

Company registration number 09012630 (England and Wales)

**MELROSE LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# MELROSE LEARNING TRUST

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# MELROSE LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### 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 (Resigned 1 November 2021)  
Mrs. J Doyle  
Mr. P Mackings (Chair)  
Mr. R Ward (Accounting Officer)  
Mrs. J Mogridge  
Prof. S P Bradley  
K Brownless  
R J Hiles  
Mr C Alderson (Appointed 1 May 2022)

### Senior management team

- CEO/Headteacher Mr R Ward  
- Headteacher Mr A Park

### Company registration number

09012630 (England and Wales)

### Registered office

Unit 3 Alexander House  
Whitfield Court  
St John's Road  
Meadowfield Industrial Estate  
Durham  
DH7 8XL

### Academies operated

	<b>Location</b>
Wynyard Church of England Primary School	Wynyard
Esh CofE (Aided) Primary School	Esh
St Mary's Cockerton Church of England Primary School	Darlington
High Coniscliffe CofE Primary School	Darlington

### Principal

Mr R Ward  
Mr A Park  
Mrs W Aitken  
Mrs W Aitken

### Independent auditor

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB  
United Kingdom

### Bankers

Lloyds Bank plc  
25 Gresham Street  
London  
EC2V 7HN  
United Kingdom

# MELROSE LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Solicitors**

Womble Bond Dickinson  
St Anns Wharf  
112 Quayside  
Newcastle Upon Tyne  
Tyne And Wear  
NE1 3DX  
United Kingdom

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees present their annual report with the financial statements and auditor's reports of the charitable company for the period 1st September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report and directors' report under company law.

The academy trust operates four primary academies in North East of England. Its academies have a combined pupil capacity of 840 and had a roll of 804 in the school census on 6th October 2022.

#### **Structure, governance and management**

##### Constitution

Melrose Learning Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Melrose Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Melrose Learning Trust.

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 have been appointed in accordance with Memorandum and Articles of Association as set out below.

The constitution of the Trust provides that the number of trustees 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 trustees:

- I. No fewer than three trustees, appointed under Article 50; i.e. appointed by members
- II. Members can appoint up to 11 trustees to the Board
- III. The CEO
- IV. The Academy Trust may also have any co-opted governor appointed under Article 59

The term of office for any trustee is four years and, subject to eligibility, may apply for re-election. This time limit does not apply to the CEO.

##### Policies and procedures adopted for the induction and training of trustees

A skills audit of the Trustees was conducted during the period to review the mix of skills and identify training needs. All trustees are supported with a training and development programme which provides for the delivery of internally developed training/seminar activities, together with the engagement of high quality, external governance training providers and resources.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### 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 trustees who may exercise all the powers of the Academy Trust. Strategic decisions include approval of school development plans, budget approval, appointment of auditors and approval of the Annual Report and financial statements.

The Trust Board meets six times every school year, with additional meetings of the 'Finance and General Purposes Committee' where required.

Delegated authority and powers of decision making in relation to the Board of Trustees and its committees, including each Local Governing Body, is defined in the Trust's Scheme of Delegation (SoD). The task of running the schools on a day-to-day basis is delegated to the Chief Executive Officer (CEO) who is the Accounting Officer. The CEO is supported by the Chief Finance Officer (CFO) and Chief Operating Officer (COO), both appointed 1st September 2022.

The CEO 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. Systems and procedures for financial management, HR and administration are undertaken at an academy level but supported and overseen by The Trust's Central Team comprised of Trust CEO, CFO and COO. The Trust operates a single bank account and one finance policy and procedures across all of its schools.

### 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 schools. These policies are reviewed annually. Pay is based upon the national pay scales for teachers in England and Wales. Trustees appoint senior leaders on salaries based upon school capacity and future growth.

The Trust have an appraisal policy with pay for senior leaders linked to performance. Performance management of staff, other than the CEO, CFO, COO and headteachers, are carried out by the Headteachers with recommendations going to the Trust's Pay Review Committee. The CEO's performance management is carried out by Trustees with advice from external professionals and CFO and COO carried out by CEO. All headteachers' performance management is carried out by CEO and LGB Chair/committee.

Trustees other than staff members are not paid.

### Relevant union officials

The Trust has zero employees who were relevant union officials during the relevant period

### 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 trust board meetings.

Some of the related parties include The Diocese of Durham, the Diocesan Board of Education, Stockton Deanery and the local church community.

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# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Objectives and activities

##### Objects and aims

As a Trust, our aim is for all of our schools to maintain their own unique identity whilst working together to ensure the educational potential of each child is maximised and their wellbeing is fundamental to everything we do.

Melrose Learning Trust are committed to providing children with high achievement, confidence and enrichment, developed through excellent teaching, stimulating curriculums, and strong moral values.

##### **Our aspirations as a Trust are:**

- to ensure the physical and spiritual well-being of every member of the school community is maintained and enhanced
- to create learning environments where children develop a love for learning and learn how to use knowledge wisely
- to share expertise across a range of settings to enhance professional development of staff
- to ensure our schools are at the forefront of modern technology and to make the best use of the resources available to us.
- to be central to the life of their communities

##### Objectives, strategies and activities

Melrose Learning Trust was formed on 1st December 2020, with two schools – Wynyard CE Primary and Esh CE Primary (from 1st January 2021). Our vision was to establish, and grow, a trust where schools flourish and children make rapid academic progress and develop a love of learning. This growth has continued over the period 1st September 2021 to 31st August 2022 – as of 1st May 2022, St Mary's Cockerton and High Coniscliffe CE Primary joined The Trust.

