

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST 2017**

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

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1
<b>Trustees' Report</b>	2 - 7
<b>Governance Statement</b>	8 - 10
<b>Statement on Regularity, Propriety and Compliance</b>	11
<b>Statement of Trustees' Responsibilities</b>	12
<b>Independent Auditors' Report on the Financial Statements</b>	13 - 14
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	15 - 16
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	17
<b>Balance Sheet</b>	18
<b>Statement of Cash Flows</b>	19
<b>Notes to the Financial Statements</b>	20 - 37

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

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

<b>Members</b>	Paul Morrall (appointed 3 August 2016) Andrew Nicholas (appointed 3 August 2016) Tom Sheldon (appointed 3 August 2016)
<b>Trustees</b>	John West, Chair of Trustees (appointed 3 August 2016) Sarah Turner, Chief Executive (appointed 10 November 2016) Androulla Nicou (appointed 1 September 2016) Ann Ball, Vice Chair of Trustees (appointed 3 August 2016) Margaret McAlpine (appointed 1 September 2016) Matthew Newstead (appointed 3 August 2016) Anthony Wilde (appointed 1 September 2016) Karen Mautner (appointed 1 December 2016) Alex Monk (appointed 2 May 2017)
<b>Company registered number</b>	10309116
<b>Company name</b>	Enfield Learning Trust
<b>Principal and registered office</b>	Hazelbury Road Edmonton London N9 9TT
<b>Accounting Officer</b>	S Turner
<b>Executive Leadership Team</b>	S Turner, Accounting Officer A Nicou, Deputy CEO E Tierney, COO
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank plc PO Box 1000 BX1 1LT

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

**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

The Trustees present their first Annual Report together with the financial statements and Auditor's Report of the Enfield Learning Trust for the year ended 31 August 2017.

The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust currently operates 3 large Primary Academies serving the London Borough of Enfield and surrounding areas. The schools have a combined roll of 2,780 in the 2017 census and a staff of 409 (including nursery).

### **Introduction**

Enfield Learning Trust (the Trust or the Charitable Company) is a family of primary schools based in the vibrant and diverse communities of Enfield, North London. Our motto is 'be included' and through this we strive to meet the needs of every pupil in our Schools. Our pupils are at the centre of everything we do and we aim to develop a love of learning through our innovative curriculum, which builds confidence and independence. The newly formed Trust has enhanced the strong partnership and collaborative working practices that already existed across our Schools. The Schools in the Trust are autonomous around a common shared understanding and ways of working, which are agreed collectively. We offer high quality support and training to ensure career progression and professional development of all staff. We are growing strong and effective staff teams who work in exciting, well-organised and vibrant learning environments. We are looking forward to welcoming new schools into the Enfield Learning Trust in 2017, which will enhance and strengthen the partnership.

### **Structure, Governance and Management**

The Trust is a company (number 10309116) limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Schools:

- Bowes Primary School converted on 1st September 2016.
- Chesterfield Primary School converted on 1st September 2016.
- Hazelbury Primary School converted on 1st September 2016.

The operation of the schools and employment of staff are the responsibility of the Trustees. The Trust retains control of school budgets and finances, and monitors these through its Board of Trustees.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee or Director refers to a member of the Board of Trustees and the term Governor to a member of a Local Governing Board (LGB).

### **Members' Liability**

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

### **Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any one claim and details of the costs are disclosed in Note 12 to the accounts.

### **Method of Recruitment and Appointment or Election of Trustees**

Trustees are appointed for a fixed term, normally 4 years. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are appointed by the Founder Members or by the Board of Trustees. The Articles of Association make provision for 10 Trustees plus the CEO.

