

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Morrall Andrew Nicholas Tom Sheldon
Trustees	John West, Chair of Trustees Sarah Turner, Chief Executive Margaret McAlpine Anthony Wilde Karen Mautner Alex Monk Stephen Way, Vice Chair of Trustees Julie Rayson (appointed 16 October 2018) Androulla Nicou (resigned 16 October 2018)
Company registered number	10309116
Company name	Enfield Learning Trust
Principal and registered office	Hazelbury Road Edmonton London N9 9TT
Accounting Officer	Sarah Turner
Executive Leadership Team	Sarah Turner, Accounting Officer/CEO Androulla Nicou, CFO Estelle Tierney, COO Paul Barraclough, CSO
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank plc PO Box 1000 BX1 1LT

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

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Enfield Learning Trust (the Trust or the Charitable Company) for the year ended 31 August 2019.

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

During 2018/19 the Trust operated six Primary Academies and one All Through Special Academy. The Schools had a combined pupil roll of 3,922 (including nursery) in the 2018 census and a total of 557 staff.

Introduction

The Trust is a family of Schools based in vibrant and diverse communities. 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. All our Schools share a common 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 welcomed one new School, which had previously been operating as part of one of our existing Schools, into the Trust at the beginning of the year, which enhanced and strengthened 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
- Grange Park Primary School converted on 1st November 2017
- Fern House School sponsored on 1st November 2017
- Carterhatch Junior School converted on 1st January 2018
- Delta Primary School opened 1st September 2018

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, Governors 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.

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TRUSTEES' REPORT (CONTINUED)
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Method of Recruitment and Appointment or Election of Trustees

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

There was one Trustee resignation and one Trustee appointment throughout 2018/19. Following a governance review the Trust has identified two additional vacancies to meet the skills required to enhance the Board. The remaining vacancy will be filled in 2019/20.

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, met on three occasions during the year with lead Trustees for specific areas of responsibility meeting senior leaders between meetings and reporting back to the full Board. As from September 2018, there have been three additional Trustee committees for Education, Audit and Risk and Pay.

The Trustees are responsible for setting strategic policy and monitoring the Trust budget. Through monitoring the budget, they make major decisions about the direction of the Trust, capital expenditure and senior appointments. The Governors monitor standards, performance and pupil outcomes, ensuring each School retains or improves their Ofsted judgement and is working to achieve best possible outcomes for all pupils.

The Enfield Learning Trust CEO is the Accounting Officer.

The Executive Leadership Team comprises four Chief Officers who work together to provide strategic leadership across the Trust. They work with Headteachers to ensure each School is compliant with the strategic aims of the Trust.

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 national pay and conditions for teaching and local agreements for support staff.

Pay and remuneration of senior leaders are decided by a variety of contributory factors, such as the school group size, performance management 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.

The remuneration for the Chief Executive Officer is considered and approved by Pay Committee which is a panel of the Board of Trustees.

Related Parties and other Connected Charities and Organisations

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, 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. All Trustees, Local Governors and staff complete a register of business interest to declare their interests annually.

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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.

Objectives, Strategies and Activities

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

- Ensuring that during this period of growth all Schools have maintained the highest quality of provision for all pupils.
- Continuing to develop outstanding governance and leadership.
- Continuing to achieved financial stability and maximising the best use of staff and resources.
- Ensuring that each School retains or improves their existing Ofsted judgement and that they are working to achieve best possible outcomes for all pupils.
- Continuing to ensure that our sponsored Academy improves rapidly and is judged as good within three years.

Our success in fulfilling our aims can be measured by:

- Achievement in the Early Years Foundation Stage (EYFS), Key Stage 1 (KS1) and Key Stage 2 (KS2)
- The retention and recruitment of high quality staff.
- External School Improvement Reports.
- The provision of high quality training (CPD) for all staff, Trustees and Local Governors.
- Monitoring pupil numbers to ensure that school budgets are healthy and resources are used effectively.
- Effective succession planning in key roles.

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

Overall, our Schools secured very positive results at the end of each key stage this year. At both expected and greater depth, several saw results move strongly towards national figures with many moving much higher. Those that had already high results maintained them, retaining their very favourable comparison with national. Particularly impressive were the KS2 progress scores with many Schools making significant improvements from 2018 and are now well above average.

Delta Primary School

Despite low starting points, pupils in the early years achieved well and are now in line with pupils nationally. In Key Stage 1 pupils also achieved well and are now above national. Whilst the Key Stage 2 results were similar to the previous year, many more pupils achieved greater depth which was very encouraging. Pupils at Key Stage 2 made particularly impressive progress in reading which was well above average.

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Chesterfield Primary School

EYFS results have risen for the last three years and despite low starting points, pupils achieved well and are now in line with pupils nationally. Key Stage 1 results remain below national in spite of a three year trajectory of improvement in writing. Pupils in Key Stage 2 attained the highest combined results in three years, but continue to be below national. However, Key Stage 2 progress scores were much improved in each subject, with writing and maths now judged as average.

