

Company Registration No. 09012630 (England and Wales)

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 15
Independent reporting accountant's report on regularity	16 - 17
Statement of financial activities including income and expenditure account	18 - 19
Balance sheet	20
Statement of cash flows	21
Notes to the accounts including accounting policies	22 - 41

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
REFERENCE AND ADMINISTRATIVE DETAILS**

Members

Diocese of Durham Educational Trust
Area Dean of Stockton
The Bishop of Durham
Rev V Cuthbert
Mrs Z Carr

Trustees

Rev Canon S Bain (Chair)
Rev D M Brooke (Resigned 5 December 2019)
Mr P Mackings
Mrs J Doyle
Mr J J Fitt
Mr R Ward (Accounting Officer)
Miss C McCabe
Mrs A Ryder
Mrs J Tate (Resigned 14 October 2019)
Mrs J Mogridge
Mrs T Forster
Rev C Gibbs
Mr P Card (Appointed 22 October 2019)

Senior management team

- Headteacher Mr R Ward
- Assistant Headteacher Miss C McCabe

Company registration number

09012630 (England and Wales)

Registered office

Redwood Drive
Wynyard
Billingham
TS22 5UB

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Womble Bond Dickinson
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
Tyne & Wear
NE1 3DX

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report with the financial statements and auditor's reports of the charitable company for the period 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Wynyard Estate and beyond. Wynyard CE Primary is a Free School that opened in September 2015 with a future capacity of 420. The school had a roll of 343 at the end of the 2019/20 academic year with predicted pupil numbers for the start of the fifth year in September 2020 being 390. The school will be at full capacity by September 2021.

Structure, governance and management

Constitution

Wynyard Church of England Primary School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Wynyard Church of England Primary are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wynyard Church of England Primary School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on Page 1.

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' indemnities

Trustees benefit from indemnity insurance under the Department of Education Risk Protection Arrangement, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. Any such indemnity shall not extend to any claim arising from any act of omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such indemnity shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against Trustees in their capacity as Directors of the Trust.

Method of recruitment and appointment or election of trustees

The trustees/governors of the school have been appointed in accordance with Memorandum and Articles of Association as set out below.

The constitution of the school provides that the number of governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48 and 49, the Academy Trust shall have the following governors:

- I. No fewer than 7 governors, appointed under Article 50; ie appointed by members
- II. Up to 1 staff governor
- III. Up to 1 LA governor
- IV. 2 parent governors appointed under Articles 53-58
- V. The Headteacher
- VI. The Academy Trust may also have any co-opted governor appointed under Article 59

The term of office for any governor is four years and, subject to eligibility, may apply for re-election. This time limit does not apply to the Area Dean or the Headteacher.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

A skills audit of the governors was conducted during the period to review the mix of skills and identify training needs. All governors have the opportunity to undertake governor training through Durham Governor Support Services.

Organisational structure

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Academy Trust shall be managed by the directors/governors who may exercise all the powers of the Academy Trust. Strategic decisions include approval of the school development plan, budget approval, appointment of auditors and approval of the Annual Report and financial statements.

The governing body meets six times every school year, with additional meetings of the 'Finance and General Purposes Committee' where required. During the Covid-19 pandemic, the vast majority of meetings have taken place virtually.

The task of running the school on a day-to-day basis is delegated to the Headteacher who is the Accounting Officer. The Headteacher is supported by the Finance and Administration Manager.

During the period to 31 August 2020 the school management structure comprised of Headteacher, Deputy Headteacher, Key Stage 1 Leader, Key Stage 2 Leader and SENDCo. The Headteacher and trustees were responsible for the authorisation of spending within agreed budgets and the appointment of staff in line with the scheme of delegation and the academy's financial handbook.

Arrangements for setting pay and remuneration of key management personnel

The Trust have policies in place for pay and remuneration of management personnel responsible for the day-to-day running of the school. These policies are reviewed annually. Pay is based upon the national pay scales for teachers in England and Wales. Trustees appointed both senior leaders on salaries based upon future capacity of the school and requirements to grow a Free School

The Trust have an appraisal policy with pay for senior leaders linked to performance. Performance management of staff other than the Headteacher is carried out by the Headteacher with recommendations going to the Trust's Pay Review Committee. The Headteacher's performance management is carried out by Trustees with advice from external professionals.