The key achievements against the Trust's stated objectives during 2021/22 included the following:

- Melrose Learning Trust continued to develop a reputation for being a 'strong' Trust. The Trust were identified by The Diocese of Durham and Newcastle as one of five trusts earmarked for growth. Due diligence is robust across all aspects of the conversion process. A number of additional schools have passed a resolution to join The Trust in 2022/23, with the number of schools expected to grow to eight.
- All schools remain 'Good' or 'Outstanding'. Both Esh CE Primary and High Coniscliffe CE Primary achieved 'Good' judgements in their Ofsted inspections in July 2022.
- Educational outcomes are strong and improving. School improvement is both challenging and supportive with targets for improvement identified, actioned and monitored. All schools are highly committed to supporting children post-Covid and school development plans target this support. Educational outcomes are generally strong across The Trust and, where they aren't, detailed plans are in place to improve them.
- Ensure children are supported to 'catch up' on any gaps in learning that have resulted from the Covid Pandemic. This has been a focus of all schools, in particular support for Early Reading and Personal, Social Education. Recent Ofsted inspections have identified the positive impact of these interventions.
- Trust provision ensures staff and pupil mental health and wellbeing is well supported. The Trust has appointed a MHWB leader who provides support to schools for both staff and pupils as part of its central offer.
- Central services provide high quality support for all schools within the Trust. Continuous professional development (CPD) for all Trust stakeholders is targeted to school and Trust development objectives and is high impact.
- The central team is now in place in a central office space. The expansion of the central team is in line with Trust Growth and will continue to grow as The Trust does.
- Governance and finance policies, including scheme of delegation, continue to be developed to refine operations across a new and expanding Trust.
- The Free School process to ensure St Joseph's moves into 'Pre-opening' phase is now complete. The project can now progress as planned'.
- All DfE, ESFA and Ofsted requirements are met.

##### 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 schools offering excellent education, with a strong Christian ethos for the local communities they serve and this is reflected in the schools' open admission policies, reflecting that of the Local Authority within which each school is located.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Strategic report

#### Achievements and performance

The Trust's key measures of success during 2021-22 were:

- Central Team (CEO, COO and CFO) in place and central office space procured ready for September 2022
- Trust growth is both sustainable and financially viable – central team provides sufficient capacity and is expanded as and when growth determines
- School improvement is highly effective, especially in identifying development areas of schools new to the Trust and creating detailed improvement plans with clear success criteria
- All schools remain 'Good' or 'Outstanding' in Ofsted inspections
- CPD for all stakeholders developed all, including school leaders
- Financial and governance procedures are reviewed and further developed, including scheme of delegation. Systems for reviewing key documents are robust

#### **Achievements and Performance**

The Trust 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. Continuous professional development (CPD) ensures that all staff are trained effectively to secure educational excellence. This CPD is now shared across both schools in the Trust.

#### **Ofsted**

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

Esh CE Primary School was graded 'Good' by Ofsted in July 2022.

High Coniscliffe was graded 'Good' by Ofsted in July 2022.

St Mary's Cockerton was graded 'Good' by Ofsted in May 2019.

#### **SIAMs**

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

Esh CE Primary School was graded 'Outstanding' in October 2017.

High Coniscliffe was graded 'Good' in 'Outstanding' in November 2017.

St Mary's Cockerton was graded 'Good' in November 2022.

#### **Trust's Performance**

The Trust provided support throughout the pandemic to ensure standards remained high both in-school and also when remote education was required. Some key performance indicators are as follows:

- Schools remained open throughout lockdown periods, offering quality education to 'key workers' children' and those accessing remote education from home.
- Attendance remained high throughout.
- Mental Health and Wellbeing support for staff and pupils has had an exceptionally positive impact.
- On-line learning systems are now firmly embedded in school practice and can be used as an when required.
- Funding directed towards 'catch-up' support was effectively used and interventions were of a very high quality.
- Ongoing plans for 'catch up' support are in place, with senior leaders supporting in effective planning and delivery.
- A comprehensive CPD programme has been in place to enable staff to develop both during, and outside, of Covid lockdowns.
- School meals were prioritised for those who were in need.
- Health and Safety, including Covid risk assessments, were updated in line with government guidance and effective throughout.



# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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- Ongoing plans for 'catch up' support are in place, with senior leaders supporting in effective planning and delivery.
- A comprehensive CPD programme has been in place to enable staff to develop both during, and outside, of Covid lockdowns.
- School meals were prioritised for those who were in need.
- Health and Safety, including Covid risk assessments, were updated in line with government guidance and effective throughout.

#### 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 2022, the majority of the Trust's income came from the Education Skills Funding Agency in the form of grants, the use of which is restricted to particular purposes. The grants received from ESFA during the period 1st September 2021 to 31st August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust's financial position is subject to risks and sensitivities that may adversely affect financial performance throughout the academic year. These include the impact of unbudgeted pay rises, inflation, energy costs, Trust growth and possible negative balances on conversion of schools new to the Trust. The Trust has successfully managed the financial impact of these significant events during this financial period, in particular the impact of energy costs, inflation and pay rises in addition to the financial implications of Trust expansion. This has been managed effectively by our central team and Finance and General Purposes committee, made possible due to cautious budget setting, rigorous financial monitoring and review and reactive changes to assumptions made at budget settings.

The Trust has managed growth successfully during this financial period. The Trust applied for and received £92,439.80 of TCaF funding which supported the expansion from two to four schools and the further development of the central team and services. Careful financial management, including rigorous due diligence of potential new schools, has ensured the The Trust is well informed about any future schools joining the Trust, ensuring financial risk is minimised. Melrose LT will be submitting another TCaF bid to support continued and sustainable growth in 2022-23.

The Trust expanded from two schools to four during this period. The two schools formerly in 'Dove' Academy Trust joined Melrose Learning Trust on 1st May 2022. This has impacted the levels of income and expenditure noted in the financial statement as well as the reserves total for The Trust.

The Trust will grow to eight schools by May 2023, with plans to expand further during the following year.

The Trust has procured a central office space from May 2022 and has moved to having a central team from 1st September 2022. As part of The Trust's growth plan, the central team will be expanded in line with growth in the years to come.

Each school within The Trust contributes a 6% 'top-slice' of their GAG funding for the central services provided – this has remained consistent to the previous year and will not change for 2022-23.