Grange Park Primary School

A strong three year trajectory of results rising to, and surpassing, national figures is evident in each key stage. Particularly pleasing is the three year rise in key stage 2 progress scores which are now well above average in writing and maths and above average in reading

Hazelbury Primary School

From very low starting points, pupils in the early years are achieving closely to pupils national, as are pupils in Key Stage 1. Pupils in Key Stage 2 are now surpassing pupils nationally in several areas, notably pupils attaining the expected standard in reading, writing and maths. Progress results in Key Stage 2 are now well above average in writing and maths and above average in reading.

Bowes Primary School

Pupils in the early years are now attaining above their peers nationally. Results in Key Stage 1 are again in line with national figures, whilst pupils reaching greater depth in reading are attaining higher. Results in Key Stage 2 continue to be above the national with a particularly pleasing rise in the number of pupils attaining greater depth in writing and progress scores in reading judged as above average.

Carterhatch Primary School

A strong three year trajectory of improvement has seen attainment and progress at the end of Key Stage 2 rising to above national figures in most areas, including the number of pupils reaching the higher standard in maths, spelling and grammar. Key Stage 2 progress figures have also improved from below average to writing and maths now being above and reading being average.

Fern House Primary School

Senior Leaders are working hard to move the school from its ofsted judgement of "Special Measures" to securely "Good", within the context of meeting the unique and complex needs of its own pupils. They are supported by the ELT executive team, Headteachers, Teachers and support staff as well as a SEN Consultant, providing specialist advice.

Key Performance Indicators

The Trusts main key performance indicators are as follows:

Pupil Outcomes

- End of year statutory tests for Key Stage 1 and 2, Phonics check in Year 1 and Early Years Foundation Stage outcomes.
- Reports from Ofsted
- Reports from the School Improvement Advisor and external consultants.

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Financial Performance

- As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers were 3,685 against a forecast of 3,713 (excluding Nurseys).
- Another key financial performance indicator is staffing costs as a percentage of total income. For 2018/19 this was 80%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.
- The Board of Trustees also monitor premises costs against the 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.

The Chair of the Audit and Risk Committee examines the financial performance of the Trust on a monthly basis with a detailed review of the accounts and undertook an Internal Audit programme in 2018/19

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 2019 the Trust received £20,652,835 of GAG and other Government funding (excluding capital). Total income for the year was £24,480,755. A high percentage of 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 £24,363,849 on general running expenses. The carry forward for 2018/19 is £317,095 restricted funding and £3,659,473 unrestricted funding. The surplus for the year was £291,480.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £9,234,000. 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 2018/19 £907,000 was paid in employer contributions towards the LGPS pension Scheme deficit.

When the Trust was formed in 2016, the three Schools paid an employer's contribution rate of 18.9%. Those Schools continue to pay at that rate but the new Schools who have since joined the Trust make an employer's contribution of 24.8%.

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 £3,976,568. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

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The Trustees have made the decision to hold unrestricted funds of £1,585,761 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £663,395 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.

Trustees have discussed the appropriate level of reserves for the Trust, and in March discussed working towards a reserve equivalent to approximately 3 months' salary. Subsequently the Trustees are working towards a reserve of £3.5m. This level of reserves will be considered again in 2019-20.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £3,976,568.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £5,683,242.

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 £60,000 to cover short term cash flow variances.

Investment Policy

The Investment Policy was reviewed and approved by the Board of Trustees on 10th October 2017.

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 to maintain 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. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at Committee meetings.

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;

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- 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 Trust and each School have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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.

Fundraising

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Trade Unions

During the year three employees of the Trust on a 95% full time equivalent contract acted as union officials. The employees spent 45 hours equating to less than 1% of their time on union facility. The total cost of facility time is £1,692 for the year.

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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 Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil 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 3 December 2019 and signed on its behalf by:

John West
Chair of Trustees

Sarah Turner
Accounting Officer

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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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 three times during the year. The Board is satisfied that through the use of Sub-committees, it maintains effective oversight of funds without meeting six times during the year. Details of Sub-committees are noted below:

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

Trustee	Meetings attended	Out of a possible
John West, Chair of Trustees	3	3
Sarah Turner, Chief Executive	3	3
Margaret McAlpine	1	3
Anthony Wilde	2	3
Karen Mautner	2	3
Alex Monk	3	3
Stephen Way, Vice Chair of Trustees	3	3
Julie Rayson	2	3
Androulla Nicou	1	1

The Trust ensures that financial controls are met by having 3 ARC meetings per year, 3 Education committees per year, and 3 Board meetings per year. As well as monthly finance and budget monitoring meetings with the Chair of ARC, the monthly Budget Reports are shared with the CEO, the Chair of Trustees the Chair of ARC and the Headteachers. These Reports are also available on the portal for all Trustees to view.

