflow in future years which will require even more careful management.
- **Pensions related risk.** The increased cost of contributions required to support the continued membership of Defined Benefit pension scheme for the Trust's staff is a financial risk to the Trust although we understand there is government funding to support the most recently announced increase.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Risk management (continued)

Effective risk management involves three types of action:

Transferring the risk

Insurance is a means of transferring those risks the Academy decides not to accept. It limits the Trust's exposure to risk but it is not a substitute for active risk management. To the extent that the Trust manages its risks effectively, its insurance premiums will be lower, providing better value for money.

Reducing the probability of risk

The Academy will seek to identify the risks to Trust funds, property and people using their premises, collect them in a risk register and assess the potential frequency and severity of each risk, where possible based on careful analysis or recent experience. Action will be taken to prevent or reduce the probability of risk, particularly of those risks identified as high frequency and/or high severity.

Limiting the impact of risk

The Trust will continue to complete and review the risk register as a formal record of problems that could occur in the future which will impact on day to day operations.

Effective monitoring of Academy Trust operations by the Trustees, Trust Officers and leadership teams in each academy will contribute to mitigate risks. This monitoring includes an annual review of the Risk Register and adhoc reporting of newly identified risks.

The Academy Trust will continue to develop an Emergency / Critical Incident Procedure aimed at both protecting personal health and safety and minimising the disruption to normal operations that an unforeseen emergency would cause. Where necessary, the Academy Trust will continue to develop contingency plans for particular risks identified as high frequency and/or high severity.

The Academy Trust operates systems, including operational procedures and internal financial controls in order to minimise risk.

The key controls used by the Academy Trust include:

- formal agendas for all Trustees' meetings
- detailed terms of reference for all committees
- formal written policies that are subject to regular and systematic review
- strategic planning, budgeting and management accounting according to a rigorous agreed timetable
- clear authorisation and approval levels as well as clearly defined purchasing guidelines

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Plans for the future

Without repeating the aims and objectives above:

1. The Trust intends that each of its existing 3 academies will be outstanding by 2020. To this end each academy has an established Improvement Plan which includes ways in which the Trust can work collaboratively to realise this ambition
2. From September 2017 the Trust has separated the role of CEO and Headteacher of the Secondary Academy allowing for dedicated work on both this significant aspects of the Trust's work.
3. As a result of point 2, there is dedicated Academy Improvement work across the Trust. Heads meeting bi-weekly to discuss and plan cross-trust initiatives including staff development, pupil and student projects such as literacy, sport and citizenship and a highly successful Trust wide conference on building trust and working together has opened a rich new vein of potential cross-phase working.
4. Planning for our new Free-school, Hurst Farm Primary Academy, is well underway. From September 2017 the CEO has project managed this exciting new initiative for the Trust and Town.
5. The achievement of dis-advantaged pupils and students remains a priority for each academy, and therefore, the Trust. Inclusion staff from each academy are meeting to share and prioritise successful strategies. The Trust have bid for MAT Development Funding in 2018 to increase capacity and expertise in this area.
6. Discussions are on-going with other schools and the RSC regarding widening the Trust's work to incorporate more schools. Trustees are open to this prospect if they can see tangible gains in the provision for our current pupils and students in collaborative school improvement initiatives. Trustees will also want to appreciate improved economies of scale to the benefit of learning and teaching.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations as outlined below

Relevant union officials

| <i>Number of employees who were relevant union officials during the relevant period</i> | <i>Full-time equivalent employee number</i> |
|---|---|
| 3 | 2.58 |

Percentage of time spent on facility time

| <i>Percentage of time</i> | <i>Number of employees</i> |
|---------------------------|----------------------------|
| 0% | 0 |
| 1-50% | 3 |
| 51%-99% | 0 |
| 100% | 0 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Trustees report (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

| <i>First Column</i> | <i>Figures</i> |
|---|----------------|
| Provide the total cost of facility time | £2k |
| Provide the total pay bill | £8,933k |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | 0.02% |

Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

| |
|-----|
| 50% |
|-----|

The Trustees wish to acknowledge the following:

- The leadership provided by the CEO, the Head Teachers and their senior leadership teams as Trustees seek to develop and expand the Academy Trust
- The commitment of all of the staff, teaching and support, for the manner in which they have continued to deliver an increasingly effective learning and support environment for our learners
- The parent teachers associations for their continued enthusiasm and commitment to fund raising to provide additional opportunities and facilities for our learners
- The continued support of West Sussex County Council and Mid-Sussex District Council
- The strong support from pupils, families and the whole community

The Trustees' thanks go to all, for their part in the continued success of the Academy Trust.