There have been a number of unforeseen factors which have had an impact on The Trust during the financial period to 31st August 2022 and then beyond. One of the most notable was the impact of the pay rises which were significantly above those budgeted for. The main impact up to 31st August 2022 was the NJC pay award which was, in effect, from 4.04% up to 10.9% (depending upon salary scale) and backdated to 1st April 2022, significantly higher than The Trust's assumption of 3% at budget setting. The negative impact of the additional NJC pay rise up to 31st August 2022 was £49,010. Going forward into the period 1st September 2022 to 31st August 2023 there will be the additional impact of the unforeseen increase in teacher pay. The impact to The Trust will be at points M6 and above, including leadership. The Trust had budgeted for 3% but the actual rise was 5%. When combined with the NJC pay rise, the negative impact to the Trust for 2022-23, for four schools, is expected to be £81,603.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Trust made an operating surplus in the year to August 31st 2021 of £284,000. The Trust held an revenues funds of £631,000 on 31st August 2021 comprising £215,000 of restricted reserves and £416,000 of unrestricted reserves.

Total revenue income in the period excluding transfers in was £3,657,000 of which £3,171,000 came from the ESFA revenue grants.

The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2021-22:

- Memorandum and Articles of Association
- Scheme of Delegation
- Academy Funding Agreements
- Melrose LT Finance Policy and Procedures
- Melrose LT Governance Handbook and Induction Policies
- Teachers' Pay and Appraisal
- Reserves Policy
- Anti-fraud, Bribery and Corruption Policy
- Assets and Disposal Policy
- Budget Monitoring and Setting Policy
- Central Services Policy and Appeals Policy
- Treasury Management Policy
- Charging Policy
- Freedom of Information

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing The Trust during the period ending 31st August 2022 comprised of external financial pressures, including energy costs, inflation and pay rises and the impact they have on school and Trust finances and the consequent impact on educational resources and standards.

The other major risk is around Trust growth, firstly in regards to the impact the costs noted above have on each school joining the Trust and, ultimately, the risk to The Trust assuming legal responsibility for those schools. In addition, The Trust has committed to securing central staffing (CEO, COO and CFO) and a central office space for the central team – The Trust will need to ensure the central team has sufficient capacity as The Trust grows.

Expenditure will increase as The Trust grows and the central team grows accordingly – it must be noted that this increased financial commitment should be mitigated by the additional income from the additional top-slice contributions made by new schools.

Going forward, the Trust Board will keep the Trust's activities under review and monitor performance, with particular regard to any major risks which may arise from MAT growth, the financial projections for new schools joining and the continuing impact of external pressures such as energy costs.

#### **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 Board, which included a Trustee with significant audit and accounting experience.

#### Reserves policy

The Trust will review reserve levels regularly throughout the period as part of budget monitoring and the minimum level of reserves for the ongoing needs of the Trust will be reviewed at least annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees have decided that the minimum level of reserves should equate to four weeks' worth of budgeted expenditure both in terms of salaries and invoices.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The Trust's current level of reserves are £631,227. This figure has increased due to a careful financial management and St Mary's Cockerton and High Coniscliffe joining The Trust on 1st May 2022.

As a newly established Trust, we have set short term financial plans to ensure that reserves are considered at a level that is more than sufficient for the ongoing needs of the Trust. Reserves are projected to grow over the short to medium term, based upon the current size of the Trust. Ongoing reviews of the strategic risks that the Trust faces will help in informing the levels of reserves required going forward.

Our growth plan for the future ensures that robust due diligence will be carried out on schools joining the Trust to ensure reserves remain at levels as detailed in our policy. The Trust will need to review the reserves policy in line with growth.

#### Investment policy

The Trust 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

##### **Fundraising**

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

The vast majority of fundraising is school led. Wynyard Church of England Primary School has a 'Friends of Wynyard' group who 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.

##### **Plans for future periods**

The Trust's development plans includes the following:

1. Sustainable Trust growth
2. High quality, cost effective procurement
3. Develop central team
4. Provide high quality school improvement and CPD
5. Strategic response to external budgetary pressures
6. Enhance governance across The Trust

The Trust has plans in place to grow. Target dates for conversion have been set for four additional schools to join Melrose Learning Trust during 2022-23. One school will convert on 1st December 2022 and three further schools in the period up to 1st May 2023. It is expected that further schools will pass the resolution to join Melrose Learning Trust during the year with a view to joining The Trust in 2023-24.

Melrose Learning Trust has a central training facility and has plans in place for a high quality annual CPD programme for its stakeholders. The Trust is fully committed to the professional development of staff and governors across all aspects of school improvement, statutory responsibilities and governance.

The Trust aims, under the leadership of the CEO, to establish a school improvement team from within the Trust to focus on school improvement, particularly with curriculum and standards. In addition, we aim to be in a position to provide school improvement services to schools outside of the Trust. The aim is to raise standards across The Trust, sharing Good practice, leading to consistently high standards in all schools.

Appointment of COO responsible for governance and strategic development. Focus on refining governance policies and procedures and providing high quality training to upskill governors.

Trust to focus on procurement and engaging specialist to support the provision of high quality, sustainable and cost-effective services.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### **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 15 December 2022 and signed on its behalf by:



Mr. P Mackings  
Chair

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Melrose Learning Trust 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. As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Melrose Learning Trust 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 seven times as Melrose Learning Trust over the period 1st September 2021 to 31st August 2022. Attendance at those meetings is as follows:

#### Melrose Learning Trust Board Meetings September 2021 to August 2022

Trustees	Meetings attended	Out of possible
Rev Canon S Bain (Resigned 1 November 2021)	1	7
Mrs. J Doyle	4	7
Mr. P Mackings (Chair)	7	7
Mr. R Ward (Accounting Officer)	7	7
Mrs. J Mogridge	2	7
Prof. S P Bradley	6	7
K Brownless	7	7
R J Hiles	6	7
Mr C Alderson (Appointed 1 May 2022)	2	2

### Conflicts of interest

Members, Directors, Governors and Headteachers of the Trust are required to declare their interests in connection with their role with the Melrose Learning Trust. A Conflict of Interest process is in place and a declaration of Business Interests Form is distributed annually, listing the types of interest that should be declared. This form is in line with the ESFA Academies Handbook, requiring academy trusts to maintain a Register of Business Interests which 'must capture relevant business and pecuniary interests of members and trustees of academies within a multi-academy trust and senior employees.' The Clerk to the Board (Chief Operating Officer) is responsible for the maintenance of the registers which is a standing item on all Board and Committee meeting agenda.