Trustees other than staff members are not paid.

Related parties and other connected charities and organisations

All trustees have completed relevant business interest forms, and where any trustees should declare an interest procedures are in place to address this, particularly within governing body meetings.

Some of the related parties at Wynyard Church of England Primary School are the Cameron Hall Developments, The Diocese of Durham, the Diocesan Board of Education, Stockton Deanery and the local church community.

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

Vision and Ethos Statement

Providing children with high achievement, confidence and strong moral values, developed through excellent teaching, a stimulating curriculum, and a robust Christian ethos. This is a school that lies at the heart of its community where wellbeing is paramount and every child valued. Delivering outstanding education, with excellent teaching and purposeful learning, and underpinned by Christian values and principles, we are an aspirational and caring school, devoted to ensuring local children realise their full potential. The school welcomes children of all faiths and none.

Wynyard Church of England Primary provides outstanding education that stretches the mind, strengthens the body, enriches the imagination, nourishes the spirit, encourages the will to do good and opens the heart to others.

Our aspirations as a school are:

- to ensure the physical and spiritual well-being of every member of the school is maintained and enhanced
- to create an environment where children develop a love for learning and learn how to use knowledge wisely
- to be central to the life of the Wynyard community

Christian Ethos

The school is rooted in the Christian tradition. We are committed to nurturing and developing children as rounded, spiritual human beings.

Children understand their role as members of wider communities, locally, nationally and globally. School was awarded Rights, Respecting School Award Level 1.

Our strong ethos and core Christian values permeate all that we do across the school community. We are proud of our values of:

- Wisdom
- Faith
- Love
- Forgiveness

Objectives, strategies and activities

Wynyard Church of England Primary School is a growing primary school, which opened in September 2015 as part of an expanding development at Wynyard. Our school offers pupils an exceptional learning experience. Our vision was to establish an excellent school in the heart of the community where children make rapid academic progress and develop a love of learning – we believe we have realised this vision.

The strategies and activities for the period included the following:

- Continuing to build a reputation for outstanding education
- Ensure children and families are supported throughout the Covid-19 pandemic and a strong educational provision is in place
- Significant capital expenditure to improve playground, Early Years and car parking facilities
- Conversion from SAT to MAT and growing the Trust
- Careful financial management in relation to Covid-19 and additional safety measure
- Fulfilling all DfE, ESFA and Ofsted requirements

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

Trustees have due regard to the guidance on public benefit as published by the Charity Commission in exercising their duty. They seek to provide a school offering excellent education, with a strong Christian ethos for the local community and this is reflected in the schools open admission policy, reflecting that of the Local Authority.

Strategic report

Achievements and performance

Key performance indicators

The Trust's key measures of success in the fifth academic year were to enhance the facilities at the school site, extend its reputation as a provider of outstanding education, ensure the safety of all staff and children throughout the Covid-19 pandemic and continue to provide onsite and online learning where required.

Achievements and Performance

The Academy has directed funding to secure the best possible outcomes for all pupils. This has been done by targeting the expertise of staff to children's educational needs and the procurement of high quality resources to support teaching and learning. The staffing structure is regularly reviewed to ensure children receive a high quality education.

Ofsted

Wynyard CE primary School was graded 'Outstanding' by Ofsted in April 2018.

SIAMs

Wynyard CE Primary School was graded 'SIAMs Outstanding' in June 2018.

School's Performance

Due to the Covid-19 pandemic, all statutory assessments for 2019-20 were cancelled.

Going concern

After making appropriate enquiries, the board of trustees believe that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

During the period to 31st August 2020, the majority of the Trust's income came from Education Skills Funding Agency in the form of grants, the use of which is restricted to particular purpose. The grants received from ESFA during the period 1st September 2019 to 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy made an operating surplus in the year to August 31st 2020 of £164,321, and utilised £209,654 of reserves on assets in the year, mainly the construction of a new car park. The school reserves of £40,506 on 31st August 2020 comprising £17,519 of restricted general reserves and £22,987 of unrestricted reserves.