The Trustees appointed an additional Trustee during 2018/19 to strengthen the Board following one Trustee resignation. No major changes were made to the structure of the Trust, during 2018/19 as this has been a year of consolidation following growth during 2017/18.

Ofsted Inspections have been carried out at Chesterfield, Hazelbury and Fern House Schools. The Trustees have been actively involved in each of these inspections.

The Board in consultation with the Executive Leadership Team has developed a revised process of regular internal inspection of each School to monitor performance and achievement. More detailed data dashboard information has also been developed covering a wide range of performance information, attendance, staff turnover etc so that each School can be carefully monitored and comparisons made with other Schools within the Trust, locally and nationally.

In July 2019 the Trustees carried out a major review of governance across the Trust. The outcomes of the review were mostly positive, but to further improve the effectiveness of governance some changes are being progressed.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The role of the Local Governing Boards has been made clearer with a focus on the quality of education. The Boards are being renamed 'Local Education Committees' to synchronise with the remit of the Trust's Education Committee. Members of the Executive Leadership Team will now attend the Local Education Committees to ensure that there is a thorough review and follow-up of all recommendations.

The Trusts Safeguarding Steering Group will become a Committee of the Board of Trustees and have Trustee representation. Governance of health and safety and pupil and student well being will be included in the remit of the new Committee.

These changes are currently the subject of consultation with all interested parties. It is proposed that the changes will be implemented from January 2020.

Committees

There are three current sub-committees of the Board of Trustees:

The Audit and Risk Committee - This Committee deals with finance, resources, risk management, health and safety and asset management. The Committee met four times during 2018/19, three meetings dealt with all the general business of the Trust and one meeting was specifically to review the end of year accounts. Six Trustees are members of this Sub-Committee.

The Education Committee - This Committee deals with all aspects of the curriculum, performance and achievement. The Committee met three times during 2018/19. Four Trustees are members of this Sub-Committee.

The Pay Committee - This Committee deals with executive pay, the pay policy and monitors performance management across the Trust. This Committee met twice during 2018/19. Three Trustees are members of this Sub-Committee.

Attendance of the Audit and Risk Committee during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Turner	4	4
Androulla Nicou	1	1
Margaret McAlpine	3	4
Alex Monk	3	4
Stephen Way	4	4
John West	4	4

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the has delivered improved value for money during the year by the ensuring the following:

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Improving Educational Results

Our resources are directed where they will be most effective in ensuring effective educational requirements are met, for example:

- Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development and to take advantage of internal expertise;
- working both collaboratively and convergently with other schools, sharing best practice to improve standards and pupil progress whilst reducing training costs and give bespoke outcomes;
- robust tracking systems to record and monitor all aspects of pupil data.

Better Purchasing

- Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of individual Schools and for the Trust as a whole. Tenders and quotes are obtained to ensure value for money is maintained where appropriate.

Financial Governance and Oversight

- Monthly monitoring review of the Trust and School accounts by the Chair of the Audit and Risk Committee.
- Comprehensive audit checks, monitoring and reporting on financial procedures and performance.
- Regular reviews by the Audit and Risk Committee of reports of financial performance against forecasts and of major purchase plans, capital works and expenditure programmes.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Enfield Learning Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

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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 Audit and Risk 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 as Internal Auditor.

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

- HR processes
- Payroll controls

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

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the Internal Auditor's work. The Trust has a sound control framework in place to achieve system objectives and has the controls to ensure that the controls are being constantly applied.

In addition the Trust appointed a Trustee with specific responsibilities for finance. During the year, he visited the Trust on a monthly basis and followed a planned programme of internal checks. Some of the areas covered were;

- A review of the ordering and purchasing process
- A review of the process for recording and reconciling DfE and ESFA grants
- A sample test of staff expenses

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the External Auditors;
- the work of the appointed Trustee;
- the work of the Executive Leadership Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness (continued)

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

Approved by the Members of the Board of Trustees on 3 December 2019 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, 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 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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

Sarah Turner
Accounting Officer
Date: 3 December 2019

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 3 December 2019 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 Year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

6 December 2019

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

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

This Report is made solely to 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 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 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, extent from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- 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, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant

Price Bailey LLP

Date: 6 December 2019

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	8,491	203,485	1,656,968	1,868,944	66,382,855
Charitable activities	4	455,552	20,652,835	-	21,108,387	20,499,925
Teaching schools	27	-	184,950	-	184,950	184,345
Other trading activities	5	1,739,768	-	-	1,739,768	1,473,401
Investments	6	10,248	-	-	10,248	2,714
Total income		2,214,059	21,041,270	1,656,968	24,912,297	88,543,240
Expenditure on:						
Charitable activities	7	2,075,966	22,105,175	2,370,157	26,551,298	23,492,000
Teaching schools	27	-	182,708	-	182,708	184,345
Other expenditure		-	-	-	-	-
Total expenditure		2,075,966	22,287,883	2,370,157	26,734,006	23,676,345
Net income/ (expenditure)		138,093	(1,246,613)	(713,189)	(1,821,709)	64,866,895
Transfers between funds	17	-	(21,829)	21,829	-	-
Net movement in funds before other recognised gains/(losses)		138,093	(1,268,442)	(691,360)	(1,821,709)	64,866,895
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(2,777,000)	-	(2,777,000)	1,209,000
Net movement in funds		138,093	(4,045,442)	(691,360)	(4,598,709)	66,075,895