Auditor

In so far as the trustees are aware:

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

This report, incorporating the strategic report, was approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:



J Ash-Edwards

Chair

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Sussex 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 CEO, 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 Sussex 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 supplement that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended Out of a possible | |
|-----------------------------------|--|---|
| J Ash-Edwards (Chairman) | 6 | 6 |
| P Bradbury | 5 | 6 |
| M Caidan | 5 | 5 |
| E Gunter | 4 | 6 |
| H Hill (Appointed 15/1/18) | 2 | 4 |
| C Homer | 3 | 6 |
| J Morris (CEO) (Resigned 11/1/18) | 2 | 2 |
| J Packham | 4 | 5 |
| J Pearman | 4 | 6 |
| R Tapping | 5 | 6 |
| P Todd | 5 | 6 |
| S Watt (Vice chair) | 5 | 6 |

The Local governing bodies for Warden Park Secondary and Warden Park Primary Academy met 6 and 7 times in the year respectively. The local governing bodies have delegated responsibilities as set out in the Scheme of Delegation (see SLT website) in respect of governance, finance and contracts, curriculum and standards, safeguarding, behaviour and attendance.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Governance Statement (continued)

Warden Park secondary local governing body attendance at meetings in the year was as follows:

| Governor | Meetings Attended | Out of a possible |
|-----------------|--------------------------|--------------------------|
| J Ash-Edwards | 6 | 6 |
| M Caidan | 4 | 4 |
| S Carter | 1 | 3 |
| N Dyson | 4 | 6 |
| D Kenrick | 6 | 6 |
| A Lickorish | 3 | 6 |
| K Markham | 2 | 2 |
| J Meadows | 5 | 6 |
| B Leeming | 0 | 1 |
| C Stephen | 1 | 1 |
| R Tapping | 3 | 6 |
| J Thompson | 6 | 6 |
| S Watt | 4 | 6 |

Warden Park Primary local governing body attendance at meetings in the year was as follows:

| Governor | Meetings Attended | Out of a possible |
|-----------------|--------------------------|--------------------------|
| J Ash-Edwards | 5 | 7 |
| A Bryant | 5 | 6 |
| S Davis | 7 | 7 |
| E Gunter | 7 | 7 |
| S Hyde | 6 | 7 |
| C Jarratt | 0 | 1 |
| L Meagher | 4 | 6 |
| B Newman | 4 | 7 |
| J Packham | 5 | 7 |
| J Pearman | 6 | 7 |
| E Walling | 6 | 7 |

Audit committee attendance at meetings in the year was as follows:

| Governor | Meetings Attended | Out of a possible |
|-----------------|--------------------------|--------------------------|
| J Newton | 2 | 3 |
| R Tapping | 1 | 3 |
| J Thompson | 3 | 3 |
| P Todd | 1 | 3 |
| S Watt | 3 | 3 |

Sussex Learning Trust Annual report and financial statements for the year ended 31 August 2018

Governance Statement (continued)

Governance (continued)

Northlands Wood Primary Academy local governing body attendance at meetings in the year was as follows:

| Governor | Meetings Attended | Out of a possible |
|-----------------|-------------------|-------------------|
| I Bateman | 8 | 10 |
| S Dann | 10 | 10 |
| C Homer (Chair) | 9 | 10 |
| L Hother | 8 | 10 |
| K James | 10 | 10 |
| P Johnson | 6 | 10 |
| M McCourt | 9 | 10 |
| K McNeil | 10 | 10 |
| J Newton | 7 | 10 |
| T Parker | 9 | 10 |
| R Stevens | 8 | 10 |

Review of Value for Money

As accounting officer the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Performing detailed reviews of key contracts and ways of providing services prior to renewal or where there is an opportunity to do things differently to ensure best value in both financial and non-financial terms. Specific examples include the grounds maintenance and cleaning contracts. In order to keep costs under control during 2017/18, the Trust considered bringing a service in house, offering a trust wide model or negotiating contracts for more than one academy, which has offered competitive prices and a review of service for a lower overall annual cost to the Trust.
- Developing our approach to fundraising as an important part of the Trust's financial planning and achieving our objectives. We have been working with a grant acquisition consultants to maximise our chances of accessing significant capital grants with a number of potential bids to improve the environment for both students and staff and to enhance student teaching and learning facilities. In 2017/18, the trust secured grants totalling £15,000 (£10,000 for Music ICT at WPSA, a £4,000 for a coding project at NWPA and £1,000 from Co-op for general purposes). Alongside these, we have very active PTAs who contribute to fundraising and the Trust is actively engaged with local businesses and successfully negotiated donations for trust activities and sponsorship towards educational, arts and sports events.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Governance Statement (continued)

Review of Value for Money (continued)

- Maximised income generation through a renewed focus on lettings activity, whereby various facilities are let to outside community groups, clubs, bodies in return for an agreed rental payment. For example in October 2016 WPSA installed a new 3G astro turf situated on the campus grounds under a lease arrangement. The lease is paid for by letting it to clubs and sporting organisations during evenings, weekends and holidays. Hiring our facilities also supports local community and not for profit organisations. There are regular income streams from long-term core bookings which have achieved significant sums for example from hiring of academy halls to local church groups.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sussex Learning Trust for the year ended 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 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.