The Trust's three Founder Members (Tom Sheldon, Andrew Nicholas and Paul Morrall) appointed seven Trustees in September 2016 based on a skills audit and experience of the education sector generally or of the individual schools through membership of the former School Governing Bodies. Trustees can also appoint Trustees and an additional Trustee was appointed in May 2017 to fill a gap in the skills audit. The Trustees are currently seeking to appoint two further Trustees, one with a financial background and one with a legal background. Appointment to the Board of Trustees is based on a CV, interview and a skills audit to ensure that the Board has a full range of professional backgrounds.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, meets on at least three occasions per year with lead Trustees for specific areas of responsibility meeting senior leaders between meetings and reporting back to the full Board. Its sub committees (Finance and HR and Standards and Performance) met at least three times during the year The Board of Trustees is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget. Monitoring the Trust by the use of those budgets and making major decisions about its direction, capital expenditure and senior appointments. The Governors within their LGB's are responsible for monitoring standards and performance and ensuring that each School works towards achieving 'outstanding' status.

The Enfield Learning Trust CEO is the Accounting Officer.

The Executive Leadership Team provide strategic leadership across the Trust and together with Headteachers and local Senior Leadership Teams ensure that each School is compliant with the strategic aims of the Trust.

The Headteachers are the operational lead for each School and control the schools at an executive level implementing policies and reporting to their LGB.

The Headteachers along with their Senior Leadership Team (SLT) are responsible for the day to day operation of their School, in particular organising staff, resources and pupils. The Headteachers are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. The Trust has adopted the pay and conditions for teaching and support staff from the Local Authority.

Pay and remuneration of key management personnel are decided by a variety of contributory factors, such as the school group size, International Schools Review, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Enfield Learning Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the Board of Trustees.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Enfield Learning Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

**Objectives and Activities**

**Objects and Aims**

The principal object and aim of the Charitable Company is the operation of a number of Academy Schools to provide free education and care for pupils of different abilities within its local community between the ages of 2 and 16.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Objectives, Strategies and Activities**

During the year the Trust has worked towards these aims by:

- The establishment of the Enfield Learning Trust in September 2016 together with all the necessary support services.
- Developing outstanding governance and leadership.
- Achieving financial stability and maximising the best use of resources.
- Ensuring that each School retains its existing 'Good' or 'Outstanding' Ofsted assessment and that all Schools are working to achieve 'Outstanding'.

Our success in fulfilling our aims can be measured by:

- Achievement at Early Years Foundation Stage (EYFS), Key Stage 1 (KS1) and Key Stage 2 (KS2) compared to schools with a similar profile and intake.
- The retention and recruitment of high quality teachers.
- The management of pupil numbers to ensure that School budgets are in a good financial position and our popular Schools continue to be over subscribed

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Strategic Report**

**Achievements and Performance**

The Enfield Learning Trust has started its mission to ensure that students achieve their potential in public examinations; to encourage a wide range of extra-curricular activities; to develop and to retain suitable staff and guide pupils in suitable progression when they leave their School.

Specific achievements were as follows:

- Teaching assessed to be of high quality by external validation.
- Other schools have been expressing a desire to join the Trust.
- All Schools were judged as good or outstanding following external moderation.
- All Schools met government floor standard in attainment at KS2 or were closer than the previous year.
- All Schools met the Governments floor standard for progress at KS2.
- New curriculum introduced at all Schools which creates cross curricular opportunities and promotes pupil voice and British Values.
- Renewed focus on early years as the Trust recognises the importance of early intervention.
- Provision for SEND pupils was strengthened through an additional Additional Resource provision for Social Emotional and Mental Health.
- All schools within the Trust continued to offer a wide range of extra-curricular activities.

**Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Enfield Learning Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers were 2,515 against a forecast of 2,613 (excluding Nursey).

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/17 this was between 75.37%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board.

The Finance and HR Committee also monitor premises costs against General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board of Trustees.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Enfield Learning Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted 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.

**Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £16,411,287 of GAG and other ESFA funding (excluding capital). Total income for the year was £83,715,062, of which £65,905,335 was received on conversion. A high percentage of this non conversion income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £18,141,031 on general running expenses. The carry forward for 16/17 is £109,549 restricted funding and £1,923,972 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £4,220,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

During 16/17 £65,741 was paid in contributions which decreased the deficit significantly.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the regular reports from the Chief Financial Officer and Finance Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,923,972. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trustees have made a decision to hold unrestricted funds of £893,838 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £56,045 for in year contingencies and always plans to have a carry forward of between 4% and 5% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £2,033,521.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,303,988. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee financial reports and attempt to hold a minimum of £56,000 to cover short term cash flow variances.