Total income in the period was £1,715,269 of which £1,394,546 came from the ESFA/DfE revenue grants.

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2019-20:

- Memorandum and Articles of Association
- Scheme of Delegation
- Academy Funding Agreement
- Academy Finance Handbook
- Teachers' Pay and Appraisal
- Charging Policy
- Freedom of Information

Reserves policy

The governors will review the reserve levels of the Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust does not anticipate building up significant reserves. Any unallocated income is kept to support the development programme of the school and as a safeguard against future risks with regards to unknown pupil admission numbers.

Governors will be monitoring and allocating these resources effectively.

Investment policy

The school does not anticipate having substantial funds available for long term investments but will hold any substantial funds which are not required in the immediate future on short fixed term deposits as appropriate.

Principal risks and uncertainties

The principal risks and uncertainties facing the school during the period ending 31st August 2020 comprised of all Covid related uncertainties, including staff and pupil illness, extended closure of school and the additional costs related to ensuring adequate staffing is in place and that the school is safe.

During the year a number of key risks were identified and tracked on a risk register. In particular, this included risks associated with staffing, unforeseen costs, admissions, finances and premises. These majority of the risks were assessed as low, categorised and satisfactory systems were established to mitigate these risks. Risks associated with Covid were medium, especially those relating to 'The wider reopening of schools'.

Going forward, the governors will keep the school's activities under review and monitor performance, with particular regard to any major risks which may arise and the emerging developments with Covid-19. In addition, one of the main risks is the transition to MAT and the sustainability and growth of Melrose Learning Trust.

Financial and risk management objectives and policies

Detailed financial regulations are in place, including a Financial Handbook, a comprehensive risk register and a Business Continuity Plan. Controls were in place to minimise the risk of fraud or error. The financial regulations have been approved by the governing body, which included a Trustee with significant audit and accounting experience.

Fundraising

School takes part in a range of fundraising activities in line with the 'Charities (Protection and Social Investments) Act 2016. School's approach is open and transparent when taking part in any fundraising activity.

The vast majority of our fundraising is through the 'Friends of Wynyard Primary School', a separate entity to Wynyard Church of England Primary School. The 'Friends of Wynyard' have their own financial procedures and hold a separate bank account.

Any additional fundraising is for National charities such as Children in Need, Sport Relief etc.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

A comprehensive school development plan has been drawn up to bring together all intended developments for the school and to ensure these are managed and delivered effectively. Wynyard CE Primary School converted to MAT status on 1st December 2020, changing the company name to Melrose Learning Trust. The first additional school will be added to the Trust on 1st January 2021. The governance structure will adapt to accommodate this change and a number of schools services will become centralised with all schools in the MAT contributing a percentage as agreed.

Wynyard Church of England Primary School has very clear objectives, activities and strategies for the future (please refer to page 5).

Funds held as custodian trustee on behalf of others

The Trust has no funds held as Custodian Trustee on behalf of others.

Auditor

As far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2020 and signed on its behalf by:

Rev Canon S Bain
Chair



**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
GOVERNANCE STATEMENT**

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Wynyard Church of England Primary School has an effective and appropriate system of control, finance and otherwise. However, such 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 Headteacher, 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 Wynyard Church of England Primary and the Secretary of State for Education. They are also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The full board of trustees has formally met five times during the year. Attendance at those meetings is as follows:

Trustees	Meetings attended	Out of possible
Rev Canon S Bain (Chair)	5	5
Rev D M Brooke (Resigned 5 December 2019)	1	2
Mr P Mackings	3	5
Mrs J Doyle	5	5
Mr J J Fitt	4	5
Mr R Ward (Accounting Officer)	5	5
Miss C McCabe	5	5
Mrs A Ryder	3	5
Mrs J Tate (Resigned 14 October 2019)	1	1
Mrs J Mogridge	5	5
Mrs T Forster	5	5
Rev C Gibbs	4	5
Mr P Card (Appointed 22 October 2019)	3	4

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to ensure efficient and effective use of resources as well as ensuring that the school buildings are fit for purpose both short term and long term. These meetings were well attended as shown below:

Trustees	Meetings attended	Out of possible
Rev Canon S Bain (Chair)	3	3
Rev D M Brooke (Resigned 5 December 2019)	0	1
Mr P Mackings	3	3
Mrs J Doyle	3	3
Mr J J Fitt	2	3
Mr R Ward (Accounting Officer)	3	3
Mrs J Mogridge	3	3

Robust governance procedures were in place during the year, with a skills audit taking place prior to the appointment of any additional trustees. All key skills were covered and a further review will take place post conversion to MAT in December 2020.