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Governance reviews**

Trustees continue to review the structure of its committees which were implemented to support Trust priorities and to ensure focus on improvement and accountability. There are ongoing efforts to secure new trustees with the relevant skills and experience to support the academy. Recruiting skilled trustees continues to be challenging due to time commitments. Trustees are selected according to the expertise and skills required by the Trust. The Board completes an annual skills audit of its trustees and uses this as a basis to identify any shortfalls in expertise in the Board's composition. Existing trustees also draw on their wide network of professional contacts to source new trustees with the appropriate skills and expertise.

With the Trust expanding from two to four schools in May 2022, the skills audit identified a further strengthening of the Board's financial experience and expertise. This resulted in the appointment of Mr C Alderson, former Chair of Dove Academy Trust, qualified Accountant and Senior Manager with the ESFA. A further skills audit was undertaken in September 2022, informing the approved appointment of Mrs H Sutherland, providing further primary phase Headship and SEND experience to the Board's skill sets. A governance self-review exercise is planned for delivery later in the 2022/2023 academic year.

### **Review of value for money**

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

- ensuring growth from two schools to four;
- ensuring long term growth with four further schools due to join the Trust in 2022-23;
- creation of a central team – increased capacity from CEO, CFO and COO;
- introducing high quality additional services to support growth and improve standards
- ensuring staffing levels are in place to achieve aims and objectives;
- investing in a central training facility and CPD programme to improve both curriculum provision and ensure high outcomes;

### **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 Melrose Learning Trust for 1st September 2021 to 31 August 2022 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 2021 to 31st August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 decided to appoint Clive Owen LLP as internal auditor.

School commissioned a programme of Internal Assurance which took place on 25th May 2022 at Wynyard and 20th July 2022 at Esh. The two Dove schools used their remaining SLA to complete internal assurance activities prior to joining Melrose LT.

The aim of the programme 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;
- Trust published information (e.g. website) is fully compliant.
- Payroll, HR & staffing procedures are being followed.
- A robust system for Risk Management is in place.

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

- The website for Esh Church of England Primary School required further updating to be fully compliant, this was in process at the time as our new trust wide websites had only been set up very recently.
- The auditor suggested that, whilst our SCR is compliant, we should detail on the record which documents we have seen as evidence of right to work rather than just the date seen.
- The Risk Register should be updated in areas where targets have been described as 'partially met' to detail how/what actions will be taken going forward.
- The audit reviewed our Business Continuity Plan and suggested that a 'Grab Bag' was introduced containing emergency supplies in the event of a serious incident.

The programme of internal assurance work for the Trust was agreed by the Board in the Autumn term 2021 with the following areas identified for review:

- Budgeting and Financial Management
- HR and Staffing

Work was undertaken in accordance with the agreed plan at both Wynyard CE Primary and Esh CE Primary Schools between January and August 2022.

The Trust's procedures were identified as being robust and effective. Risks were identified as follows:

- Pre-employment Health Checks were not carried out as part of the recruitment process. This is something that the Trust will look to introduce over the coming year and we are in consultation with our legal HR team to develop a suitable questionnaire. Status of Risk as at 31st August 2022 – GREEN.

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Review of effectiveness

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

- 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
- Internal and External audits

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 15 December 2022 and signed on its behalf by:



Mr. P Mackings  
Chair



Mr. R Ward  
Accounting Officer



# MELROSE LEARNING TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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**

15 December 2022

# MELROSE LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2022

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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 2021 to 2022 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 2021 to 2022;
- 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 15 December 2022 and signed on its behalf by:



Mr. P Mackings  
Chair

# MELROSE LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING TRUST

*FOR THE YEAR ENDED 31 AUGUST 2022*

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### **Opinion**

We have audited the accounts of Melrose Learning Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2021 to 2022 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 2022 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 2021 to 2022.

### **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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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:

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.

# MELROSE LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

# MELROSE LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MELROSE LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### 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**

*20/12/2022*  
.....

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
United Kingdom  
TS22 5TB

# MELROSE LEARNING TRUST

## 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 2022**

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In accordance with the terms of our engagement letter dated 11 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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

## 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 2022**

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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 reports
- 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 2021 to 31 August 2022 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: *20/12/2022*



# MELROSE LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	24,127	24,127	29,247
Donations - transfer from local authority on conversion		-	-	-	-	(458,948)
Donations - transfer of existing academy into the trust		195,485	41,000	252,389	488,874	-
Charitable activities:						
- Funding for educational operations	5	112,873	3,416,404	-	3,529,277	2,323,533
Other trading activities	4	228,401	-	-	228,401	91,309
Investments	6	60	-	-	60	32
<b>Total</b>		<b>536,819</b>	<b>3,457,404</b>	<b>276,516</b>	<b>4,270,739</b>	<b>1,985,173</b>
<b>Expenditure on:</b>						
Raising funds	7	105,506	-	-	105,506	78,634
Charitable activities:						
- Educational operations	9	91,831	3,557,784	168,109	3,817,724	2,502,701
Charitable expenditure - transfer of existing academy into the trust		-	884,000	-	884,000	-
<b>Total</b>	<b>7</b>	<b>197,337</b>	<b>4,441,784</b>	<b>168,109</b>	<b>4,807,230</b>	<b>2,581,335</b>
<b>Net income/(expenditure)</b>		<b>339,482</b>	<b>(984,380)</b>	<b>108,407</b>	<b>(536,491)</b>	<b>(596,162)</b>
Transfers between funds	18	-	(46,237)	46,237	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	1,561,000	-	1,561,000	(58,000)
<b>Net movement in funds</b>		<b>339,482</b>	<b>530,383</b>	<b>154,644</b>	<b>1,024,509</b>	<b>(654,162)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		76,166	(905,804)	5,637,860	4,808,222	5,462,384
Total funds carried forward		415,648	(375,421)	5,792,504	5,832,731	4,808,222