The Risk and Control Framework

The Academy 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;
- regular reviews by the trustees and LGBs 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 considered the need for a specific internal audit function and decided not to appoint an internal auditor but agreed that the FD of a local academy would perform a peer review. The work programme included testing of payroll systems, testing of purchase systems and testing of key control accounts / reconciliations and did not identify any significant issues. On conclusion of the review, a report was presented to the Audit committee for their consideration and approval.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Governance Statement (continued)


Review of Effectiveness

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

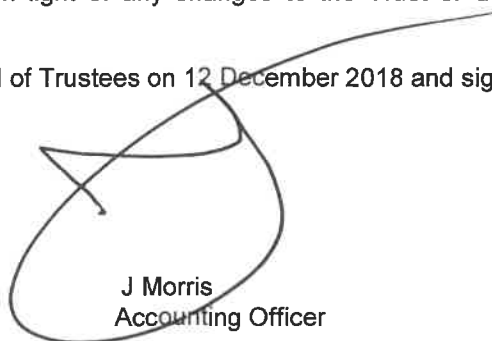
- the work of external consultants and peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

No material weaknesses have been identified through the above review. The Accounting Officer and management are committed to a process of continuous improvement and will continue to review and assess the system of internal control going forward in light of any changes to the Trust or developments in best practice.

Approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:



J Ash-Edwards
Chair



J Morris
Accounting Officer

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Statement on Regularity, Propriety and Compliance

As accounting officer of Sussex Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

If any instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.



J Morris
Accounting officer

12 December 2018

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in 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 [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:



J Ash-Edwards
Chair of Trustees

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Independent Auditor's Report to the Members of Sussex Learning Trust Limited

Opinion

We have audited the financial statements of Sussex Learning Trust 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Sussex Learning Trust Limited
Annual report and financial statements for the year ended 31 August 2018

Independent Auditor's Report to the Members of Sussex Learning Trust Limited
(continued)

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- 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 / governors

As explained more fully in the trustees' responsibilities statement set out on page 30, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Independent Auditor's Report to the Members of Sussex Learning Trust Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Rigden
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40-46 High Street

Maidstone

ME14 1JH

Date: 17/12/2018

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Independent Auditor's Report on Regularity to the Trustees of Sussex Learning Trust Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 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 Sussex 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 Sussex 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 Sussex Learning Trust and the ESFA, for our work, for this report or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Sussex Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 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 period 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.

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.

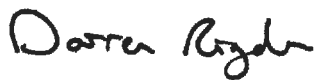
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

**Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018**

**Independent Auditor's Report on Regularity to the Trustees of Sussex Learning Trust
Limited and the Education and Skills Funding Agency**

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Darren Rigden
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Riverside House
40-46 High Street
Maidstone
ME14 1JH

Date: 17/12/2018

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account and Statement of Total Recognised Gains and losses)

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2018 £000 | Total 2017 £000 |
|---|------|-------------------------------|--|---|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Balances on conversion | 4 | - | - | - | - | 4,509 |
| Donations and capital grants | 4 | 381 | 139 | 240 | 760 | 2,210 |
| <i>Charitable activities:</i> | | | | | | |
| . Funding for the Academy's educational operations | 7 | 511 | 9,869 | - | 10,380 | 9,414 |
| Other trading activities | 5 | 85 | - | - | 85 | 52 |
| Investments | 6 | - | - | - | - | - |
| Total incoming resources | | 977 | 10,008 | 240 | 11,225 | 16,185 |
| Expenditure on: | | | | | | |
| Balances on conversion | | - | - | - | - | 149 |
| Raising funds | 8 | 52 | - | - | 52 | 49 |
| <i>Charitable activities:</i> | | | | | | |
| . Academy's educational operations | 9 | 456 | 11,205 | 381 | 12,041 | 10,357 |
| Total resources expended | 8 | 508 | 11,205 | 381 | 12,093 | 10,555 |
| Net incoming resources before transfers | | 469 | (1,197) | (141) | (869) | 5,630 |
| Transfers | | | | | | |
| Gross transfers between funds | 20 | (815) | 782 | 33 | - | - |
| Net income/(expenditure) for the year | | (346) | (415) | (108) | (869) | 5,630 |
| Other recognised gains and losses | | | | | | |
| Actuarial gains / (losses) on defined benefit pension schemes | 30 | - | 900 | - | 900 | 1,083 |
| Net movement in funds | | (346) | 485 | (108) | 31 | 6,713 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Statement of Financial Activities for the year ended 31 August 2018
(including Income and Expenditure Account and Statement of Total Recognised Gains and losses) (continued)

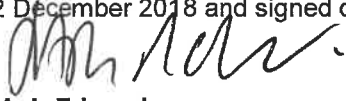
| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2018 £000 |
|--|-------------------------------|--|---|-----------------------|
| Reconciliation of funds | | | | |
| Total funds brought forward at 1 September 2017 | 780 | (1,560) | 33,076 | 31,811 |
| Total funds carried forward at 31 August 2018 | 434 | (2,045) | 32,968 | 31,842 |

Sussex Learning Trust (Company number: 07705100)
Annual report and financial statements for the year ended 31 August 2018