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- ensuring staffing levels are in place to achieve aims and objectives;
- prudent spending on effective resources to support teaching and learning and also the unforeseen costs associated with Covid-19;
- use of existing staff to cover additional roles in school (eg lunchtime supervisor and caretaker);
- negotiating reductions in cost of services (eg cleaning contracts);

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Wynyard Church of England Primary School for 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- Comprehensive budget 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 board to produce reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Azets as external auditor to perform additional checks.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

School commissioned an Internal Assurance Report which took place on 3rd February 2020. The aim of the report was to provide the Trust with independent assurance that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained;
- financial considerations are fully taken into account in reaching decisions.

School's procedures were identified as being robust and effective. The only areas identified as 'low risk' were:

- Review the fixed asset register and physically verify a sample of assets. Verify depreciation is in line with the Finance Handbook
- Review the monthly creditor and debtor aged listings and ensure they have been correctly reviewed and authorised.
- Briefly review management reports presented to governors and committees.
- Review income postings to ensure income has been posted to the most appropriate nominal ledger account.

In line with new regulations, as set out in Academies Financial Handbook, the Trust have appointed Clive Owen LLP as internal auditors for 2020/2021 and have re-appointed Azets as external auditor.

Review of effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- Regular and timely budget reports
- Regular board meetings and discussions regarding the budget both pre-opening and going forward
- The appointment of members of the board with significant financial experience and qualifications
- Regular Finance and General Purposes committee meetings
- Sound internal controls

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee. A plan to address any areas for concern/development and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17 December 2020 and signed on its behalf by:

Rev Canon S Bain
Chair

Mr R Ward
Accounting Officer



**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Melrose Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr R Ward
Accounting Officer

17 December 2020

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Melrose Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17 December 2020 and signed on its behalf by:

Rev Canon S Bain
Chair



**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING
TRUST**

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Melrose Learning Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy 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 accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

**MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING
TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING
TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

18 January 2021
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO MELROSE LEARNING TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Melrose Learning Trust during the period 1 September 2019 to 31 August 2020 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 Melrose Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Melrose 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 Melrose Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Melrose Learning Trust's funding agreement with the Secretary of State for Education dated 24 March 2015 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO MELROSE LEARNING TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:18 January 2021

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	16,000	-	9,528	25,528	5,792,471
Charitable activities:						
- Funding for educational operations	4	45,032	1,565,549	-	1,610,581	1,223,514
Other trading activities	5	79,017	-	-	79,017	89,208
Investments	6	143	-	-	143	113
Total		140,192	1,565,549	9,528	1,715,269	7,105,306
Expenditure on:						
Raising funds	7	25,513	180	-	25,693	45,412
Charitable activities:						
- Educational operations	8	59,758	1,519,969	203,344	1,783,071	1,481,353
Total	7	85,271	1,520,149	203,344	1,808,764	1,526,765
Net income/(expenditure)		54,921	45,400	(193,816)	(93,495)	5,578,541
Transfers between funds	17	(55,882)	(153,772)	209,654	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(127,000)	-	(127,000)	(46,000)
Net movement in funds		(961)	(235,372)	15,838	(220,495)	5,532,541
Reconciliation of funds						
Total funds brought forward		23,948	(33,109)	5,692,040	5,682,879	150,338
Total funds carried forward		22,987	(268,481)	5,707,878	5,462,384	5,682,879

