

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 2023**

# MELROSE LEARNING TRUST

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# MELROSE LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

- Diocese of Durham Educational Trust	Mr P Rickeard (Resigned 31 August 2023)
- Diocese of Durham Educational Trust	Mr S Pickering (Appointed 1 September 2023)
- Chair of Trust	Mr P Mackings
- The Bishop of Durham	P Butler
	Reverend V Cuthbert
	Mrs Z Carr

### Trustees

Mrs. J Doyle  
Mr. P Mackings (Chair)  
Mr. R Ward (Accounting Officer)  
Mrs. J Mogridge (Resigned 17 October 2022)  
Prof. S P Bradley  
K Brownless  
R J Hiles  
Mr C Alderson  
Rev D M Brooke (Appointed 1 June 2023)  
H Sutherland (Appointed 1 January 2023)

### Senior management team

- Chief Executive Officer	Mr R Ward
- Chief Financial Officer	Mrs L Hails
- Chief Operational Officer	Mr S Leigh
- Headteacher	Mr A Park
- Headteacher	Mrs S Wassall
- Headteacher	Mrs W Aitken
- Headteacher	Mrs K Boyce
- Headteacher	Mr J Appleby
- Headteacher	Mrs N Dunn
- Headteacher	Mr R Linsley

**Company secretary** Mr S Leigh

**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

<b>Academies operated</b>	<b>Location</b>	<b>Principal</b>
St Mary's Cockerton Church of England Primary School	Darlington	Mrs W Aitken
High Coniscliffe CofE Primary School	Darlington	Mrs W Aitken
Wynyard Church of England Primary School	Wynyard	Mr R Ward
Esh CofE (Aided) Primary School	Esh	Mr A Park
Greatham CofE Primary School	Hartlepool	Mrs N Dunn
Easington CofE Primary School	County Durham	Mr J Appleby
Prior's Mill CofE Primary School	Stockton on Tees	Mr R Linsley

# MELROSE LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB United Kingdom
<b>Bankers</b>	Lloyds Bank plc 25 Gresham Street London EC2V 7HN United Kingdom
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle Upon Tyne Tyne And Wear NE1 3DX United Kingdom

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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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 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report and directors' report under company law.

The academy trust operates seven primary academies in North East of England. Its academies have a combined pupil capacity of 1602 and had a roll of 1438 in the school census on 6th October 2023.

#### **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 2023

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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' and 'Curriculum and Standards 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 finance team, led by the Chief Finance Officer (CFO) and Chief Operating Officer (COO). An HR and Compliance Manager was appointed on 6th November 2023.

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.

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

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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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

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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.

Our overarching strategic objectives for the year 2022-23 are as follows:

- High quality school improvement
- Robust financial management
- Effective leadership and management
- Continued Trust Growth

The key achievements against the Trust's strategic objectives during 2022/23 included the following:

- Melrose Learning Trust continued to develop a reputation for being a 'strong' Trust. A number of additional schools have passed a resolution to join The Trust in 2023/24, with the number of schools expected to grow to ten.
- All schools remain 'Good' or 'Outstanding'. St Mary's Cockerton were graded as 'Good' in February 2023
- Educational outcomes continue to be strong across the majority of schools in the Trust. School improvement is both challenging and supportive with targets for improvement identified, actioned and monitored. All schools have moved to the Trust's school improvement system and are supported to use this refine their school improvement processes. Headteachers and LGB Chairs share their school development plans with trustees as part of Curriculum and Standards Committee at the start of the year and then reconvene to share outcomes at the end of the academic year. Educational outcomes are generally strong across The Trust and, where they aren't, detailed plans are in place to improve them.
- Mental Health and Wellbeing has been a clear focus for the Trust, with the Trust Mental Health and Wellbeing Lead working supporting all schools to enhance provision for pupils and staff. MHWB forms a key part of the Trust's central offer. The Trust are working towards a workload and wellbeing charter.
- Continuous professional development has been extended and includes specialists from all over the country. The impact of this high-quality training has been observed in all schools during school improvement visits. This training now takes place at our own central training facility. Governors now have their own training schedule.
- The expansion of the central team is in line with Trust Growth and will continue to grow as The Trust does. During 2022-23, the central team expanded to include a full-time COO, full-time and an HR and Finance Officer.
- The Trust central services have been significantly extended to provide high quality support for all schools within the Trust. This includes:
  - Health and safety consultants
  - Financial support from EPM
  - Ongoing specific finance training for school business and office managers
  - Award of TCaF funding
  - Engagement of procurement specialists
  - Introduction of new provider for Trust PE and mental health and wellbeing services
  - Upskilling of internal leaders and engagement of external providers to support school improvement across the Trust. CEO continued in his role as Ofsted inspector.
  - Enhanced support and mentoring for leaders, including headteachers
  - Enhanced service from safeguarding consultants
- Governance and finance policies, including scheme of delegation, continue to be developed to refine operations across a new and expanding Trust.
- 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 2023**