Balance sheet as at 31 August 2018

| | Notes | 2018 £000 | 2018 £000 | 2017 £000 | 2017 £000 |
|---|-------|--------------|---------------|--------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 32,937 | | 33,044 |
| Total fixed assets | | | 32,937 | | 33,044 |
| Current assets | | | | | |
| Stock | 15 | 6 | | 6 | |
| Debtors | 16 | 303 | | 338 | |
| Cash at bank and in hand | | 1,107 | | 1,272 | |
| Total current assets | | 1,416 | | 1,616 | |
| Liabilities: | | | | | |
| Creditors: Amounts falling due within one year | 17 | (810) | | (665) | |
| Net current assets | | 606 | | 951 | |
| Total assets less current liabilities | | | 33,543 | | 33,995 |
| Creditors: Amounts falling due after one year | 18 | (141) | | (184) | |
| Net assets excluding pension liability | | | 33,402 | | 33,811 |
| Pension scheme liability | | | (1,560) | | (2,000) |
| Net assets including pension liability | | | 31,842 | | 31,811 |
| Funds of the academy: | | | | | |
| Restricted income funds | | | | | |
| . Fixed asset fund(s) | 20 | | 32,968 | | 33,076 |
| . General fund(s) | 20 | | - | | (45) |
| . Pension reserve | 20 | | (1,560) | | (2,000) |
| Total restricted funds | | | 31,408 | | 31,031 |
| Unrestricted funds | | | | | |
| . General fund(s) | 20 | | 434 | | 780 |
| Total unrestricted funds | | | 434 | | 780 |
| Total Funds | | | 31,842 | | 31,811 |

The financial statements on pages 36 to 60 were approved by the Board of Trustees and authorised for issue on 12 December 2018 and signed on their behalf by:


J Ash-Edwards
Chair

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Cash flow statement for the year ended 31 August 2018

| | | 2018 | 2017 |
|---|----|--------------|--------------|
| | | £000 | £000 |
| Net cash (outflow) / inflow from operating activities | 23 | (130) | 258 |
| Returns on investments and servicing of finance | 24 | - | - |
| Capital expenditure | 25 | (35) | (40) |
| Increase / (decrease) in cash in the year | 26 | (165) | 218 |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net funds at 1 September | | 1,272 | 1,054 |
| Net funds at 31 August | | 1,107 | 1,272 |

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements

1. Company information

Sussex Learning Trust is company limited by guarantee incorporated in England and Wales (company registration number 07705100). The principal activity is that of provision of primary and secondary school education.

Its registered address is at:-

Broad Street
Cuckfield
Haywards Heath
West Sussex
RH17 5DP

2. Accounting Policies

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

Basis of Preparation

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

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

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

Grants receivable (continued)

Capital grants are recognised when receivable 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**

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

- **Other income**

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

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust policies.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

2. Accounting Policies (continued)

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

| | |
|----------------------------------|--------------|
| Long leasehold buildings | 125 years |
| Leasehold improvements | 20 years |
| Fixtures, fittings and equipment | 5 – 10 years |
| ICT equipment | 4 years |
| Motor Vehicles | 5 years |

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

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

Leased Assets

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

Stock

Catering stocks are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

2. Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 30, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

It is the Academy Trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

Critical accounting estimates and areas of judgement

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

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.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

2. Accounting Policies (continued)

Critical accounting estimates and assumptions:

i) 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 29, 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.

ii) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets based on experience

iii) Building valuations: The basis for valuing buildings transferred to the Trust on conversion is to use the most recent valuation provided by the Local Authority.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2018.

4. Donations and capital grants

| | Unrestricted Funds £000 | Restricted Funds £000 | 2018 Total £000 | 2017 Total £000 |
|------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Balances on conversion | - | - | - | 4,509 |
| Capital grants | - | 45 | 45 | 36 |
| Donated fixed assets | - | 195 | 195 | 1,713 |
| Other Donations | 381 | 139 | 520 | 461 |
| | 381 | 379 | 760 | 6,719 |

5. Other trading activities

| | Unrestricted Funds £000 | Restricted Funds £000 | 2018 Total £000 | 2017 Total £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of Facilities | 85 | - | 85 | 52 |
| | 85 | - | 85 | 52 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

| | | | 2018 Total £000 | 2017 Total £000 |
|--|--|--------------------------------------|--------------------------------|--------------------------------|
| 6. Investment income | | | | |
| Bank interest | | | - | - |
| 7. Funding for Academy's educational operations | | | | |
| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2018 £000 | Total 2017 £000 |
| DfE / ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 8,931 | 8,931 | 8,191 |
| Start up grants | - | - | - | 25 |
| Other DfE / ESFA grants | - | 598 | 598 | 532 |
| NCTL grants | - | - | - | 18 |
| | - | 9,529 | 9,529 | 8,766 |
| Other Government grants | | | | |
| Local authority capital grants | - | 340 | 340 | 194 |
| | - | 340 | 340 | 194 |
| Catering income | 511 | - | 511 | 454 |
| | 511 | 9,869 | 10,380 | 9,414 |