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
Reconciliation of funds:					
Total funds brought forward	3,521,380	(4,871,463)	134,918,009	133,567,926	67,492,031
Net movement in funds	138,093	(4,045,442)	(691,360)	(4,598,709)	66,075,895
Total funds carried forward	<u><u>3,659,473</u></u>	<u><u>(8,916,905)</u></u>	<u><u>134,226,649</u></u>	<u><u>128,969,217</u></u>	<u><u>133,567,926</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the Year.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	133,226,766	134,918,009
		<u>133,226,766</u>	<u>134,918,009</u>
Current assets			
Debtors	15	1,150,898	1,143,092
Cash at bank and in hand	22	5,683,242	3,799,258
		<u>6,834,140</u>	<u>4,942,350</u>
Creditors: amounts falling due within one year	16	(1,857,689)	(1,235,433)
		<u>4,976,451</u>	<u>3,706,917</u>
Net current assets		<u>4,976,451</u>	<u>3,706,917</u>
Net assets excluding pension liability		<u>138,203,217</u>	<u>138,624,926</u>
Defined benefit pension scheme liability	23	(9,234,000)	(5,057,000)
Total net assets		<u><u>128,969,217</u></u>	<u><u>133,567,926</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	134,226,649	134,918,009
Restricted income funds	17	317,095	185,537
		<u>134,543,744</u>	<u>135,103,546</u>
Restricted funds excluding pension liability	17	134,543,744	135,103,546
Pension reserve	17	(9,234,000)	(5,057,000)
		<u>125,309,744</u>	<u>130,046,546</u>
Total restricted funds	17	<u>125,309,744</u>	<u>130,046,546</u>
Unrestricted income funds	17	<u>3,659,473</u>	<u>3,521,380</u>
Total funds		<u><u>128,969,217</u></u>	<u><u>133,567,926</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 03 December 2019 and signed on their behalf, by:

John West
Chair of Trustees

The notes on pages 26 to 53 form part of these financial statements.

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	2,552,650	1,714,121
Cash flows from investing activities	21	(678,914)	(221,565)
Cash flows from financing activities	20	10,248	2,714
Change in cash and cash equivalents in the Year		1,883,984	1,495,270
Cash and cash equivalents at the beginning of the Year		3,799,258	2,303,988
Cash and cash equivalents at the end of the Year	22	<u>5,683,242</u>	<u>3,799,258</u>

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

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

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long term leasehold land	- 125 years straight line
Long term leasehold buildings	- 50 years straight line
Furniture and fixtures	- 5 years straight line
Computer equipment	- 4 years straight line
Motor vehicles	- 4-7 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.

1.7 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.

1.8 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.

1.9 Liabilities

Liabilities 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

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

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

ENFIELD LEARNING TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgement

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

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transferred on conversion	-	-	-	66,159,757
Donations	8,491	203,485	211,976	130,652
Capital grants	-	1,656,968	1,656,968	92,446
Subtotal	8,491	1,860,453	1,868,944	223,098
	8,491	1,860,453	1,868,944	66,382,855
Total 2018	879,379	65,503,476	66,382,855	

In 2018, income transferred on conversion was £66,159,757 of which £869,286 was unrestricted, £(1,205,000) restricted and £66,495,471 restricted fixed assets.

In 2018, income from donations was £130,652 of which £10,093 was unrestricted and £120,559 restricted.

In 2019, capital grants of £1,656,968 (2018 - £92,446) were in relation to restricted fixed assets.

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

4. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,435,581	15,435,581	14,500,769
Other DfE / ESFA grants	-	2,644,866	2,644,866	2,375,637
	-	18,080,447	18,080,447	16,876,406
Other government grants				
Local Authority grants	-	2,572,388	2,572,388	3,236,987
	-	2,572,388	2,572,388	3,236,987
Other funding				
Catering income	455,552	-	455,552	386,532
	455,552	20,652,835	21,108,387	20,499,925
Total 2018	386,532	20,113,393	20,499,925	

In 2018, income from DfE/ESFA grants was £16,876,406 of which all was restricted.

In 2018, income from other government grants was £3,236,987 of which all was restricted.

In 2018, income from catering was £386,532 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	60,969	60,969	50,338
Other activities	1,678,799	1,678,799	1,423,063
	1,739,768	1,739,768	1,473,401

In 2018, lettings income was £50,338 of which all was unrestricted.