**Investment Policy**

An Investment Policy was approved by the Board of Trustees on 1st December 2016.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

**Principal Risks and Uncertainties**

The Board of Trustees works with the LGB's in maintaining a central risk register identifying the major risks, to which each School is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees and the Finance and HR Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Committee meeting.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

The principal risks facing the Trust are outlined below; those facing the Schools at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as staff sickness and maternity leave.

The Trustees assess the other principal risks and uncertainties facing the Enfield Learning Trust as follows:

- each School within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to manage effectively the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Schools is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trustees have appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan; and
- data protection/cyber security risks are increasing

The Enfield Learning Trust and each School have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. Updates will be carried out in 17/18

#### **Plans for Future Periods**

The Board of Trustees have agreed five key strategic business objectives for the Trust that will steer our growth and development over the next three years:

- excellence in leadership;
- talent building; building staff capacity to enable sustainable growth;
- ensuring a financially viable and sustainable MAT during a period of growth;
- increasing the quality of standards and achievement; and
- developing social responsibility

It is essential that our strategic planning is realised through effective operational delivery. There are a collection of strategies and associated delivery plans which, guide the work of the Trust and that of our Schools. Our approach to managing change is founded on a systematic approach, where each area of work has its own plan. As the Trust develops and with the changing educational landscape, as a provider, it is critical that we remain flexible and are able to quickly adapt and change to deliver the most effective services for our children and young people.

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

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**Employee involvement**

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, memoranda and staff meetings. Central conferences and workshops are provided to Trustees, Headteachers and School Leaders.

At each of the Schools, information is channelled via the SLT meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and student progress and attainment statistics when they are made available.

**Equal Opportunities Policy**

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

**Disabled Persons**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

**Funds Held as Custodian Trustee on Behalf of Others**

No funds were held as Custodian Trustee on behalf of others.

**Auditor**

Insofar 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.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 12th December 2017 and signed on the Board's behalf by:

**John West**  
**Chair of Trustees**

**ENFIELD LEARNING TRUST**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Enfield 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 Enfield Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John West, Chair of Trustees	5	5
Sarah Turner, Chief Executive	5	5
Androulla Nicou	4	5
Ann Ball, Vice Chair of Trustees	4	5
Margaret McAlpine	5	5
Matthew Newstead	4	5
Anthony Wilde	5	5
Karen Mautner	4	4
Alex Monk	3	3

Enfield Learning Trust (ELT) was established on 1st September 2016 by our three Founder Members. The Members appointed seven Trustees, with three vacant posts being retained pending the possible future expansion of the Trust. The Scheme of Delegation & Terms of Reference involved regular Trustee Board meetings and two Trustee Sub-Committees, one for Finance and HR and another for Standards and Performance, 4 Trustees were appointed to each sub-committee.

The main challenges that have arisen have been to ensure that the Trust has all the necessary policies, procedures and safeguards in place following its establishment in September 2016.

A further challenge was ensuring that all Trustees had a full understanding of all aspects of the work of the Trust, particularly during its establishment and first year. Therefore Sub-Committees will be discontinued in 2017-2018 and the decision was taken that the Trustees would meet more regularly, at least twice each term to consider all aspects of the Trust's work .

The Board appointed an additional two Trustees during 2017 to bring additional skills to the Board.

The Finance and HR Committee is a sub-committee of the main Board of Trustees.

The purpose and remit of the Finance and HR Committee is approving the overall budget for the Trust and its devolution to each School.