8. Resources Expended

| | Staff Costs 2018 £000 | Premises 2018 £000 | Non Pay Expenditure 2018 £000 | Total 2018 £000 | Total 2017 £000 |
|----------------------------------|--------------------------------------|-----------------------------------|--|--------------------------------|--------------------------------|
| Expenditure on raising funds | 52 | - | - | 52 | 49 |
| Academy's educational operations | | | | | |
| Direct costs | 7,453 | 344 | 1,188 | 8,985 | 7,677 |
| Allocated support costs | 1,428 | 37 | 1,591 | 3,056 | 2,680 |
| | 8,933 | 381 | 2,779 | 12,093 | 10,406 |

Net Incoming/outgoing resources for the year include:

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Operating leases | 240 | 223 |
| Fees payable to auditor – Statutory audit | 15 | 13 |
| – Other services | 1 | - |
| Profit/(loss) on disposal of fixed assets | - | - |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

9 Charitable Activities

| | 2018 Total £000 | 2017 Total £000 |
|--|-----------------------|-----------------------|
| Direct costs – educational operations | 8,985 | 7,677 |
| Support costs – educational operations | 3,056 | 2,680 |
| | 12,041 | 10,357 |

| | Unrestricted funds £000 | Restricted funds £000 | 2018 Total £000 | 2017 Total £000 |
|----------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Analysis of support costs | | | | |
| Support staff costs | - | 1,365 | 1,365 | 1,262 |
| Depreciation | - | 37 | 37 | 47 |
| Technology costs | - | 119 | 119 | 61 |
| Premises costs | - | 626 | 626 | 597 |
| Other support costs | 456 | 360 | 816 | 651 |
| Governance costs | - | 93 | 93 | 62 |
| | 456 | 2,600 | 3,056 | 2,680 |

10. Staff costs

| | Total 2018 £000 | Total 2017 £000 |
|-------------------------------------|-----------------------|-----------------------|
| Staff costs during the period were: | | |
| Wages and salaries | 6,989 | 6,121 |
| Social security costs | 629 | 566 |
| Other pension costs | 1,226 | 1,074 |
| | 8,844 | 7,761 |
| Supply teacher costs | 17 | 7 |
| Other agency staff | 16 | - |
| Staff restructuring costs | 56 | 8 |
| | 8,933 | 7,776 |

Included in staff restructuring costs is a non-contractual severance payment of £-k (2017: £4k). The cost in the current year relates to contractual pension contributions paid in respect of a premature retirement following a strategic decision in respect of leadership restructuring.

Sussex Learning Trust
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Notes to the Financial statements (continued)

10. Staff costs (continued)

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

| | 2018 | 2017 |
|-------------------------------------|-------------|-------------|
| | No. | No. |
| <i>Charitable Activities</i> | | |
| Teachers | 111 | 108 |
| Administration and support | 98 | 98 |
| Management | 14 | 11 |
| | 223 | 217 |

The number of employees whose emoluments fell within the following bands was:

| | 2018 | 2017 |
|---------------------|-------------|-------------|
| | No. | No. |
| £60,000 - £70,000 | 2 | 1 |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | 2 | 2 |
| £110,001 - £120,000 | - | 1 |
| £120,001 - £130,000 | 1 | 1 |

The 6 of the 7 above employees participated in the Teachers' Pension Scheme with the other employee participating in the LGPS.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £937,000 (2017: £934,000).

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

11. Central Services provided by the Multi Academy Trust

The central services provided by the Multi Academy Trust (MAT) include educational support and challenge for the Head and leadership team, reviews of key educational strategies including standards, Academy development plan support & guidance, line management / performance management of Head teacher, governance support and guidance, whole trust projects, finance (including budget setting, monitoring & reporting and payroll services), HR, ICT strategy, contract procurement, operational consultancy, estates and facilities support.

The Partnership charge is calculated as a percentage of GAG (less FSM funding) with 3% for secondary and 5% for primary for converter academies who are rated as good or outstanding by OFSTED. Specific rates are agreed for sponsored academies as appropriate to their specific circumstances.

The Catering service charge for WPPA is based on the FSM and UIFSM funding received.

| Academy | Partnership charge (£'000) | Catering charge (£'000) |
|---------------------------------|-----------------------------------|--------------------------------|
| Warden Park Secondary Academy | 191 | - |
| Warden Park Primary Academy | 39 | 93 |
| Northlands Wood Primary Academy | 54 | - |

12. Related Party Transactions - Trustees' remuneration and expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO who served as a Trustee until 11/1/18 has only received remuneration in respect of services they provided undertaking the role of CEO under their contract of employment.

J Morris (CEO and trustee): Remuneration (for full year not period as trustee) £120,001 - £130,000 (2017: £110,000 - £120,000) Employer's pension contributions paid £15,000 - £20,000 (2017: £10,000 - £15,000)

During the year ended 31 August 2018, travel and subsistence expenses for trustees totalled £635 were reimbursed or paid directly to 2 trustees (2017: £430 to 2 trustees).