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### Strategic report

#### Achievements and performance

The Trust's key measures of success during 2022-23 were:

- Trust growth is both sustainable and financially viable – central team provides sufficient capacity and is expanded as and when growth determines
- Trust Board strengthened with the appointment of SEND and education specialist and community, collective worship and change management expertise
- 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. Outcomes are high for most schools and attendance is well managed.

#### Ofsted

Greatham CE Primary was graded 'Good' by Ofsted in October 2017.

Prior's Mill CE was graded 'Good' by Ofsted in October 2017.

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

Easington CE Primary was graded 'Good' by Ofsted in June 2019

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

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

St Mary's Cockerton was graded 'Good' by Ofsted in February 2023.

#### SIAMs

Easington CE Primary School was graded 'Outstanding' in May 2017.

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

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

Greatham CE Primary School was graded 'Outstanding' in May 2018.

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

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

Priors Mill CE Primary School was awarded 'J1' in October 2023.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Trust's Performance

##### Statutory Assessment Data 2023

##### Early Years Foundation Stage Good Level of Development (GLD)

	National	Easington	Esh	Greatham	High Coniscliffe	Prior's Mill	St Mary's	Wynyard
GLD	67.2%	64%	82%	43%	69%	74%	55%	83%

##### Phonics Screening Check

	National	Easington	Esh	Greatham	High Coniscliffe	Prior's Mill	St Mary's	Wynyard
Year 1	79%	93%	100%	90%	93%	92%	85%	90%

##### Key Stage 1 Statutory Assessment

KS1 and 2 Acronyms & Description	
EXS	Expected
GDS	Greater Depth Standard
GPS	Grammar Punctuation and Spelling
RWM	Reading, Writing and Maths combined

	Reading EXS+ (%)	Writing EXS+ (%)	Maths EXS+ (%)	Reading GDS (%)	Writing GDS (%)	Maths GDS (%)
National	68	60	70	19	8	16
Easington	59	53	76	29	12	18
Esh	80	73	80	25	13	25
Greatham	73	73	67	7	7	13
High Coniscliffe	76	59	59	6	6	6
Prior's Mill	83	75	81	25	13	17
St Mary's	75	71	75	13	4	8
Wynyard	87	83	90	35	22	23

##### Key Stage 2 Statutory Assessment

	Reading EXS+ (%)	Writing EXS+ (%)	GPS EXS+ (%)	Maths EXS+ (%)	RWM EXS+ (%)	Reading GDS (%)	Writing GDS (%)	GPS GDS (%)	Maths GDS (%)	RWM GDS (%)
National	73	71	72	73	59	29	13	30	24	8
Easington	88	84	88	84	79	50	25	46	25	25
Esh	75	75	63	56	56	38	13	25	20	6
Greatham	93	93	92	100	93	50	21	50	21	7
High Coniscliffe	75	81	75	69	69	50	13	56	38	13
Prior's Mill	79	82	88	69	69	33	25	36	35	19
St Mary's	61	61	68	35	35	30	30	27	16	6
Wynyard	92	86	86	90	81	48	29	48	39	27

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 2023, 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 2022 to 31st August 2023 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, 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 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 £199,488 of TCaF funding which supported the expansion from four to seven 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 Trust is well informed about any future schools joining the Trust, ensuring financial risk is minimised. Melrose LT has submitted another TCaF bid to support continued and sustainable growth in 2023-24.