- Detailed consideration of the annual budget including - consideration of:
  - the extent to which funds are retained for central services not directly related to individual Schools;
  - the allocation of central funds for the purposes of each School, which will be based mainly but not solely on pupil numbers; and
  - the allocation of an envelope of funds to each individual school to be applied at the discretion of the Headteacher.
- Approving all financial and procurement policies.
- Review pupil premium plan.
- Monitor implementation of pupil behaviour policies.
- Monitor implementation of Health and Safety Policy.

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

**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Ann Ball	3	3
Margaret McAlpine	3	3
Matthew Newstead	3	3
Androulla Nicou	3	3

The only change to the committee has been in July 2017, to incorporate the Sub-Committees remit within the terms of reference of the full Board of Trustees. This was in response to the challenge highlighted in the self-evaluation, to ensure that all Trustees are fully aware of the Trust business.

The Board of Trustees will be establishing a separate Audit Committee for 18/19. To date, the function of an Audit Committee has been carried out by the Finance and HR Committee.

**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer regards achieving value for money as an essential part of his work as it ensures that the Trust can provide the best resources and opportunities for the children and the communities that it serves. This has been achieved by:

- Transferring banks on 1st September 2016 enabling the Trust to make all payments for goods and services by BACS transfer. This replaced the previous system used in the 3 Schools of printing out cheques. This has proved to be an efficient and secure way of making payments. The finance team process a weekly BACS run for each School. Efficiencies are achieved by no longer purchasing and printing cheques and no postage costs. Furthermore the BACS process is free of charges. Transactions on the bank statements are consolidated and therefore the bank reconciliation process has been streamlined .
- Prior to academisation each school was purchasing a range of service level agreements from the local authority. From 1st September, the Trust was able to negotiate agreements that served the whole Trust, and therefore make considerable savings. Examples of the services where savings have been made are; the School Improvement Service and Continuous Professional Development programmes, Education Welfare Service, and Health & Safety services.
- The Trust has centralised it's finance function bringing finance staff based in the Schools to a central office in one location. A new finance and online purchasing system was procured. The contracts for the previous 3 finance systems and related accounting support from a local company were all terminated.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Enfield Learning Trust for the period 3 August 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the period 3 August 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and HR Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The Trust have appointed a Trustee with specific responsibilities for Finance. He has visited the Finance Team and carried out a programme of internal checks incorporating how the Trust was set up and the financial procedures in place including a review of the Trust's finance system.

An internal audit carried out by Price Bailey undertook a review of ESFA Governance and Financial Management "musts" to ascertain whether they are being complied with.

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

- governance and financial oversight;
- financial planning, monitoring and reporting;
- internal control and internal scrutiny; and
- proper and regular use of funds.

The internal review of ESFA "musts" concluded that the Trust was compliant in all areas with 1 Advisory and 3 low risk areas of risk. All of these have been addressed.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

- the work of the Internal Auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 12 December 2017 and signed on their behalf, by:

**John West**  
**Chair of Trustees**

**Sarah Turner**  
**Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Enfield Learning Trust I have considered my responsibility to notify the 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

**Sarah Turner**  
**Accounting Officer**

Date: 12th December 2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the Board of Trustees on 12 December 2017 and signed on its behalf by:

**John West**  
**Chair of Trustees**

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

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

**OPINION**

We have audited the financial statements of Enfield Learning Trust (the 'Trust') for the period ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the Trust'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 Trust'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 Trust and Trust's Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

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

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust 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 Trust'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 information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors Report) for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors Report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants and Statutory Auditors  
Causeway House, 1 Dane Street  
Bishop's Stortford, Hertfordshire, CM23 3BT  
20 December 2017

## **ENFIELD LEARNING TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENFIELD LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Enfield Learning Trust during the period 3 August 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF ENFIELD LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Enfield Learning Trust's funding agreement with the Secretary of State for Education dated 31 August 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 3 August 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENFIELD  
LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 3 August 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants  
Date: 20th December 2017