Related party transactions involving the trustees are set out in note 30.

13. Directors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £240 (2017: £240).

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

14. Tangible Fixed Assets

| | Long leasehold land | Long leasehold building | Leasehold improvements | Furniture & equipment | Computer equipment | Motor vehicles | Total |
|------------------------|---------------------------|-------------------------------|---------------------------|-----------------------------|-----------------------|-------------------|---------------|
| Cost | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 September 2017 | 14,942 | 16,315 | 2,509 | 1,554 | 310 | 51 | 35,681 |
| Additions | - | - | 195 | 38 | 41 | - | 274 |
| Disposals | - | - | - | (1) | (7) | - | (8) |
| At 31 August 2018 | 14,942 | 16,315 | 2,704 | 1,591 | 344 | 51 | 35,947 |
| Depreciation | | | | | | | |
| At 1 September 2016 | - | 539 | 456 | 1,340 | 251 | 51 | 2,637 |
| Charge | - | 131 | 125 | 94 | 31 | - | 381 |
| Disposals | - | - | - | (1) | (7) | - | (8) |
| At 31 August 2017 | - | 670 | 581 | 1,433 | 275 | 51 | 3,010 |
| NBV | | | | | | | |
| As at | | | | | | | |
| 31/08/2018 | 14,942 | 15,645 | 2,123 | 158 | 69 | - | 32,937 |
| As at 1/09/2017 | 14,942 | 15,776 | 2,053 | 214 | 59 | - | 33,044 |

15. Stock

| | 2018 | 2017 |
|----------|----------|----------|
| | £000 | £000 |
| Catering | <u>6</u> | <u>6</u> |

Stock recognised in resources expended during the year as an expense was £369k (2017: £343k).

The difference between purchase price and their replacement cost is not material.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

16. Debtors

| | 2018 | 2017 |
|------------------------------|-------------|-------------|
| | £000 | £000 |
| VAT recoverable | 91 | 161 |
| Other debtors | 8 | 38 |
| Prepayments & accrued income | 204 | 139 |
| | <u>303</u> | <u>338</u> |

17. Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|-------------|-------------|
| | £000 | £000 |
| Trade creditors | 12 | - |
| Other taxation and social security | 158 | 152 |
| Other creditors | 308 | 287 |
| Accruals and deferred income | 332 | 226 |
| | <u>810</u> | <u>665</u> |

Included within other creditors is a loan of £29k (2017: £29k) from SALIX which is an interest free loan for energy efficiency improvements, £5k CIF Public works loan and £8k from WSCC for NWPA community room which pre-dates academy conversion.

Deferred income

| | £000 |
|--------------------------------------|--------------|
| Deferred income at 1 September 2017 | (184) |
| Amounts released from previous years | 184 |
| Resources deferred in year | (237) |
| Deferred income at 31 August 2018 | <u>(237)</u> |

Deferred income relates to funding for UIFSM for 2018-19 and Pupil premium received in advance from the ESFA and growth funding received in advance from West Sussex County Council.

18. Creditors: amounts falling due in over one year

| | 2018 | 2017 |
|-----------------|-------------|-------------|
| | £000 | £000 |
| Other creditors | 141 | 184 |
| | <u>141</u> | <u>184</u> |

19. Creditors: amounts falling due in over 5 years

| | 2018 | 2017 |
|-----------------|-------------|-------------|
| | £000 | £000 |
| Other creditors | 39 | 55 |
| | <u>39</u> | <u>55</u> |

The balances above relates to a loan from SALIX which is an interest free loan for energy efficiency improvements.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

20. Funds

| | Balance at 31-Aug-17 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, losses & transfers £000 | Balance at 31-Aug-18 £000 |
|---|---------------------------------|-------------------------------|-------------------------------|---|---------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (12) | 8,931 | (9,668) | 749 | - |
| Start up Grant | - | - | - | - | - |
| Other DfE/ ESFA grants | - | 598 | (598) | - | - |
| Other voluntary income (restricted) | (33) | 479 | (479) | 33 | - |
| Pension reserve | (2,000) | - | (460) | 900 | (1,560) |
| | (2,045) | 10,008 | (11,205) | 1,682 | (1,560) |
| Restricted fixed asset funds | | | | | |
| Fixed assets donated on conversion | 28,789 | - | (381) | - | 28,408 |
| Fixed asset additions | 313 | - | - | 33 | 346 |
| DfE/ESFA capital grants | 3,706 | 240 | - | - | 3,946 |
| Capital expenditure from GAG / unrestricted funds | 268 | - | - | - | 268 |
| | 33,076 | 240 | (381) | 33 | 32,968 |
| Total restricted funds | 31,031 | 10,248 | (11,586) | 1,715 | 31,408 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 780 | 977 | (508) | (815) | 434 |
| Total unrestricted funds | 780 | 977 | (508) | (815) | 434 |
| Total funds | 31,811 | 11,225 | (12,094) | 900 | 31,842 |

Restricted Fixed Asset Funds

Represents the value of fixed asset held by the academy trust, with the exception of funds either of an inherently capital nature, or allocated by the governing body for future capital spend, that remain unspent at the year end.