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	5,792,471	5,792,471
Charitable activities:					
- Funding for educational operations	4	94,327	1,129,187	-	1,223,514
Other trading activities	5	89,208	-	-	89,208
Investments	6	113	-	-	113
Total		183,648	1,129,187	5,792,471	7,105,306
Expenditure on:					
Raising funds	7	33,977	11,435	-	45,412
Charitable activities:					
- Educational operations	8	119,332	1,221,690	140,331	1,481,353
Total	7	153,309	1,233,125	140,331	1,526,765
Net income/(expenditure)		30,339	(103,938)	5,652,140	5,578,541
Transfers between funds	17	(17,418)	76,336	(58,918)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(46,000)	-	(46,000)
Net movement in funds		12,921	(73,602)	5,593,222	5,532,541
Reconciliation of funds					
Total funds brought forward		11,027	40,493	98,818	150,338
Total funds carried forward		23,948	(33,109)	5,692,040	5,682,879

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
BALANCE SHEET**

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	12		6,108		-
Tangible assets	13		5,701,770		5,692,040
			<u>5,707,878</u>		<u>5,692,040</u>
Current assets					
Debtors	14	31,530		128,802	
Cash at bank and in hand		357,699		222,455	
			<u>389,229</u>	<u>351,257</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(348,723)		(265,418)	
Net current assets			<u>40,506</u>		<u>85,839</u>
Net assets excluding pension liability			<u>5,748,384</u>		<u>5,777,879</u>
Defined benefit pension scheme liability	19		(286,000)		(95,000)
Total net assets			<u>5,462,384</u>		<u>5,682,879</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			5,707,878		5,692,040
- Restricted income funds			17,519		61,891
- Pension reserve			(286,000)		(95,000)
Total restricted funds			<u>5,439,397</u>		<u>5,658,931</u>
Unrestricted income funds	17		<u>22,987</u>		<u>23,948</u>
Total funds			<u>5,462,384</u>		<u>5,682,879</u>

The accounts on pages 18 to 41 were approved by the trustees and authorised for issue on 17 December 2020 and are signed on their behalf by:

Rev Canon S Bain
Chair



Company Number 09012630

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		344,755		(14,036)
Cash flows from investing activities					
Dividends, interest and rents from investments		143		113	
Capital grants from DfE Group		6,858		11,785	
Capital funding received from sponsors and others		2,670		5,780,686	
Purchase of intangible fixed assets		(7,155)		-	
Purchase of tangible fixed assets		(214,027)		(5,740,828)	
Proceeds from sale of tangible fixed assets		2,000		-	
Net cash (used in)/provided by investing activities			(209,511)		51,756
Net increase in cash and cash equivalents in the reporting period			135,244		37,720
Cash and cash equivalents at beginning of the year			222,455		184,735
Cash and cash equivalents at end of the year			357,699		222,455

MELROSE LEARNING TRUST (FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL) NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 3 years

MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets and depreciation

Assets costing £500 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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Assets under construction	Not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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.

The new buildings are occupied on a 125-year lease from the from the Department for Housing, Communities and Local Government. The value of the building has therefore been recognised as an asset.

1.7 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 academy 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The 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 are 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure 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.

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency/Department for Education.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

2 Critical accounting estimates and areas of judgement

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

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 19, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	9,528	9,528	5,792,471
Other donations	16,000	-	16,000	-
	<u>16,000</u>	<u>9,528</u>	<u>25,528</u>	<u>5,792,471</u>

In the prior year, capital grants include funding of £5,409,087 in respect of a new building and the associated fixtures and fittings that was completed in January 2019 and subsequently occupied by the trust.

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,209,513	1,209,513	850,742
Start up grants	-	14,500	14,500	41,500
Other DfE group grants	-	170,533	170,533	98,877
	-	1,394,546	1,394,546	991,119
Other government grants				
Local authority grants	-	168,645	168,645	138,068
Exceptional government funding				
Coronavirus exceptional support	-	2,358	2,358	-
Other funding				
Catering income	40,832	-	40,832	90,697
Other incoming resources	4,200	-	4,200	3,630
	45,032	-	45,032	94,327
Total funding	45,032	1,563,191	1,608,223	1,223,514

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £2,358 of cleaning and caretaking costs. These costs are included in notes 7 and 8 below as appropriate.