In 2018, other income was £1,423,063 of which all was unrestricted.

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

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	10,248	10,248	2,714
	10,248	10,248	2,714

In 2018, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of education:					
Direct costs	15,154,355	-	927,398	16,081,753	15,276,292
Allocated support costs	4,632,238	1,776,030	4,061,277	10,469,545	8,215,708
Teaching school	23,491	-	159,217	182,708	184,345
	19,810,084	1,776,030	5,147,892	26,734,006	23,676,345
Total 2018	18,001,396	1,156,181	4,518,768	23,676,345	

In 2019, of total expenditure, £2,075,966 (2018 - £1,144,618) was to unrestricted funds, £22,287,883 (2018 - £20,961,744) was to restricted funds and £2,370,157 (2018 - £1,569,983) was to restricted fixed asset funds.

In 2018, direct expenditure consisted of £14,526,235 staff costs and £750,057 other costs.

In 2018, support expenditure consisted of £3,452,021 staff costs, £1,156,181 premises costs and £3,607,506 other costs.

In 2018, teaching school expenditure consisted of £23,140 staff costs and £161,205 other costs.

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

8. Charitable activities

	2019 £	2018 £
Direct costs	16,081,753	15,276,292
Support costs	10,469,545	8,215,708
Teaching school	182,708	184,345
	26,734,006	23,676,345

	2019 £	2018 £
Support staff costs and educational support	4,632,238	3,452,021
Depreciation	1,519,201	1,477,537
Technology costs	392,878	231,203
Premises costs	1,776,030	1,053,181
Other support costs	2,112,160	1,956,604
Governance costs	37,038	45,162
	10,469,545	8,215,708

9. Net income/(expenditure)

Net income/(expenditure) for the Year includes:

	2019 £	2018 £
Operating lease rentals	61,169	60,809
Depreciation of tangible fixed assets	1,519,201	1,477,537
Impairment of tangible fixed assets	850,956	-
Fees paid to Auditors for:		
- Audit	11,550	11,210
- Other services	7,165	10,265
	11,715	21,475

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

10. Staff costs

a. Staff costs

Staff costs during the Year were as follows:

	2019 £	2018 £
Wages and salaries	13,263,541	12,497,812
Social security costs	1,353,843	1,224,584
Pension costs	3,340,330	2,693,393
	<u>17,957,714</u>	<u>16,415,789</u>
Agency staff costs	1,800,969	1,508,307
Staff restructuring costs	51,401	77,300
	<u>19,810,084</u>	<u>18,001,396</u>

Staff restructuring costs comprise:

Severance payments	<u>51,401</u>	<u>77,300</u>
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b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments to three employees totalling £51,401 (2018 - £77,300).

c. Staff numbers

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

	2019 No.	2018 No.
Management	4	4
Teaching	206	206
Administration & support	347	305
	<u>557</u>	<u>515</u>

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

10. Staff costs (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	11	12
In the band £70,001 - £80,000	4	7
In the band £80,001 - £90,000	4	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £150,001 - £160,000	1	1
	1	1

e. Key management personnel

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 £546,476 (2018 - £514,356).

Included in the above are employer pension contributions of £60,548 (2018 - £67,101) and employer National Insurance Contributions of £54,797 (2018 - £50,382).

11. Central services

The Trust has provided the following central services to its academies during the Year:

- Strategic Management, including School Improvement Support.
- Human Resources.
- Finance.
- Asset Management
- Data Protection Officer

To fund these costs, the Trust charges a top slice equivalent to 6% of each Academy's funding, excluding Pupil Premium Funding and Local Authority Grants. The funding includes the total GAG and LEA funding - Early years and high needs funding.

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

11. Central services (continued)

The actual amounts charged during the Year were as follows:

	2019 £	2018 £
Hazelbury Primary School	297,173	478,384
Bowes Primary School	171,000	309,266
Chesterfield Primary School	239,870	374,886
Grange Park Primary School	185,946	242,232
Fern House Primary School	69,000	67,116
Carterhatch Primary School	106,245	119,352
Delta Primary School	40,746	-
Total	<u>1,109,980</u>	<u>1,591,236</u>

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Sarah Turner, Chief Executive	Remuneration	140,000 - 145,000	155,000 - 160,000
	Pension contributions paid	10,000 - 15,000	25,000 - 30,000
Androulla Nicou	Remuneration	15,000 - 20,000	110,000 - 115,000
	Pension contributions paid	0 - 5,000	15,000 - 20,000

During the Year ended 31 August 2019, one Trustee claimed £10 for travel expenses (2018 - £NIL).

13. 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 Year ended 31 August 2019 was included in the total insurance cost.