Transfers

These relate to monies spent from unrestricted funds to purchase capitalised assets in during the year and from unrestricted funds to GAG to support and enhance the quality of the education provided by the trust beyond that facilitated by core GAG funding.

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

20. Funds (continued)

| | Balance at 31-Aug-16 | Incoming Resources | Resources Expended | Gains, losses & transfers | Balance at 31-Aug-17 |
|---|-------------------------|-----------------------|-----------------------|---------------------------------|-------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | (174) | 8,239 | (8,382) | 305 | (12) |
| Start up Grant | - | 25 | (25) | - | - |
| Other DfE/ ESFA grants | - | 550 | (550) | - | - |
| Other voluntary income (restricted) | - | 313 | (346) | - | (33) |
| Pension reserve | (2,613) | - | (470) | 1,083 | (2,000) |
| | (2,787) | 9,127 | (9,773) | 1,388 | (2,045) |
| Restricted fixed asset funds | | | | | |
| Fixed assets donated on conversion | 24,651 | 4,451 | (313) | - | 28,789 |
| Fixed asset additions | 331 | - | (69) | 51 | 313 |
| DfE/ESFA capital grants | 1,946 | 1,760 | - | - | 3,706 |
| Capital expenditure from GAG / unrestricted funds | 268 | - | - | - | 268 |
| | 27,196 | 6,211 | (382) | 51 | 33,076 |
| Total restricted funds | 24,409 | 15,338 | (10,155) | 1,439 | 31,031 |
| Unrestricted funds | | | | | |
| Unrestricted funds | 689 | 847 | (400) | (356) | 780 |
| Total unrestricted funds | 689 | 847 | (400) | (356) | 780 |
| Total funds | 25,098 | 16,185 | (10,555) | 1,083 | 31,811 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

| | Total |
|--|---------------|
| | £000 |
| Warden Park Secondary Academy | 519 |
| Warden Park Primary Academy | 31 |
| Northlands Wood Primary Academy | (22) |
| Central Trust | (94) |
| Total before fixed assets and pension reserve | 434 |
| Restricted fixed asset fund | 32,968 |
| Pension reserve | (1,560) |
| Total | 31,842 |

Northlands Wood Primary Academy has negative reserves as a result of the lagged funding received from the ESFA at a time of rapid increase in pupil numbers resulting from an increase in planned admission numbers and demographic factors, trust support for improvement initiatives and due to the recognition of a loan (on conversion) from the local authority to build a community room. The remaining balance of this loan is £25k.

| | Teaching & Educational support staff costs | Other support staff costs | Educational supplies | Other costs (excluding depreciation) | Total |
|---------------------------------|---|----------------------------------|-----------------------------|---|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Warden Park Secondary Academy | 5,117 | 780 | 177 | 1,481 | 7,555 |
| Warden Park Primary Academy | 1,219 | 119 | 38 | 276 | 1,652 |
| Northlands Wood Primary Academy | 973 | 107 | 40 | 324 | 1,444 |
| Central Trust | 161 | 457 | - | 443 | 1,061 |
| Academy Trust | 7,470 | 1,463 | 255 | 2,524 | 11,712 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

20. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

| | Unrestricted general funds | Restricted general funds | Restricted fixed asset funds | Total funds 2018 |
|--------------------------|---------------------------------------|---|---|-----------------------------|
| | £000 | £000 | £000 | £000 |
| Tangible fixed assets | - | - | 32,937 | 32,937 |
| Current assets | 434 | 951 | 31 | 1,416 |
| Current liabilities | - | (810) | - | (810) |
| Non-current liabilities | - | (141) | - | (141) |
| Pension scheme liability | - | (1,560) | - | (1,560) |
| Total net assets | 434 | (1,560) | 32,968 | 31,842 |

Fund balances at 31 August 2017
are represented by:

| | Unrestricted general funds | Restricted general funds | Restricted fixed asset funds | Total funds 2017 |
|--------------------------|---------------------------------------|---|---|-----------------------------|
| | £000 | £000 | £000 | £000 |
| Tangible fixed assets | - | - | 33,044 | 33,044 |
| Current assets | 780 | 804 | 32 | 1,616 |
| Current liabilities | - | (665) | - | (665) |
| Non-current liabilities | - | (184) | - | (184) |
| Pension scheme liability | - | (2,000) | - | (2,000) |
| Total net assets | 780 | (2,045) | 33,076 | 31,811 |

21 Capital commitments

| | 2018 £000 | 2017 £000 |
|--|----------------------|----------------------|
| Contracted for, but not provided in the financial statements | - | - |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

22 Financial commitments

Operating leases

The charitable company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | 2018 | 2017 |
|-----------------------------|-------------|-------------|
| | £000 | £000 |
| Due not later than one year | 210 | 240 |
| Due between 1 and 5 years | 383 | 602 |
| Due more than 5 years | - | - |
| | <u>593</u> | <u>842</u> |