Other DfE group grants includes the following:

	Total 2020 £	Total 2019 £
Pupil premium	17,067	14,060
Universal infant free school meals	68,391	57,684
PE & sports grant	17,760	17,300
Teachers pay and pension grant	66,435	-
Other grants	880	9,833
	170,533	98,877

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	6,877	-	6,877	-
Catering income	1,319	-	1,319	475
Trips	53,073	-	53,073	55,273
Other income	17,748	-	17,748	33,460
	<u>79,017</u>	<u>-</u>	<u>79,017</u>	<u>89,208</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	143	-	143	113
	<u>143</u>	<u>-</u>	<u>143</u>	<u>113</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	10,839	-	14,854	25,693	45,412
Academy's educational operations					
- Direct costs	993,579	-	96,887	1,090,466	880,184
- Allocated support costs	210,251	321,002	161,352	692,605	601,169
	<u>1,214,669</u>	<u>321,002</u>	<u>273,093</u>	<u>1,808,764</u>	<u>1,526,765</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,250	6,000
- Other services	3,500	3,500
Operating lease rentals	3,052	59,880
Depreciation of tangible fixed assets	200,650	140,331
Loss on disposal of fixed assets	2,694	-
Net interest on defined benefit pension liability	2,000	-
	<u>213,146</u>	<u>210,711</u>

MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	2,562	1,087,904	1,090,466	880,184
Support costs				
Educational operations	57,196	635,409	692,605	601,169
	<u>59,758</u>	<u>1,723,313</u>	<u>1,783,071</u>	<u>1,481,353</u>
			2020	2019
			£	£
Analysis of support costs				
Support staff costs			210,251	114,745
Depreciation			203,344	140,331
Technology costs			3,429	1,323
Premises costs			117,658	132,460
Legal costs			4,828	7,586
Other support costs			139,240	191,149
Governance costs			13,855	13,575
			<u>692,605</u>	<u>601,169</u>
9 Staff				
Staff costs				
Staff costs during the year were:			2020	2019
			£	£
Wages and salaries			879,508	665,352
Social security costs			73,844	62,289
Pension costs			252,626	136,782
Staff costs - employees			<u>1,205,978</u>	<u>864,423</u>
Agency staff costs			8,691	42,786
			<u>1,214,669</u>	<u>907,209</u>
Staff development and other staff costs			7,829	6,781
Total staff expenditure			<u>1,222,498</u>	<u>913,990</u>

**MELROSE LEARNING TRUST
(FORMERLY WYNWARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

9 Staff (Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	27	18
Administration and support	7	5
Management	2	2
	<u>36</u>	<u>25</u>

Higher paid staff

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

	2020 Number	2019 Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £181,457 (2019: £166,409).

10 Trustees' remuneration and expenses

The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period ended 31 August 2020, no expenses were reimbursed to trustees.

The value of trustees' remuneration was as follows:

R Ward (head teacher):	
Remuneration	£80,001 - £85,000 (2019: £80,001 - £85,000)
Employer's pension contributions	£15,001 - £20,000 (2019: £10,001 - £15,000)
C McCabe (staff governor):	
Remuneration	£50,001 - £55,000 (2019: £45,001 - £50,000)
Employer's pension contributions	£10,001 - £15,000 (2019: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

**MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

11 Insurance for trustees and officers

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

12 Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2019	-
Additions	7,155
	<hr/>
At 31 August 2020	7,155
	<hr/>
Amortisation	
At 1 September 2019	-
Charge for year	1,047
	<hr/>
At 31 August 2020	1,047
	<hr/>
Carrying amount	
At 31 August 2020	6,108
	<hr/> <hr/>
At 31 August 2019	-
	<hr/> <hr/>

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Assets under constructio n	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	5,278,937	-	368,338	306,017	5,953,292
Additions	-	179,446	-	34,581	214,027
Disposals	-	-	-	(14,823)	(14,823)
At 31 August 2020	5,278,937	179,446	368,338	325,775	6,152,496
Depreciation					
At 1 September 2019	27,911	-	166,851	66,490	261,252
On disposals	-	-	-	(10,129)	(10,129)
Charge for the year	42,232	-	90,996	66,375	199,603
At 31 August 2020	70,143	-	257,847	122,736	450,726
Net book value					
At 31 August 2020	5,208,794	179,446	110,491	203,039	5,701,770
At 31 August 2019	5,251,026	-	201,487	239,527	5,692,040