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	136,413,621	372,065	545,457	15,429	137,346,572
Additions	646,794	17,726	14,394	-	678,914
At 31 August 2019	<u>137,060,415</u>	<u>389,791</u>	<u>559,851</u>	<u>15,429</u>	<u>138,025,486</u>
Depreciation					
At 1 September 2018	1,860,956	215,897	347,302	4,408	2,428,563
Charge for the year	1,326,975	103,894	86,128	2,204	1,519,201
Impairment charge	850,956	-	-	-	850,956
At 31 August 2019	<u>4,038,887</u>	<u>319,791</u>	<u>433,430</u>	<u>6,612</u>	<u>4,798,720</u>
Net book value					
At 31 August 2019	<u><u>133,021,528</u></u>	<u><u>70,000</u></u>	<u><u>126,421</u></u>	<u><u>8,817</u></u>	<u><u>133,226,766</u></u>
At 31 August 2018	<u><u>134,552,665</u></u>	<u><u>156,168</u></u>	<u><u>198,155</u></u>	<u><u>11,021</u></u>	<u><u>134,918,009</u></u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	149,709	52,809
Other debtors	7,295	23,798
Prepayments and accrued income	509,939	546,534
VAT recoverable	483,955	519,951
	<u><u>1,150,898</u></u>	<u><u>1,143,092</u></u>

ENFIELD LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	766,842	335,839
Other taxation and social security	326,011	298,051
Other creditors	23,886	14,136
Accruals and deferred income	740,950	587,407
	1,857,689	1,235,433
	1,857,689	1,235,433
	2019 £	2018 £
Deferred income at 1 September 2018	368,791	396,061
Resources deferred during the Year	439,383	368,791
Amounts released from previous periods	(368,791)	(396,061)
	439,383	368,791
	439,383	368,791

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

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	3,521,380	2,214,059	(2,075,966)	-	-	3,659,473
Restricted general funds						
General Annual Grant (GAG)	-	15,435,581	(15,096,657)	(21,829)	-	317,095
Other DfE / ESFA grants	-	963,747	(963,747)	-	-	-
Other Government grants	-	1,833,393	(1,833,393)	-	-	-
Pupil Premium funding	185,537	1,687,674	(1,873,211)	-	-	-
SEN	-	732,440	(732,440)	-	-	-
Teaching School	-	184,950	(184,950)	-	-	-
Restricted trip donations	-	173,242	(173,242)	-	-	-
Restricted donations	-	30,243	(30,243)	-	-	-
Pension reserve	(5,057,000)	-	(1,400,000)	-	(2,777,000)	(9,234,000)
	<u>(4,871,463)</u>	<u>21,041,270</u>	<u>(22,287,883)</u>	<u>(21,829)</u>	<u>(2,777,000)</u>	<u>(8,916,905)</u>

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

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted fixed asset fund	134,918,009	-	(2,370,157)	678,914	-	133,226,766
Devolved Formula Capital (DFC)	-	222,642	-	(119,189)	-	103,453
SCA Grant	-	1,434,326	-	(537,896)	-	896,430
	<u>134,918,009</u>	<u>1,656,968</u>	<u>(2,370,157)</u>	<u>21,829</u>	<u>-</u>	<u>134,226,649</u>
Total Restricted funds	<u>130,046,546</u>	<u>22,698,238</u>	<u>(24,658,040)</u>	<u>-</u>	<u>(2,777,000)</u>	<u>125,309,744</u>
Total funds	<u><u>133,567,926</u></u>	<u><u>24,912,297</u></u>	<u><u>(26,734,006)</u></u>	<u><u>-</u></u>	<u><u>(2,777,000)</u></u>	<u><u>128,969,217</u></u>

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 2018.

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.

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

17. 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 Government 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 improvements of the Trust's building facilities.

Teaching School

This fund is received from the Department for Education and Teaching Regulation Agency and relates to income to be used to train Teachers.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Hazelbury Primary School	847,506	714,856
Bowes Primary School	356,792	368,791
Chesterfield Primary School	207,426	305,767
Grange Park Primary School	129,683	58,454
Fern House Primary School	(77,169)	8,292
Carterhatch Junior School	381,081	432,700
Delta Primary School	19,186	-
Central Services	2,112,063	1,818,057
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,976,568	3,706,917
Restricted fixed asset fund	134,226,649	134,918,009
Pension reserve	(9,234,000)	(5,057,000)
	<hr/>	<hr/>
Total	128,969,217	133,567,926
	<hr/> <hr/>	<hr/> <hr/>

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

17. Statement of funds (continued)

The following Academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Fern House Primary School	(77,169)

Fern House was the only school that ended the year with a deficit budget. Fern House also did not contribute to ELT reserves. It is recommended that Fern House defer paying the 2019/20 contribution to reserves. ELT also paid for two out of three severance payments at Fern House but the third severance payment to the sum of £12,000 was met by the School.