# MELROSE LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General    Fixed asset		Total 2021 £
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	10,000	-	19,247	29,247
Donations - transfer from local authority on conversion		41,052	(500,000)	-	(458,948)
Charitable activities:					
- Funding for educational operations	5	49,718	2,273,815	-	2,323,533
Other trading activities	4	91,309	-	-	91,309
Investments	6	32	-	-	32
<b>Total</b>		<u>192,111</u>	<u>1,773,815</u>	<u>19,247</u>	<u>1,985,173</u>
<b>Expenditure on:</b>					
Raising funds	7	78,319	315	-	78,634
Charitable activities:					
- Educational operations	9	50,613	2,262,664	189,424	2,502,701
<b>Total</b>	7	<u>128,932</u>	<u>2,262,979</u>	<u>189,424</u>	<u>2,581,335</u>
<b>Net income/(expenditure)</b>		63,179	(489,164)	(170,177)	(596,162)
Transfers between funds	18	(10,000)	(90,159)	100,159	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(58,000)	-	(58,000)
<b>Net movement in funds</b>		53,179	(637,323)	(70,018)	(654,162)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>22,987</u>	<u>(268,481)</u>	<u>5,707,878</u>	<u>5,462,384</u>
Total funds carried forward		<u>76,166</u>	<u>(905,804)</u>	<u>5,637,860</u>	<u>4,808,222</u>

# MELROSE LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		1,934		4,319
Tangible assets	14		5,763,285		5,633,541
			<u>5,765,219</u>		<u>5,637,860</u>
<b>Current assets</b>					
Debtors	15	316,047		80,707	
Cash at bank and in hand		770,787		348,090	
		<u>1,086,834</u>		<u>428,797</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(428,322)		(271,435)	
<b>Net current assets</b>			<u>658,512</u>		<u>157,362</u>
<b>Net assets excluding pension liability</b>			<u>6,423,731</u>		<u>5,795,222</u>
Defined benefit pension scheme liability	20		(591,000)		(987,000)
<b>Total net assets</b>			<u>5,832,731</u>		<u>4,808,222</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			5,792,504		5,637,860
- Restricted income funds			215,579		81,196
- Pension reserve			(591,000)		(987,000)
<b>Total restricted funds</b>			<u>5,417,083</u>		<u>4,732,056</u>
<b>Unrestricted income funds</b>	18		<u>415,648</u>		<u>76,166</u>
<b>Total funds</b>			<u>5,832,731</u>		<u>4,808,222</u>

The accounts on pages 23 to 48 were approved by the trustees and authorised for issue on 15 December 2022 and are signed on their behalf by:



Mr. P Mackings  
Chair

Company registration number 09012630

# MELROSE LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		176,037		90,518
Cash funds transferred on conversion			284,000		-
			<u>460,037</u>		<u>90,518</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		60		32	
Capital grants from DfE Group		24,127		13,368	
Capital funding received from sponsors and others		-		2,701	
Purchase of tangible fixed assets		(61,527)		(116,228)	
		<u>(37,340)</u>		<u>(100,127)</u>	
<b>Net cash used in investing activities</b>			<u>(37,340)</u>		<u>(100,127)</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			422,697		(9,609)
Cash and cash equivalents at beginning of the year			348,090		357,699
<b>Cash and cash equivalents at end of the year</b>			<u><u>770,787</u></u>		<u><u>348,090</u></u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 2021 to 2022 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 Transfer of existing academies into the Trust

The transfer of existing academy schools into the academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on from the two academies joining the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer of existing academy into the trust n in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds as appropriate. Further details of the transaction are set out in note 27.

##### 1.4 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.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 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.

##### 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.

##### Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 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.

#### 1.6 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

#### 1.7 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:

Leasehold land	125 years
Leasehold buildings	50 years
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 buildings at Wynyard Primary 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. The buildings at Esh, High Coniscliffe and St Mary's are occupied on a supplemental agreement with the Diocese and have not been capitalised.

#### 1.8 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 of services it must provide.

#### 1.9 Leased assets

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

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.10 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.

###### 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.

##### 1.11 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.

##### 1.12 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.



# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 Accounting policies (Continued)

##### 1.13 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.

#### 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.

##### **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### **Depreciation**

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

##### **Assets transferred on conversion**

The trust has transferred the assets of the predecessor schools. The value of the assets transferred have been estimated by trustees and management by reference to asset registers and other information from the predecessor schools and the capitalisation and depreciation policies of the trust.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	-	-	3,178
Capital grants	-	24,127	24,127	16,069
Other donations	-	-	-	10,000
	-----	-----	-----	-----
	-	24,127	24,127	29,247
	=====	=====	=====	=====