23 Reconciliation of net income to net cash inflow from operating activities

| | 2018 | 2017 |
|--|---------------------|-------------------|
| | £000 | £000 |
| Net expenditure | (868) | 5,629 |
| Depreciation (note 14) | 381 | 382 |
| Capital grants from the ESFA | (45) | (36) |
| Assets received on conversion | - | (4,451) |
| Donated assets from Local Authority | (195) | (1,712) |
| Defined benefit deficit inherited on conversion | - | 116 |
| Surplus of other liabilities on conversion | - | 33 |
| (Increase)/decrease in debtors | 35 | (30) |
| (Decrease)/increase in creditors | 102 | (27) |
| FRS 102 Pension cost | 406 | 298 |
| FRS 102 Pension interest cost | 54 | 56 |
| Net cash inflow from operating activities | <u>(130)</u> | <u>258</u> |

24 Returns on investments and servicing of finance

| | 2018 | 2017 |
|--|-----------------|-----------------|
| | £000 | £000 |
| Interest received | - | - |
| Net cash inflow from returns on investment and servicing of finance | <u>-</u> | <u>-</u> |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

| | 2018 | 2017 |
|---|-------------|-------------|
| | £000 | £000 |
| 25 Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (80) | (76) |
| Capital grants from DfE/ESFA/ LA | 45 | 36 |
| Net cash outflow from capital expenditure and financial investment | (35) | (40) |

| | At 1 | Cash flows | At 31 |
|--------------------------|--------------|--------------|--------------|
| | September | | August |
| | 2017 | £000 | 2018 |
| | £000 | £000 | £000 |
| Cash in hand and at bank | 1,272 | (165) | 1,107 |
| | 1,272 | (165) | 1,107 |

| | 2018 | 2017 |
|--|-------|-------|
| | £000 | £000 |
| 27 Financial instruments | | |
| Financial assets measured at amortised cost | 1,115 | 1,309 |
| Financial liabilities measured at amortised cost | 415 | 512 |

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise other loans, trade creditors, other creditors and accruals.

28 Contingent Liabilities

Sussex Learning Trust Limited had no contingent liabilities as at 31 August 2018 (2017: nil).

29 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.

Sussex Learning Trust

Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

30 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £149,000 (2017 £147,000) were payable to the schemes at 31 August 2018 and are included in creditors.

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

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS based on April 2016 data has resulted in an increased contribution rate of 23.6% payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £835,000 (2017: £688,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £564,000 (2017:£492,000) of which employer's contributions totalled £447,000 (2017: £390,000) and employees' contributions totalled £117,000 (2017: £102,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 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 | At 31 August 2018 | At 31 August 2017 |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries | 3.1% | 3.1% |
| Rate of increase for pensions | 2.4% | 2.4% |
| Discount rate | 2.8% | 2.5% |
| Commutation of pensions to lump sums | 50% - 75% | 50% - 75% |

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Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | At 31 August 2018 | At 31 August 2017 |
|-----------------------------|----------------------------------|----------------------------------|
| <i>Retiring today</i> | | |
| Males | 23.6 | 23.6 |
| Females | 25.0 | 25.0 |
| <i>Retiring in 20 years</i> | | |
| Males | 26.0 | 26.0 |
| Females | 27.8 | 27.8 |

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Fair value at 31 August 2018 £000 | Fair value at 31 August 2017 £000 |
|-------------------------------------|--|--|
| Equities | 3,469 | 2,875 |
| Bonds | 2,249 | 2,045 |
| Property | 514 | 442 |
| Cash | 193 | 166 |
| Total market value of assets | 6,425 | 5,528 |

The actual return on the scheme assets was £145,000 (2017: £87,000).

The expected rates of return are set equal to the discount rate.

Total expenditure recognised in the Statement of Financial Activities

| | 2018 £000 | 2017 £000 |
|--|----------------------|----------------------|
| Current service cost (net of employee contributions) | 853 | 688 |
| Past service cost | - | - |
| Total operating charge | 853 | 688 |

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2018

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | 2018 | 2017 |
|------------------------------|--------------|--------------|
| | £000 | £000 |
| At 1 September | 7,528 | 6,639 |
| Transfer on conversion | - | 437 |
| Current service cost | 853 | 688 |
| Interest cost | 199 | 143 |
| Employee contributions | 117 | 102 |
| Actuarial (gains) / losses | (657) | (424) |
| Benefits paid | (55) | (57) |
| Curtailments and settlements | - | - |
| At 31 August | 7,985 | 7,528 |

| | 2018 | 2017 |
|--|--------------|--------------|
| | £000 | £000 |
| Opening fair value of fair value of employer assets | 5,528 | 4,026 |
| Transfer on conversion | - | 321 |
| Interest income | 145 | 87 |
| Return on plan assets | 243 | 659 |
| Actuarial gains / (losses) | - | - |
| Employer contributions | 447 | 390 |
| Employee contributions | 117 | 102 |
| Benefits paid | (55) | (57) |
| At 31 August | 6,425 | 5,528 |

31 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. There are no related party transactions in the year (2017: nil).