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
<b>INCOME FROM:</b>					
Donations & capital grants:					
Transferred on conversion	2	770,100	(5,324,000)	70,459,235	65,905,335
Other donations and capital grants	2	12,193	63,490	69,373	145,056
Charitable activities	3	195,327	16,133,907	-	16,329,234
Other trading activities	4	1,334,373	-	-	1,334,373
Investments	5	1,064	-	-	1,064
<b>TOTAL INCOME</b>		<u>2,313,057</u>	<u>10,873,397</u>	<u>70,528,608</u>	<u>83,715,062</u>
<b>EXPENDITURE ON:</b>					
Charitable activities		389,085	16,727,917	1,024,029	18,141,031
<b>TOTAL EXPENDITURE</b>	6	<u>389,085</u>	<u>16,727,917</u>	<u>1,024,029</u>	<u>18,141,031</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<u>1,923,972</u>	<u>(5,854,520)</u>	<u>69,504,579</u>	<u>65,574,031</u>
Transfers between funds	16	-	(173,931)	173,931	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<u>1,923,972</u>	<u>(6,028,451)</u>	<u>69,678,510</u>	<u>65,574,031</u>
Actuarial gains on defined benefit pension schemes	21	-	1,918,000	-	1,918,000
<b>NET MOVEMENT IN FUNDS</b>		<u>1,923,972</u>	<u>(4,110,451)</u>	<u>69,678,510</u>	<u>67,492,031</u>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	-	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,923,972</u></u>	<u><u>(4,110,451)</u></u>	<u><u>69,678,510</u></u>	<u><u>67,492,031</u></u>

All of the Trust's activities derive from acquisitions in the current financial period.

**ENFIELD LEARNING TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10309116**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	13		69,678,510
<b>CURRENT ASSETS</b>			
Debtors	14	975,050	
Cash at bank and in hand	20	2,303,988	
		3,279,038	
<b>CREDITORS:</b> amounts falling due within one year	15	(1,245,517)	
		2,033,521	
<b>NET CURRENT ASSETS</b>			2,033,521
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			71,712,031
Defined benefit pension scheme liability	21		(4,220,000)
			67,492,031
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			67,492,031
<b>FUNDS OF THE ACADEMY</b>			
Restricted income funds:			
Restricted income funds	16	109,549	
Restricted fixed asset funds	16	69,678,510	
		69,788,059	
Restricted income funds excluding pension liability		69,788,059	
Pension reserve		(4,220,000)	
		65,568,059	
Total restricted income funds			65,568,059
Unrestricted income funds	16		1,923,972
			67,492,031
<b>TOTAL FUNDS</b>			67,492,031

The financial statements on pages 17 to 37 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

**John West**  
**Chair of Trustees**

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

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	2017 £
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	18	2,476,855
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments		1,064
Purchase of tangible fixed assets		(173,931)
<b>Net cash used in investing activities</b>		(172,867)
<b>Change in cash and cash equivalents in the period</b>		2,303,988
Cash and cash equivalents brought forward		-
<b>Cash and cash equivalents carried forward</b>		2,303,988

All of the cash flows are derived from acquisitions in the current financial period.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Trust's functional and presentational currency is Pounds Sterling.

**1.2 Company status**

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The address of its Registered Office is Hazelbury Road, Edmonton, London, N9 9TT.

**1.3 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

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

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

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £250 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

L/Term Leasehold Land	-	125 years straight line
L/Term Leasehold Buildings	-	50 years straight line
Motor vehicles	-	4-7 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	4 years straight line

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

**1.7 Operating leases**

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

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Financial instruments**

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

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

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

**1.12 Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.14 Conversion to an academy trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion of Hazelbury Primary School, Bowes Primary School and Chesterfield Primary School to academy schools have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

**1.15 Fund accounting**

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

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

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

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

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

Critical accounting estimates and assumptions:

The Trustees make 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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transferred on conversion	770,100	(5,324,000)	70,459,235	65,905,335
Donations	12,193	63,490	-	75,683
Capital grants	-	-	69,373	69,373
Subtotal	12,193	63,490	69,373	145,056
	<u>782,293</u>	<u>(5,260,510)</u>	<u>70,528,608</u>	<u>66,050,391</u>