14 Debtors

	2020 £	2019 £
Trade debtors	354	-
VAT recoverable	4,630	54,632
Prepayments and accrued income	26,546	74,170
	31,530	128,802

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,520	10,930
Other taxation and social security	19,291	15,110
Other creditors	21,789	14,859
Accruals and deferred income	302,123	224,519
	348,723	265,418

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	51,516	33,649
Deferred income at 1 September 2019	33,649	25,714
Released from previous years	(33,649)	(25,714)
Resources deferred in the year	51,516	33,649
Deferred income at 31 August 2020	51,516	33,649

Deferred income consists of Universal Infants Free School Meals and other income in advance of the 2020/21 academic year.

17 Funds

	Balance at			Gains,	Balance at
	1 September	Income	Expenditure	losses and	31 August
	2019	£	£	transfers	2020
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	28,842	1,209,513	(1,071,462)	(149,374)	17,519
Start up grants	33,049	14,500	(47,549)	-	-
Other DfE / ESFA grants	-	170,533	(170,533)	-	-
Other government grants	-	171,003	(166,605)	(4,398)	-
Pension reserve	(95,000)	-	(64,000)	(127,000)	(286,000)
	(33,109)	1,565,549	(1,520,149)	(280,772)	(268,481)
Restricted fixed asset funds					
DfE group capital grants	5,637,768	9,528	(185,116)	-	5,462,180
Capital expenditure from GAG	17,926	-	(12,935)	149,374	154,365
Start up grants	29,632	-	-	-	29,632
Other capital funding	6,714	-	(5,293)	60,280	61,701
	5,692,040	9,528	(203,344)	209,654	5,707,878
Total restricted funds	5,658,931	1,575,077	(1,723,493)	(71,118)	5,439,397
Unrestricted funds					
General funds	23,948	140,192	(85,271)	(55,882)	22,987
Total funds	5,682,879	1,715,269	(1,808,764)	(127,000)	5,462,384

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Start up funds represent funds designated by the ESFA to fund the growth of the academy trust during its start up phase.

Other DfE grants includes Pupil Premium, Universal Infant Free School meals funding and Sports Grant.

Other government grants includes Local Authority funding for under written pupil places.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent amounts receivable during the period. GAG of £149,374 and unrestricted funds of £55,882 were spent on fixed assets. This fund also includes the funding for the new building and associated fixtures and fittings.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's unrestricted and general restricted funds, excluding pension fund, were £40,506 as at 31 August 2020.

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	1,812	850,742	(929,680)	105,968	28,842
Start up grants	62,681	41,500	(41,500)	(29,632)	33,049
Other DfE / ESFA grants	-	98,877	(98,877)	-	-
Other government grants	-	138,068	(138,068)	-	-
Pension reserve	(24,000)	-	(25,000)	(46,000)	(95,000)
	<u>40,493</u>	<u>1,129,187</u>	<u>(1,233,125)</u>	<u>30,336</u>	<u>(33,109)</u>
Restricted fixed asset funds					
DfE group capital grants	83,520	5,792,471	(132,255)	(105,968)	5,637,768
Capital expenditure from GAG	5,985	-	(5,477)	17,418	17,926
Start up grants	-	-	-	29,632	29,632
Other capital funding	9,313	-	(2,599)	-	6,714
	<u>98,818</u>	<u>5,792,471</u>	<u>(140,331)</u>	<u>(58,918)</u>	<u>5,692,040</u>
Total restricted funds	<u>139,311</u>	<u>6,921,658</u>	<u>(1,373,456)</u>	<u>(28,582)</u>	<u>5,658,931</u>
Unrestricted funds					
General funds	<u>11,027</u>	<u>183,648</u>	<u>(153,309)</u>	<u>(17,418)</u>	<u>23,948</u>
Total funds	<u>150,338</u>	<u>7,105,306</u>	<u>(1,526,765)</u>	<u>(46,000)</u>	<u>5,682,879</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	6,108	6,108
Tangible fixed assets	-	-	5,701,770	5,701,770
Current assets	22,987	198,947	167,295	389,229
Creditors falling due within one year	-	(181,428)	(167,295)	(348,723)
Defined benefit pension liability	-	(286,000)	-	(286,000)
Total net assets	<u>22,987</u>	<u>(268,481)</u>	<u>5,707,878</u>	<u>5,462,384</u>