The Trust expanded from four schools to seven during this period. Greatham CE Primary (1st December 2022), Easington CE Primary (1st April 2023) and Prior's Mill CE Primary (1st May 2023) joined this year. 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 ten schools by 1st April 2024, with plans to expand further during the following year.

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.

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, however this has been mitigated by the TPAG funding. The main impact up to 31st August 2023 was, again, the NJC pay award which was backdated to 1st April 2023, 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 2023 was around £94,000 accrued in these accounts..

The Trust made an operating surplus in the year to August 31st 2023 of £485,000. The Trust held revenues reserves of £1,003,454 as at 31 August 2023..

Total revenues income excluding transfers in the period was £6,986,978 of which £6,018,001 came from the ESFA revenue grants.

# MELROSE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2022-23:

- 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 2023 comprised of external financial pressures, including inflation and pay rises and the impact they have on school and Trust finances and the consequent impact on educational resources and standards. This includes uncertainties around pupil numbers and forward financial projections.

Another identified 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 continues to review and further develop its central support to schools. 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. This increased financial commitment will be mitigated with the additional income from the additional top-slice contributions made by new schools, and supplemented with ESFA grants that support Trust growth (eg. Trust Capacity Fund).

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 pay rises.

The Trust understands that growth brings an increased element of risk in relation to the condition of an extended estate. To mitigate against any risks arising from building / equipment failure, the Trust has commissioned the undertaking of full building and mechanical / electrical condition surveys that will inform the development of a prioritised Estates Management Plan for a 5 – 10 year period of investment. Surveys have also been completed to ensure that is no presence of RAAC in school roofing structures.

#### 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 2023

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The Trust's current level of revenues reserves are £1,003,454. This figure has increased due to careful financial management and additional schools joining the Trust joining The Trust.

As a growing Trust, we have set medium term financial plans to ensure that reserves are considered at a level that is more than sufficient for the ongoing needs 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.

#### **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 trust undertook limited additional fundraising in 2022/2023. All the additional fundraising was linked to the academy's core values. At points during the year, the academy participated in fundraising activities. Each Academy raised funds for Children in Need, Save the Children, Red Nose Day, and other charitable causes. Donations to these charities are at the discretion of parents/carers and pupils of the school. All monies raised are then passed, in total, to the respective charity. Fundraising is not undertaken amongst members of the general public unconnected with the academy. Funds raised in this way are processed in line with the academy's accounting procedures.

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

The Trust's development plans includes the following:

1. Sustainable Trust growth
2. High quality, cost effective procurement
3. Continue to develop central team
4. Provide high quality school improvement and CPD
5. Strategic response to external budgetary pressures
6. Enhance governance across The Trust
7. Review Trust organisation in line with growth

The Trust has further plans in place to grow. Target dates for conversion have been set for three additional schools to join Melrose Learning Trust during 2023-24. 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.

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 through sharing good practice, leading to consistently high standards in all schools.

Appointment of an HR and Compliance Manager responsible for all aspects of HR and policy across the Trust.

Bespoke governor training schedule for the year, upskilling governors in best practice, curriculum and statutory responsibilities.

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 2023

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#### **Funds held as custodian trustee on behalf of others**

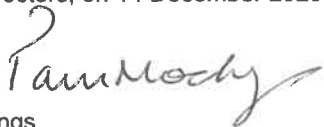
The Trust has no funds held as Custodian Trustee on behalf of others.