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	11,477,683	11,477,683
Other DfE / ESFA grants	-	1,941,224	1,941,224
	<u>-</u>	<u>13,418,907</u>	<u>13,418,907</u>
<b>Other government grants</b>			
Local Authority grants	-	2,715,000	2,715,000
	<u>-</u>	<u>2,715,000</u>	<u>2,715,000</u>
<b>Other funding</b>			
Catering Income	195,327	-	195,327
	<u>195,327</u>	<u>-</u>	<u>195,327</u>
	<u>195,327</u>	<u>16,133,907</u>	<u>16,329,234</u>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Total funds 2017 £
Lettings income	23,777	23,777
Other activities	1,310,596	1,310,596
	<u>1,334,373</u>	<u>1,334,373</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Total funds 2017 £
Investment income	1,064	1,064
	<u>1,064</u>	<u>1,064</u>

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Direct costs	11,233,366	-	1,143,003	12,376,369
Support costs	2,137,663	1,702,048	1,924,951	5,764,662
	<u>13,371,029</u>	<u>1,702,048</u>	<u>3,067,954</u>	<u>18,141,031</u>

**7. CHARITABLE ACTIVITIES**

	2017 £
Direct costs	12,376,369
Support costs	5,764,662
	<u>18,141,031</u>

Analysis of support costs

	2017 £
Support staff costs and educational support	2,137,663
Depreciation	954,656
Technology costs	178,218
Premises costs	673,978
Other Support costs	1,814,614
Governance costs	5,533
	<u>5,764,662</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets:	
- owned by the Trust	954,656
Auditors' remuneration - audit	7,000
Auditors' remuneration - other services	7,150
Operating lease rentals	31,831
	31,831

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £
Wages and salaries	10,133,107
Social security costs	956,112
Operating costs of defined benefit pension schemes	2,267,005
	13,356,224
Apprenticeship levy	14,805
	13,371,029

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

	2017 No.
Management	3
Teaching	151
Admin and educational support	19
Educational Support	249
	422

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

	2017 No.
In the band £ 60,001 - £ 70,000	6
In the band £ 70,001 - £ 80,000	3
In the band £100,000 - £110,000	1
In the band £150,001 - £160,000	1

The key management personnel of the 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 Trust was £581,535.

Included in the above are employer pension contributions of £110,274 and employer national insurance contributions of £69,031.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**10. CENTRAL SERVICES**

The Trust has provided the following central services to its Schools during the year:

- Strategic Management, including School Improvement Support.
- Human Resources.
- Finance.
- Asset Management.
- IT and Communications.

To fund these costs, the Trust will retain The Education Services Grant (ESG) for each School and 2.5% of each academy's GAG funding, excluding Pupil Premium Funding and Local Authority Grants. Other income generated by individual Schools will not be top-sliced.

The actual amounts charged during the year were as follows:

	2017
	£
Hazelbury Primary School	120,254
Bowes Primary School	72,504
Chesterfield Primary School	87,826
	<hr/>
Total	280,584
	<hr/> <hr/>

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

		2017
		£
Androulla Nicou	Remuneration	105,000-110,000
	Pension contributions paid	15,000-20,000
Sarah Turner	Remuneration	155,000-160,000
	Pension contributions paid	25,000-30,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2017 was included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**13. TANGIBLE FIXED ASSETS**

	L/Term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 3 August 2016	-	-	-	-	-
Additions	87,705	-	65,831	20,395	173,931
Assets on conversion	69,824,834	15,429	263,840	355,132	70,459,235
	<u>69,912,539</u>	<u>15,429</u>	<u>329,671</u>	<u>375,527</u>	<u>70,633,166</u>
<b>Depreciation</b>					
At 3 August 2016	-	-	-	-	-
Charge for the period	677,161	2,204	97,974	177,317	954,656
	<u>677,161</u>	<u>2,204</u>	<u>97,974</u>	<u>177,317</u>	<u>954,656</u>
<b>Net book value</b>					
At 31 August 2017	<u>69,235,378</u>	<u>13,225</u>	<u>231,697</u>	<u>198,210</u>	<u>69,678,510</u>