The Trust is taking the following action to return the Academy to surplus:

It is anticipated that the Fern House move to Chesterfield Primary School site, within the Trust, will be beneficial to the Fern House budget and an original budget with a surplus of £128,000 for 2019/20 has been set, and they will therefore be able to meet their budgetary requirements for the year. It is anticipated that they will pay back their over spend in 2019/2020 to the sum of £77,169.

ENFIELD LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total cost analysis by academy

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 2019 £	Total 2018 £
Hazelbury Primary School	4,006,954	492,581	186,152	1,003,418	5,689,105	5,557,116
Bowes Primary School	1,996,476	335,033	401,634	1,098,145	3,831,288	4,262,375
Chesterfield Primary School	3,173,965	264,320	252,862	782,120	4,473,267	4,611,265
Grange Park Primary School	2,075,343	434,856	242,441	784,748	3,537,388	2,963,030
Fern House Primary School	949,717	114,876	112,283	1,113,084	2,289,960	1,004,622
Carterhatch Junior School	1,173,066	256,696	142,359	358,979	1,931,100	1,379,586
Delta Primary School	419,687	65,789	33,913	210,468	729,857	-
Trust - Central Services	409,681	1,969,075	22,867	331,217	2,732,840	2,420,814
Trust	<u><u>14,204,889</u></u>	<u><u>3,933,226</u></u>	<u><u>1,394,511</u></u>	<u><u>5,682,179</u></u>	<u><u>25,214,805</u></u>	<u><u>22,198,808</u></u>

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	1,923,972	2,742,026	(1,144,618)	-	-	3,521,380
Restricted general funds						
General Annual Grant (GAG)	109,549	14,500,769	(14,388,753)	(221,565)	-	-
Other DfE / ESFA grants	-	745,202	(745,202)	-	-	-
Other Government grants	-	3,000,006	(3,000,006)	-	-	-
Pupil Premium funding	-	1,829,666	(1,644,129)	-	-	185,537
SEN	-	37,750	(37,750)	-	-	-
Teaching School	-	184,345	(184,345)	-	-	-
Restricted trip donations	-	120,559	(120,559)	-	-	-
Pension reserve	(4,220,000)	(1,205,000)	(841,000)	-	1,209,000	(5,057,000)
	<u>(4,110,451)</u>	<u>19,213,297</u>	<u>(20,961,744)</u>	<u>(221,565)</u>	<u>1,209,000</u>	<u>(4,871,463)</u>

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

17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
Restricted fixed asset fund	69,678,510	66,495,471	(1,477,537)	221,565	-	134,918,009
Devolved formula capital (DFC)	-	92,446	(92,446)	-	-	-
	<u>69,678,510</u>	<u>66,587,917</u>	<u>(1,569,983)</u>	<u>221,565</u>	<u>-</u>	<u>134,918,009</u>
Total Restricted funds	<u>65,568,059</u>	<u>85,801,214</u>	<u>(22,531,727)</u>	<u>-</u>	<u>1,209,000</u>	<u>130,046,546</u>
Total funds	<u><u>67,492,031</u></u>	<u><u>88,543,240</u></u>	<u><u>(23,676,345)</u></u>	<u><u>-</u></u>	<u><u>1,209,000</u></u>	<u><u>133,567,926</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	133,226,766	133,226,766
Current assets	3,659,473	2,120,417	999,883	6,779,773
Creditors due within one year	-	(1,803,322)	-	(1,803,322)
Provisions for liabilities and charges	-	(9,234,000)	-	(9,234,000)
Total	<u><u>3,659,473</u></u>	<u><u>(8,916,905)</u></u>	<u><u>134,226,649</u></u>	<u><u>128,969,217</u></u>

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

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	134,918,009	134,918,009
Current assets	3,521,380	1,420,970	-	4,942,350
Creditors due within one year	-	(1,235,433)	-	(1,235,433)
Provisions for liabilities and charges	-	(5,057,000)	-	(5,057,000)
Total	<u>3,521,380</u>	<u>(4,871,463)</u>	<u>134,918,009</u>	<u>133,567,926</u>

19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,821,709)	64,866,895
Adjustments for:		
Depreciation	1,519,201	1,477,537
Interest receivable	(10,248)	(2,714)
Defined benefit pension scheme obligation inherited on conversion	-	1,205,000
Pension liability movements	1,400,000	841,000
Decrease/(increase) in debtors	46,561	(170,842)
Increase/(decrease) in creditors	567,889	(7,284)
Fixed assets inherited from Local Authority on conversion	-	(66,495,471)
Impairment of tangible fixed assets	850,956	-
Net cash provided by operating activities	<u>2,552,650</u>	<u>1,714,121</u>

20. Cash flows from financing activities

	2019 £	2018 £
Interest received	10,248	2,714
Net cash provided by financing activities	<u>10,248</u>	<u>2,714</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(678,914)	(221,565)
Net cash used in investing activities	<u>(678,914)</u>	<u>(221,565)</u>