#### **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 14 December 2023 and signed on its behalf by:



Mr. P Mackings  
Chair

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2023

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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 systems are 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 six times as Melrose Learning Trust over the period 1st September 2022 to 31st August 2023. Attendance at those meetings is as follows:

#### Melrose Learning Trust Board Meetings September 2022 to August 2023

Trustees	Meetings attended	Out of possible
Mrs. J Doyle	4	6
Mr. P Mackings (Chair)	6	6
Mr. R Ward (Accounting Officer)	6	6
Mrs. J Mogridge (Resigned 17 October 2022)	0	1
Prof. S P Bradley	5	6
K Brownless	4	6
R J Hiles	4	6
Mr C Alderson	6	6
Rev D M Brooke (Appointed 1 June 2023)	1	1
H Sutherland (Appointed 1 January 2023)	3	5

The Finance, Audit and General Purposes Committee is a sub-committee of the trust board. Its purpose is to assist the Board in its on-going oversight of the trust's arrangements for budgeting, financial planning, financial performance and financial reporting in respect of both revenue and capital activities and the associated resource planning. It assesses the scope and effectiveness of the systems established to identify, manage and monitor financial and non-financial risks to the trust via the Risk Register. It also maintains an oversight of the trust's governance, internal control, financial reporting and value for money frameworks in order to establish levels of compliance throughout the trust.

The Finance and General Purposes Committee has formally met three times over the period 1st September 2022 to 31st August 2023. Attendance at those meetings is as follows:

#### Melrose Learning Trust F&GP Meetings September 2022 to August 2023

Trustees	Meetings attended	Out of possible
Mrs. J Doyle	0	3
Mr. P Mackings (Chair)	2	3
Mr. R Ward (Accounting Officer)	3	3
Prof. S P Bradley	1	3
K Brownless	1	3
R J Hiles	1	3
Mr C Alderson	3	3
Rev D M Brooke (Appointed 1 June 2023)	0	1

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# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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H Sutherland (Appointed 1 January 2023)

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Robust governance procedures were in place during the year, with a skills audit taking place prior to the appointment of additional trustees.

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 for regular update.

Trustees continue to review the structure of its committees which were implemented to support Trust priorities and to ensure focus on improvement and accountability. 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 can also draw on their wide network of professional contacts to source new trustees with the appropriate skills and expertise where this may be required.

A skills audit was undertaken in September 2022. This skills audit informed the approved appointment of Mrs H Sutherland, providing further primary phase Headship and SEND experience to the Board's skill sets. In addition, Revd D Brooke was appointed in June 2023, providing the Board with community, SIAMs and change management expertise. A governance self-review exercise is planned for delivery later in the 2023/2024 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 four schools to seven;
- ensuring long term growth with three further schools due to join the Trust in 2023-24;
- expansion of the central team – increased capacity from CEO, CFO, COO, financial management support and external HR advisory support;
- 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;
- review and refinement of the Trust's Scheme of Delegation in line with growth
- appointment of external procurement specialist to support review of service / SLA contracts and the procurement of Trust-wide contract for Building Maintenance provision.
- procurement of Health & Safety contract with external Health & Safety specialists for delivery of H&S Audits and provision of H&S related training across all schools in the Trust.
- review of Trust Finance policy in line with requirements of Academy Handbook 2022
- delivery of training and development of headteachers and school business managers in the adoption and maintenance of Trust-wide financial processes, procedures and supporting systems
- ongoing benchmarking analysis of the Trust's financial KPIs



# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **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 2022 to 31 August 2023 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 2022 to 31st August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- Comprehensive budget and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the board to produce reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for specific internal audit function with the appointment of Clive Owen LLP as internal auditor.

The aim of the internal assurance programme delivered over 2022/2023 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.