**14. DEBTORS**

	2017 £
Trade debtors	158,227
VAT recoverable	315,512
Other debtors	487
Prepayments and accrued income	500,824
	<u>975,050</u>

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

	2017 £
Trade creditors	387,470
Other taxation and social security	238,924
Other creditors	182,574
Accruals and deferred income	436,549
	<u>1,245,517</u>

	£
<b>Deferred income</b>	
Resources deferred during the year	396,061

Deferred income related to Pupil Premium funding and Universal Infant Free School Meals.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS**

	Balance at 3 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	-	2,313,057	(389,085)	-	-	1,923,972
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	11,477,683	(11,194,203)	(173,931)	-	109,549
Other DfE/ESFA grants	-	512,737	(512,737)	-	-	-
Other Government grants	-	2,700,039	(2,700,039)	-	-	-
Pupil premium funding	-	1,435,867	(1,435,867)	-	-	-
SEN	-	7,581	(7,581)	-	-	-
Restricted trip donations	-	63,490	(63,490)	-	-	-
Pension reserve	-	(5,324,000)	(814,000)	-	1,918,000	(4,220,000)
	-	10,873,397	(16,727,917)	(173,931)	1,918,000	(4,110,451)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	-	70,459,235	(954,656)	173,931	-	69,678,510
Devolved Formula Capital	-	69,373	(69,373)	-	-	-
	-	70,528,608	(1,024,029)	173,931	-	69,678,510
Total restricted funds	-	81,402,005	(17,751,946)	-	1,918,000	65,568,059
Total of funds	-	83,715,062	(18,141,031)	-	1,918,000	67,492,031

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

**Other DfE and ESFA funding**

This represents funding received from the DfE/ESFA which is restricted in nature.

**Other government grants**

This represents funding received from other Government bodies, local and national, which are restricted in nature.

**Pupil premium**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Special educational needs (SEN)**

This represents allocated funding for special educational needs pupils.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

**Restricted trip donations**

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

**Pension reserve**

This reserve represents the Trust's share of the deficit on the Local Governemn Pension Scheme (LGPS).

**Restricted fixed asset fund**

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through GAG funding.

**Devolved formula capital (DFC)**

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's building and facilities.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Hazelbury Primary School	261,869
Bowes Primary School	497,707
Chesterfield Primary School	229,015
Trust Central Services	1,044,930
	2,033,521
Total before fixed asset fund and pension reserve	2,033,521
Restricted fixed asset fund	69,678,510
Pension reserve	(4,220,000)
	67,492,031

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £
Hazelbury Primary School	4,255,110	673,853	177,413	801,509	5,907,885
Bowes Primary School	2,751,081	1,257,204	384,437	721,223	5,113,945
Chesterfield Primary School	3,538,456	538,807	121,333	599,914	4,798,510
Trust - Central Services	283,860	930,822	24,176	127,177	1,366,035
	10,828,507	3,400,686	707,359	2,249,823	17,186,375

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	69,678,510	69,678,510
Current assets	1,923,972	1,355,066	-	3,279,038
Creditors due within one year	-	(1,245,517)	-	(1,245,517)
Provisions for liabilities and charges	-	(4,220,000)	-	(4,220,000)
	<u>1,923,972</u>	<u>(4,110,451)</u>	<u>69,678,510</u>	<u>67,492,031</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £
Net income for the year (as per Statement of Financial Activities)	65,574,031
<b>Adjustment for:</b>	
Depreciation charges	954,656
Interest received	(1,064)
Increase in debtors	(973,879)
Increase in creditors	1,244,346
Fixed assets inherited from Local Authority on conversion	(70,459,235)
Pension liability movements	814,000
Defined benefit pension scheme obligation inherited	5,324,000
<b>Net cash provided by operating activities</b>	<u>2,476,855</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £
Cash in hand	2,303,988
Total	<u>2,303,988</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**20. CONVERSION TO AN ACADEMY TRUST**