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	<u>5,683,242</u>	<u>3,799,258</u>

23. Pension commitments

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

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

Contributions amounting to £NIL were payable to the schemes at 31 August 2019 (2018 - £70,867) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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23. Pension commitments (continued)

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the Year amounted to £1,166,973 (2018 - £1,049,893).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2019 was £1,159,000 (2018 - £1,092,000), of which employer's contributions totalled £907,000 (2018 - £844,000) and employees' contributions totalled £ 252,000 (2018 - £248,000). The agreed contribution rates for future years are 18.9-24.8 per cent for employers and 5.5-12.5 per cent for employees.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment / inflation	2	2.1
Rate of increase for pension accounts revaluation rate	2	2
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2	2.1
Inflation assumption (RPI)	3	3.2

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.4	24.5
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	25	26.6
Females	27.6	29.4

As at the 31 August 2019 the Trust had a pension liability £9,234,000 (2018 - £5,057,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2019	2018
Discount rate +0.1%	(493,000)	(346,000)
Discount rate -0.1%	505,000	355,000
Mortality assumption - 1 year increase	661,000	392,000
Mortality assumption - 1 year decrease	(655,000)	(391,000)
CPI rate +0.1%	303,000	213,000
CPI rate -0.1%	(299,000)	(209,000)

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23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,892,000	4,614,000
Gilts	1,418,000	1,051,000
Corporate bonds	1,546,000	588,000
Property	768,000	588,000
Cash and other liquid assets	448,000	775,000
Other managed funds	1,589,000	1,292,000
Total market value of assets	10,661,000	8,908,000

The actual return on scheme assets was £784,000 (2018 - £269,000).

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

	2019 £	2018 £
Current service cost	(1,569,000)	(1,567,000)
Past service cost	(609,000)	-
Interest income	263,000	195,000
Interest cost	(392,000)	(313,000)
Total amount recognised in the Statement of Financial Activities	(2,307,000)	(1,685,000)

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

	2019 £	2018 £
At 1 September	13,965,000	10,370,000
Conversion to academy status	-	2,699,000
Current service cost	1,569,000	1,567,000
Interest cost	392,000	313,000
Employee contributions	252,000	248,000
Actuarial losses/(gains)	3,298,000	(1,135,000)
Benefits paid	(190,000)	(97,000)
Past service cost	609,000	-
At 31 August	19,895,000	13,965,000

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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	8,908,000	6,150,000
Conversion to academy status	-	1,494,000
Interest income	263,000	195,000
Actuarial gains	521,000	74,000
Employer contributions	907,000	844,000
Employee contributions	252,000	248,000
Benefits paid	(190,000)	(97,000)
At 31 August	<u>10,661,000</u>	<u>8,908,000</u>

24. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	48,758	40,880
Later than 1 year and not later than 5 years	82,426	18,340
	<u>131,184</u>	<u>59,220</u>

25. Members' liability

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

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26. 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 has 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.

During the year the Trust invoiced Ivy Learning Trust £6,356 (2018 - £12,280) for teaching school staffing. Anthony Wilde is a Member of the Ivy Learning Trust. At the year end £2,750 (2018 - £NIL) was carried forward as a debtor.

The daughter of Sarah Turner, the Accounting Officer is employed by the Trust. Her appointment was made in open competition and Sarah Turner was not involved in the decision making process regarding appointment. She is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the AO.

The son and daughter of Androulla Nicou, the Chief Financial Officer are employed by the Trust. Their appointments were made in open competition and Androulla Nicou was not involved in the decision making process regarding appointments. They are paid within the normal pay scale for their roles and receive no special treatment as a result of their relationship to the CFO.

The daughter of Paul Morall, a Member is employed by the Trust. Her appointment was made in open competition and Paul Morall was not involved in the decision making process regarding appointment. She is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

There were no other related party transactions during the year ended 31 August 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Teaching school trading account

	2019	2019	2018	2018
	£	£	£	£
Income				
Direct income				
Fee income	8,600		39,491	
Grants	129,150		110,109	
Other income	47,200		17,550	
Income from unrestricted	-		17,195	
	<u>184,950</u>		<u>184,345</u>	
Total direct income	184,950		184,345	
Total income		184,950		184,345
Expenditure				
Direct expenditure				
Direct staff costs	23,491		23,140	
Other direct costs	140,749		130,823	
Staff development	18,169		29,422	
	<u>182,409</u>		<u>183,385</u>	
Total direct expenditure	182,409		183,385	
Other expenditure				
Other support costs	-		661	
Technology costs	299		299	
	<u>299</u>		<u>960</u>	
Total other expenditure	299		960	
Total expenditure		182,708		184,345
Surplus from all sources		2,242		-
		<u>2,242</u>		<u>-</u>
Teaching school balances at 31 August 2019		<u><u>2,242</u></u>		<u><u>-</u></u>