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	5,692,040	5,692,040
Current assets	92,401	222,250	36,606	351,257
Creditors falling due within one year	(68,453)	(160,359)	(36,606)	(265,418)
Defined benefit pension liability	-	(95,000)	-	(95,000)
Total net assets	23,948	(33,109)	5,692,040	5,682,879

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £21,726 (2019: £14,860) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

MELROSE LEARNING TRUST
(FORMERLY WYNARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £143,518 (2019: £79,604).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2020	2019
	£	£
Employer's contributions	46,000	30,000
Employees' contributions	15,000	10,000
Total contributions	61,000	40,000
	<hr/>	<hr/>
Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.2	3.0
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.0
	<hr/>	<hr/>

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

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

	2020	2019
	Years	Years
Retiring today		
- Males	21.8	21.9
- Females	23.5	23.8
Retiring in 20 years		
- Males	23.2	23.6
- Females	25.3	25.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
	£	£
Discount rate + 0.1%	429,000	186,000
Discount rate - 0.1%	468,000	202,000
Mortality assumption + 1 year	432,000	188,000
Mortality assumption - 1 year	464,000	201,000
CPI rate + 0.1%	449,000	200,000
CPI rate - 0.1%	447,000	189,000

The academy trust's share of the assets in the scheme

	2020	2019
	Fair value	Fair value
	£	£
Equities	123,000	75,636
Cash	19,000	12,573
Property	13,000	8,316
Other assets	7,000	2,475
Total market value of assets	162,000	99,000

The actual return on scheme assets was £3,000 (2019: £4,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	108,000	42,000
Past service cost	-	13,000
Interest income	(2,000)	(2,000)
Interest cost	4,000	2,000
Total operating charge	110,000	55,000

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	194,000	80,000
Current service cost	108,000	42,000
Interest cost	4,000	2,000
Employee contributions	15,000	10,000
Actuarial loss	128,000	48,000
Benefits paid	(1,000)	(1,000)
Past service cost	-	13,000
	<u>448,000</u>	<u>194,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	99,000	56,000
Interest income	2,000	2,000
Actuarial gain	1,000	2,000
Employer contributions	46,000	30,000
Employee contributions	15,000	10,000
Benefits paid	(1,000)	(1,000)
	<u>162,000</u>	<u>99,000</u>
20 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(93,495)	5,578,541
Adjusted for:		
Capital grants from DfE and other capital income	(9,528)	(5,792,471)
Investment income receivable	(143)	(113)
Defined benefit pension costs less contributions payable	62,000	25,000
Defined benefit pension scheme finance cost	2,000	-
Depreciation of tangible fixed assets	200,650	140,331
Loss on disposal of fixed assets	2,694	-
Decrease/(increase) in debtors	97,272	(60,609)
Increase in creditors	83,305	95,285
	<u>344,755</u>	<u>(14,036)</u>
Net cash provided by/(used in) operating activities	344,755	(14,036)

**MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	222,455	135,244	357,699

22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	6,961	6,233
Amounts due in two and five years	13,490	17,356
	<u>20,451</u>	<u>23,589</u>

23 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	59,554	-

During the year ended 31 August 2020 the academy entered into a contract for the carpark and playground improvements, ending on 31st August 2021. At 31 August 2020 the maximum potential commitment under this agreement is £59,554 (2019: £nil).

24 Related party transactions

Owing to the nature of the academy 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 the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

JD Managed Services - a company in which Mrs J Doyle's (a trustee) partner is a director:

- The company hired a room totalling £250 during the year (2019: £nil), of which £250 is outstanding at 31 August 2020.
- The trust made the transaction at arms' length in accordance with its financial regulations.
- In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

MELROSE LEARNING TRUST
(FORMERLY WYNYARD CHURCH OF ENGLAND PRIMARY SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.