**Hazelbury Primary School**

On 1 September 2016 Hazelbury Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Enfield Learning Trust from the London Borough of Enfield for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	36,922,206	36,922,206
- Other tangible fixed assets	-	-	279,850	279,850
Other assets	101,017	-	-	101,017
Net assets/(liabilities)	<u>101,017</u>	<u>-</u>	<u>37,202,056</u>	<u>37,303,073</u>

**Bowes Primary School**

On 1 September 2016 Bowes Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Enfield Learning Trust from the London Borough of Enfield for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	12,633,269	12,633,269
- Other tangible fixed assets	-	-	135,684	135,684
Other assets	423,020	-	-	423,020
Total	<u>423,020</u>	<u>-</u>	<u>12,768,953</u>	<u>13,191,973</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**Chesterfield Primary School**

On 1 September 2016 Chesterfield Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Enfield Learning Trust from the London Borough of Enfield for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	-
- Freehold/leasehold land and buildings	-	-	20,269,359	20,269,359
- Other tangible fixed assets	-	-	218,867	218,867
Other assets	246,063	-	-	246,063
	<hr/>	<hr/>	<hr/>	<hr/>
Total	246,063	-	20,488,226	20,734,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In addition, the Trust inherited a pension deficit upon conversion of £5,324,000. This deficit is not allocated against the Schools.

**21. PENSION COMMITMENTS**

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

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

Contributions amounting to £179,602 were payable to the schemes at 31 August 2017 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**21. PENSION COMMITMENTS (continued)**

The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,260,493.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £223,000. of which employer's contributions totalled £199,000. and employees' contributions totalled £24,000. The agreed contribution rates for future years are 19.5% for employers and 5.5-12.5% 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:

	2017
Discount rate for scheme liabilities	2.50 %
Rate of increase in salaries	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %
Rate of increase for pension accounts revaluation rate	2.00 %
Inflation assumption (CPI)	2.00 %
Inflation assumption (RPI)	3.10 %

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

	2017
Retiring today	
Males	24.4
Females	27
Retiring in 20 years	
Males	26.5
Females	29.3

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**21. PENSION COMMITMENTS (continued)**

	At 31 August 2017 £
<b>Sensitivity analysis</b>	
Discount rate +0.1%	10,113,000
Discount rate -0.1%	10,633,000
Mortality assumption - 1 year increase	10,067,000
Mortality assumption - 1 year decrease	10,674,000
CPI rate +0.1%	10,528,000
CPI rate -0.1%	10,214,000

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

	Fair value at 31 August 2017 £
Equities	3,087,300
Gilts	934,800
Other bonds	448,950
Property	424,350
Cash and other liquid assets	276,750
Other managed funds	977,850
<b>Total market value of assets</b>	<b>6,150,000</b>

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

	2017 £
Current service cost	(1,465,000)
Interest income	101,000
Interest cost	(200,000)
<b>Total</b>	<b>(1,564,000)</b>
 Actual return on scheme assets	 606,000

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

	2017 £
Upon conversion	9,943,000
Current service cost	1,465,000
Interest cost	200,000
Employee contributions	199,000
Actuarial gains	(1,413,000)
Benefits paid	(24,000)
<b>Closing defined benefit obligation</b>	<b>10,370,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2017**

**21. PENSION COMMITMENTS (continued)**

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

	2017 £
Upon conversion	4,619,000
Interest income	101,000
Actuarial losses	505,000
Employer contributions	750,000
Employee contributions	199,000
Benefits paid	(24,000)
	<hr/>
Closing fair value of scheme assets	6,150,000
	<hr/> <hr/>

**22. OPERATING LEASE COMMITMENTS**

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

	2017 £
<b>Amounts payable:</b>	
Within 1 year	31,831
Between 1 and 5 years	41,336
	<hr/>
Total	73,167
	<hr/> <hr/>

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.