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	6,799	-	6,799	864
Catering income	1,906	-	1,906	1,173
Trips & Clubs	195,164	-	195,164	75,541
Other income	24,532	-	24,532	13,731
	<u>228,401</u>	<u>-</u>	<u>228,401</u>	<u>91,309</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 5 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	2,733,964	2,733,964	1,746,261
Other DfE/ESFA grants:				
- UIFSM	-	93,794	93,794	84,678
- Pupil premium	-	88,379	88,379	37,567
- Start up grants	-	30,000	30,000	40,000
- PE and sports premium	-	47,742	47,742	25,818
- Rates	-	6,024	6,024	14,125
- Teachers pension grant	-	7,097	7,097	70,512
- Teachers pay grant	-	2,512	2,512	21,284
- Tcaf	-	92,439	92,439	-
- Supplementary grant	-	42,211	42,211	-
- Others	-	26,497	26,497	10,712
	-	3,170,659	3,170,659	2,050,957
<b>Other government grants</b>				
Local authority grants	-	245,745	245,745	176,440
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	-	-	9,181
<b>Non-DfE/ESFA</b>				
Coronavirus job retention scheme grant	-	-	-	317
Other COVID-19 funding	-	-	-	36,920
	-	-	-	46,418
<b>Other funding</b>				
Catering income	92,062	-	92,062	45,474
Other incoming resources	20,811	-	20,811	4,244
	112,873	-	112,873	49,718
<b>Total funding</b>	112,873	3,416,404	3,529,277	2,323,533

#### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	60	-	60	32

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 7 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2022	2021
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	26,739	-	78,767	105,506	78,634
Academy's educational operations					
- Direct costs	2,113,631	-	235,343	2,348,974	1,440,177
- Allocated support costs	706,660	383,452	378,638	1,468,750	1,062,524
	<u>2,847,030</u>	<u>383,452</u>	<u>692,748</u>	<u>3,923,230</u>	<u>2,581,335</u>

#### Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Fees payable to auditor for:		
- Audit	10,000	7,050
- Other services	3,650	2,200
Operating lease rentals	6,762	5,392
Depreciation of tangible fixed assets	168,109	189,424
Net interest on defined benefit pension liability	23,000	10,000
	<u>200,521</u>	<u>203,066</u>

#### 8 Central services

The academy trust has provided the following central services to its academies during the year:

- leadership and curriculum support
- finance and audit
- legal and HR
- governance
- school improvement
- sports, health and wellbeing

The academy trust charges for these services at 6% of GAG funding.

The amounts charged during the year were as follows:

	2022	2021
	£	£
Wynyard Church of England Primary School	106,536	57,900
Esh CofE (Aided) Primary School	29,016	-
St Mary's Cockerton Church of England Primary School	17,539	-
High Coniscliffe CofE Primary School	11,715	-
Esh C.E. Primary School	-	17,908
	<u>164,806</u>	<u>75,808</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Direct costs</b>				
Educational operations	-	2,348,974	2,348,974	1,440,177
<b>Support costs</b>				
Educational operations	91,831	1,376,919	1,468,750	1,062,524
	<u>91,831</u>	<u>3,725,893</u>	<u>3,817,724</u>	<u>2,502,701</u>
			<b>2022</b>	<b>2021</b>
			£	£
<b>Analysis of support costs</b>				
Support staff costs			706,660	443,136
Depreciation			168,109	189,424
Technology costs			17,440	25,981
Premises costs			215,343	152,463
Legal costs			36,327	35,449
Other support costs			304,937	199,506
Governance costs			19,934	16,565
			<u>1,468,750</u>	<u>1,062,524</u>
			<u>2022</u>	<u>2021</u>
			£	£
<b>10 Staff</b>				
<b>Staff costs</b>				
Staff costs during the year were:			<b>2022</b>	<b>2021</b>
			£	£
Wages and salaries			1,937,231	1,256,537
Social security costs			188,053	115,832
Pension costs			685,471	414,182
			<u>2,810,755</u>	<u>1,786,551</u>
Staff costs - employees			2,810,755	1,786,551
Agency staff costs			36,275	79,540
			<u>2,847,030</u>	<u>1,866,091</u>
Staff development and other staff costs			12,576	5,051
			<u>2,859,606</u>	<u>1,871,142</u>
Total staff expenditure			<u>2,859,606</u>	<u>1,871,142</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 10 Staff (Continued)

##### Staff numbers

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

	2022 Number	2021 Number
Teachers	26	22
Administration and support	44	35
Management	5	4
	<u>75</u>	<u>61</u>

##### Higher paid staff

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

	2022 Number	2021 Number
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-
	<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 £254,200 (2021: £273,959).

#### 11 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 2022, no expenses were reimbursed to trustees.

The value of trustees' remuneration was as follows:

R Ward (head teacher):	
Remuneration	£100,001 - £105,000 (2021: £85,001 - £90,000)
Employer's pension contributions	£20,001 - £25,000 (2021: £20,001 - £25,000)

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

#### 12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

<b>13 Intangible fixed assets</b>					<b>Computer Software</b>
					<b>£</b>
<b>Cost</b>					
At 1 September 2021 and at 31 August 2022					7,155
<b>Amortisation</b>					
At 1 September 2021					2,836
Charge for year					2,385
At 31 August 2022					5,221
<b>Carrying amount</b>					
At 31 August 2022					1,934
At 31 August 2021					4,319
<b>14 Tangible fixed assets</b>					
		<b>Leasehold land and buildings</b>	<b>Computer equipment</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2021		5,513,146	391,171	367,585	6,271,902
Transfers of existing academy trust		218,810	61,736	21,637	302,183
Additions		-	17,684	43,843	61,527
At 31 August 2022		5,731,956	470,591	433,065	6,635,612
<b>Depreciation</b>					
At 1 September 2021		114,027	334,480	189,854	638,361
Transfers of existing academy trust		5,158	52,531	10,554	68,243
Charge for the year		45,147	49,832	70,744	165,723
At 31 August 2022		164,332	436,843	271,152	872,327
<b>Net book value</b>					
At 31 August 2022		5,567,624	33,748	161,913	5,763,285
At 31 August 2021		5,399,119	56,691	177,731	5,633,541

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

<b>15 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	570	101
VAT recoverable	121,454	40,785
Prepayments and accrued income	194,023	39,821
	<u>316,047</u>	<u>80,707</u>
	<u><u>316,047</u></u>	<u><u>80,707</u></u>
<b>16 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	88,253	57,642
Other taxation and social security	56,742	31,902
Other creditors	112,745	62,181
Accruals and deferred income	170,582	119,710
	<u>428,322</u>	<u>271,435</u>
	<u><u>428,322</u></u>	<u><u>271,435</u></u>
<b>17 Deferred income</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	73,034	66,167
	<u>73,034</u>	<u>66,167</u>
Deferred income at 1 September 2021	66,167	51,516
Released from previous years	(66,167)	(51,516)
Resources deferred in the year	73,034	66,167
	<u>73,034</u>	<u>66,167</u>
<b>Deferred income at 31 August 2022</b>	<u><u>73,034</u></u>	<u><u>66,167</u></u>

Deferred income consists of Universal Infants Free School Meals and rates relief income in advance of the 2022/23 academic year.



# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	81,196	2,766,964	(2,586,344)	(46,237)	215,579
Start up grants	-	30,000	(30,000)	-	-
UIFSM	-	93,794	(93,794)	-	-
Pupil premium	-	88,379	(88,379)	-	-
Other DfE/ESFA grants	-	34,497	(34,497)	-	-
Other government grants	-	245,745	(245,745)	-	-
Teachers pension	-	7,097	(7,097)	-	-
Teachers pay grant	-	2,512	(2,512)	-	-
PE & sports premium	-	47,742	(47,742)	-	-
Rates	-	6,024	(6,024)	-	-
Supplementary grant	-	42,211	(42,211)	-	-
Tcaf grant	-	92,439	(92,439)	-	-
Pension reserve	(987,000)	-	(1,165,000)	1,561,000	(591,000)
	<u>(905,804)</u>	<u>3,457,404</u>	<u>(4,441,784)</u>	<u>1,514,763</u>	<u>(375,421)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	-	96,779	(683)	-	96,096
DfE group capital grants	5,316,569	171,927	(124,601)	-	5,363,895
Capital expenditure from GAG	298,976	672	(33,303)	46,237	312,582
Start up grants	19,755	-	(6,585)	-	13,170
Donated assets	2,560	3,821	(1,787)	-	4,594
Other capital funding	-	3,317	(1,150)	-	2,167
	<u>5,637,860</u>	<u>276,516</u>	<u>(168,109)</u>	<u>46,237</u>	<u>5,792,504</u>
<b>Total restricted funds</b>	<u>4,732,056</u>	<u>3,733,920</u>	<u>(4,609,893)</u>	<u>1,561,000</u>	<u>5,417,083</u>
<b>Unrestricted funds</b>					
General funds	<u>76,166</u>	<u>536,819</u>	<u>(197,337)</u>	<u>-</u>	<u>415,648</u>
<b>Total funds</b>	<u>4,808,222</u>	<u>4,270,739</u>	<u>(4,807,230)</u>	<u>1,561,000</u>	<u>5,832,731</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 18 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 2022.

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

Other ESFA grants included national tutoring programme, apprenticeship payment & mental health first aid grant all of which was fully utilised in the year.

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 £46,237 was spent on fixed assets. This fund also includes the funding for the new building and associated fixtures and fittings at Wynyard.

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 £631,227 as at 31 August 2022.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	17,519	1,746,261	(1,592,425)	(90,159)	81,196
Start up grants	-	40,000	(40,000)	-	-
UIFSM	-	84,678	(84,678)	-	-
Pupil premium	-	37,567	(37,567)	-	-
Other DfE/ESFA COVID-19 funding	-	4,181	(4,181)	-	-
Coronavirus job retention scheme grant	-	317	(317)	-	-
Other Coronavirus funding	-	5,000	(5,000)	-	-
Other DfE/ESFA grants	-	10,712	(10,712)	-	-
Other government grants	-	176,440	(176,440)	-	-
Teachers pension	-	70,512	(70,512)	-	-
Teachers pay grant	-	21,284	(21,284)	-	-
PE & sports premium	-	25,818	(25,818)	-	-
Rates	-	14,125	(14,125)	-	-
Catch up premium	-	36,920	(36,920)	-	-
Pension reserve	(286,000)	(500,000)	(143,000)	(58,000)	(987,000)
	<u>(268,481)</u>	<u>1,773,815</u>	<u>(2,262,979)</u>	<u>(148,159)</u>	<u>(905,804)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	5,462,180	16,069	(161,680)	-	5,316,569
Capital expenditure from GAG	214,645	-	(15,828)	100,159	298,976
Start up grants	29,632	-	(9,877)	-	19,755
Donated assets	-	3,178	(618)	-	2,560
Other capital funding	1,421	-	(1,421)	-	-
	<u>5,707,878</u>	<u>19,247</u>	<u>(189,424)</u>	<u>100,159</u>	<u>5,637,860</u>
<b>Total restricted funds</b>	<u>5,439,397</u>	<u>1,793,062</u>	<u>(2,452,403)</u>	<u>(48,000)</u>	<u>4,732,056</u>
<b>Unrestricted funds</b>					
General funds	<u>22,987</u>	<u>192,111</u>	<u>(128,932)</u>	<u>(10,000)</u>	<u>76,166</u>
<b>Total funds</b>	<u>5,462,384</u>	<u>1,985,173</u>	<u>(2,581,335)</u>	<u>(58,000)</u>	<u>4,808,222</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds (Continued)

##### Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
Wynyard Church of England Primary School	324,102	166,389
Esh CofE (Aided) Primary School	6,789	-
St Mary's Cockerton Church of England Primary School	84,720	-
High Coniscliffe CofE Primary School	127,593	-
Esh C.E. Primary School	-	903
Central services	88,023	(9,930)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	631,227	157,362
Restricted fixed asset fund	5,792,504	5,637,860
Pension reserve	(591,000)	(987,000)
	<hr/>	<hr/>
Total funds	<u>5,832,731</u>	<u>4,808,222</u>

##### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Wynyard Church of England Primary School	1,328,318	243,301	139,972	373,026	2,084,617	1,760,682
Esh CofE (Aided) Primary School	380,400	99,916	42,369	90,492	613,177	-
St Mary's Cockerton Church of England Primary School	242,401	67,956	21,028	51,452	382,837	-
High Coniscliffe CofE Primary School	147,367	41,024	14,241	22,354	224,986	-
Esh C.E. Primary School	-	-	-	-	-	377,468
Central services	41,884	9,039	5,157	112,426	168,506	110,761
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,140,370</u>	<u>461,236</u>	<u>222,767</u>	<u>649,750</u>	<u>3,474,123</u>	<u>2,248,911</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Intangible fixed assets	-	-	1,934	1,934
Tangible fixed assets	-	-	5,763,285	5,763,285
Current assets	415,648	643,901	27,285	1,086,834
Current liabilities	-	(428,322)	-	(428,322)
Pension scheme liability	-	(591,000)	-	(591,000)
<b>Total net assets</b>	<b>415,648</b>	<b>(375,421)</b>	<b>5,792,504</b>	<b>5,832,731</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Intangible fixed assets	-	-	4,319	4,319
Tangible fixed assets	-	-	5,633,541	5,633,541
Current assets	76,166	352,631	-	428,797
Current liabilities	-	(271,435)	-	(271,435)
Pension scheme liability	-	(987,000)	-	(987,000)
<b>Total net assets</b>	<b>76,166</b>	<b>(905,804)</b>	<b>5,637,860</b>	<b>4,808,222</b>

#### 20 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 £65,918 (2021: £35,428) were payable to the schemes at 31 August 2022 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 academy trusts. 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.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

##### 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.

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 2024.

The employer's pension costs paid to the TPS in the period amounted to £273,320 (2021: £196,981).

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 17.5 - 27.4% for employers and 5.5 - 12.5% for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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	2022	2021
	£	£
Employer's contributions	148,000	84,000
Employees' contributions	41,000	25,000
Total contributions	<u>189,000</u>	<u>109,000</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022	2022	2021	2021
	%	%	%	%
	Durham	Teesside	Durham	Teesside
Rate of increase in salaries	3.7	4.05	3.7	3.6
Rate of increase for pensions in payment/ inflation	2.7	3.05	2.7	2.6
Discount rate for scheme liabilities	4.1	4.25	1.7	1.7
Inflation assumption (CPI)	2.7	3.5	2.7	2.6

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

	2022	2022	2022	2021
	Years	Years	Years	Years
	Durham	Teesside	Durham	Teesside
Retiring today				
- Males	22.1	21.7	22.3	21.8
- Females	24.2	23.5	24.3	23.5
Retiring in 20 years				
- Males	23.2	22.9	23.3	23.2
- Females	25.7	25.3	25.8	25.3

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

The academy trust's share of the assets in the scheme	2022	2021
	Fair value £	Fair value £
Equities	1,274,480	439,158
Government bonds	205,000	58,745
Corporate bonds	80,000	65,567
Cash	82,540	40,248
Property	226,980	44,230
Other assets	360,000	15,052
Total market value of assets	2,229,000	663,000

The actual return on scheme assets was £(29,000) (2021: £79,000).

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations	(Continued)	
Amount recognised in the statement of financial activities	2022	2021
	£	£
Current service cost	406,000	217,000
Interest income	(21,000)	(6,000)
Interest cost	44,000	16,000
	<u>429,000</u>	<u>227,000</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 September 2021	1,650,000	448,000
Obligations acquired on conversion / transfer	2,299,000	816,000
Current service cost	406,000	217,000
Interest cost	44,000	16,000
Employee contributions	41,000	25,000
Actuarial (gain)/loss	(1,611,000)	131,000
Benefits paid	(9,000)	(3,000)
	<u>2,820,000</u>	<u>1,650,000</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 September 2021	663,000	162,000
Assets acquired on conversion / transfer	1,415,000	316,000
Interest income	21,000	6,000
Actuarial loss/(gain)	(50,000)	73,000
Employer contributions	148,000	84,000
Employee contributions	41,000	25,000
Benefits paid	(9,000)	(3,000)
	<u>2,229,000</u>	<u>663,000</u>



# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 21 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(536,491)	(596,162)
Adjusted for:			
Net deficit on conversion to academy		-	458,948
Net deficit on transfer of academy in the trust	27	395,126	-
Capital grants from DfE and other capital income		(24,127)	(19,247)
Investment income receivable	6	(60)	(32)
Defined benefit pension costs less contributions payable	20	258,000	133,000
Defined benefit pension scheme finance cost	20	23,000	10,000
Depreciation of tangible fixed assets		168,109	189,424
(Increase) in debtors		(235,340)	(49,177)
Increase/(decrease) in creditors		156,887	(77,288)
Stocks, debtors and creditors transferred on conversion		(29,067)	41,052
<b>Net cash provided by operating activities</b>		<u>176,037</u>	<u>90,518</u>

### 22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	348,090	422,697	770,787

### 23 Long-term commitments

#### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	41,280	7,052
Amounts due in two and five years	73,407	10,521
	<u>114,687</u>	<u>17,573</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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.

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

#### 25 Post balance sheet events

After the year end, the following school converted to academy trust status and joined Melrose Learning Trust.

- Greatham CofE Primary School

#### 26 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.

#### 27 Transfer of existing academies into the academy trust

The Dove Academy Trust, which is made up of the following schools:

- St Mary's Cockerton Primary School
- High Coniscliffe CofE Primary School

The following fair value adjustments were made:

- One of the buildings occupied by the Trust was de-recognised as it is held on a church supplemental agreement
- The LGPS liability was not valued on transfer, therefore this has been updated to reflect the value reported in the year end actuarial report

Other assets, liabilities and reserves were transferred at their carrying value.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
<b>Net liabilities acquired</b>			
Leasehold land and buildings	626,194	(412,542)	213,652
Other tangible fixed assets	20,289	-	20,289
Other net liabilities	(29,067)	-	(29,067)
Cash and cash equivalents	284,000	-	284,000
Pension scheme	(1,453,000)	569,000	(884,000)
Total net liabilities	<u>(551,584)</u>	<u>156,458</u>	<u>(395,126)</u>