The programme of internal assurance work for the Trust was agreed by the Board in the Autumn term 2022 with the following areas identified for review:

- Safeguarding
- Census data
- Website compliance
- Governor induction
- Budgeting & Financial Management

Work was undertaken in accordance with the agreed plan at Wynyard CE Primary, St Mary's Cockerton CE Primary School and the Trust Central Office over the 2022/2023 academic year.

# MELROSE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

- Census data - confirmation that the Acting Headteacher has reviewed and approved the Census Return prior to the submission date should be retained on file in the academy, with either a signed copy of the return or an e-mail confirmation printed and attached to the return. Going forward we will ensure that preparation work and signed submissions are kept on file to be accessed. Status of Risk as at 31st August 2023 – GREEN.
- Census data - confirmation that the Executive Principal has reviewed and approved the Census Return prior to the submission date should be retained on file, with either a signed copy of the return or an e-mail confirmation printed and attached to the return. Confirmed that the process does start prior to Census date and other schools follow the same process. Agreed action going forward is retain the working. Status of Risk as at 31st August 2023 – GREEN.
- Financial Reports - advised that related paperwork is shared with Members and Trustees in sufficient time prior to meetings to ensure appropriate perusal can take place. Now recruited an additional member of finance staff in the central team and paperwork is going out in advance of the meetings as per the recommendation. Status of Risk as at 31st August 2023 – GREEN.
- Governor induction - advised that the Trust induction policies for Directors and Governors be reviewed annually, so that any updates in guidance and information published by either the DfE Governance Handbook or Academy Trust Handbook can be incorporated. Both the Director and Governor Induction Policies will be subject to annual review in line with the annual review / approval of the Trust's Governance Handbook and DfE guidance. Status of Risk as at 31st August 2023 – GREEN.
- No issues raised in regards to Safeguarding or Website Compliance – GREEN

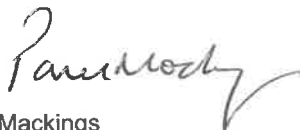
#### Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the systems 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, Audit 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 systems of internal control by the Finance, Audit 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 14 December 2023 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 2023**

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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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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**

14 December 2023

# MELROSE LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2023**

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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 2022 to 2023 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 2022 to 2023;
- 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 14 December 2023 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 2023**

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### Opinion

We have audited the accounts of Melrose Learning Trust for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

### 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.

### Emphasis of matter - LGPS disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

### 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 2023**

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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 2023**

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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 2022 to 2023 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 2023

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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

*15/12/2023*  
.....

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 2023*

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In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2023**

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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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Service*

**Reporting Accountant**  
Azets Audit Services

Dated: .....15/12/2023

# MELROSE LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	125,845	125,845	24,127
Donations - transfer from local authority on conversion	26	484,681	(133,000)	-	351,681	-
Donations - transfer of existing academy into the trust	26	-	-	-	-	488,874
Charitable activities:						
- Funding for educational operations	6	158,413	6,458,730	-	6,617,143	3,529,277
Other trading activities	4	369,727	-	-	369,727	228,401
Investments	5	108	-	-	108	60
<b>Total</b>		<b>1,012,929</b>	<b>6,325,730</b>	<b>125,845</b>	<b>7,464,504</b>	<b>4,270,739</b>
<b>Expenditure on:</b>						
Raising funds	7	330,487	-	-	330,487	105,506
Charitable activities:						
- Educational operations	9	120,366	6,591,823	140,755	6,852,944	3,817,724
Charitable expenditure - transfer of existing academy into the trust	26	-	-	-	-	884,000
<b>Total</b>	<b>7</b>	<b>450,853</b>	<b>6,591,823</b>	<b>140,755</b>	<b>7,183,431</b>	<b>4,807,230</b>
<b>Net income/(expenditure)</b>		<b>562,076</b>	<b>(266,093)</b>	<b>(14,910)</b>	<b>281,073</b>	<b>(536,491)</b>
Transfers between funds	18	(45,148)	(46,608)	91,756	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	20	-	425,000	-	425,000	1,561,000
Asset not recognised	14	-	(198,000)	-	(198,000)	-
<b>Net movement in funds</b>		<b>516,928</b>	<b>(85,701)</b>	<b>76,846</b>	<b>508,073</b>	<b>1,024,509</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		415,648	(375,421)	5,792,504	5,832,731	4,808,222
Total funds carried forward		932,576	(461,122)	5,869,350	6,340,804	5,832,731

# MELROSE LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General    Fixed asset		Total 2022 £
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	24,127	24,127
Donations - transfer of existing academy into the trust	26	195,485	41,000	252,389	488,874
Charitable activities:					
- Funding for educational operations	6	112,873	3,416,404	-	3,529,277
Other trading activities	4	228,401	-	-	228,401
Investments	5	60	-	-	60
<b>Total</b>		<u>536,819</u>	<u>3,457,404</u>	<u>276,516</u>	<u>4,270,739</u>
<b>Expenditure on:</b>					
Raising funds	7	105,506	-	-	105,506
Charitable activities:					
- Educational operations	9	91,831	3,557,784	168,109	3,817,724
Charitable expenditure - transfer of existing academy into the trust	26	-	884,000	-	884,000
<b>Total</b>	7	<u>197,337</u>	<u>4,441,784</u>	<u>168,109</u>	<u>4,807,230</u>
<b>Net income/(expenditure)</b>		339,482	(984,380)	108,407	(536,491)
Transfers between funds	18	-	(46,237)	46,237	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	1,561,000	-	1,561,000
<b>Net movement in funds</b>		339,482	530,383	154,644	1,024,509
<b>Reconciliation of funds</b>					
Total funds brought forward		76,166	(905,804)	5,637,860	4,808,222
Total funds carried forward		<u>415,648</u>	<u>(375,421)</u>	<u>5,792,504</u>	<u>5,832,731</u>

# MELROSE LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		-		1,934
Tangible assets	14		5,804,358		5,763,285
			<u>5,804,358</u>		<u>5,765,219</u>
<b>Current assets</b>					
Debtors	15	754,014		316,047	
Cash at bank and in hand		1,245,013		770,787	
		<u>1,999,027</u>		<u>1,086,834</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(930,581)		(428,322)	
			<u>1,068,446</u>		<u>658,512</u>
<b>Net current assets</b>			<u>1,068,446</u>		<u>658,512</u>
<b>Net assets excluding pension liability</b>			<u>6,872,804</u>		<u>6,423,731</u>
Defined benefit pension scheme liability	20	(532,000)		(591,000)	
			<u>6,340,804</u>		<u>5,832,731</u>
<b>Total net assets</b>			<u>6,340,804</u>		<u>5,832,731</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			5,869,350		5,792,504
- Restricted income funds			70,878		215,579
- Pension reserve			(532,000)		(591,000)
			<u>5,408,228</u>		<u>5,417,083</u>
<b>Total restricted funds</b>			<u>5,408,228</u>		<u>5,417,083</u>
<b>Unrestricted income funds</b>	18		932,576		415,648
			<u>6,340,804</u>		<u>5,832,731</u>
<b>Total funds</b>			<u>6,340,804</u>		<u>5,832,731</u>

The accounts on pages 25 to 51 were approved by the trustees and authorised for issue on 14 December 2023 and are signed on their behalf by:



Mr. P Mackings  
Chair

Company registration number 09012630 (England and Wales)

# MELROSE LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		528,167		176,037
Cash funds transferred on conversion	26		-		284,000
			<u>528,167</u>		<u>460,037</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		108		60	
Capital grants from DfE Group		125,845		24,127	
Purchase of tangible fixed assets		(179,894)		(61,527)	
		<u></u>		<u></u>	
<b>Net cash used in investing activities</b>			<u>(53,941)</u>		<u>(37,340)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			474,226		422,697
Cash and cash equivalents at beginning of the year			770,787		348,090
			<u>770,787</u>		<u>348,090</u>
<b>Cash and cash equivalents at end of the year</b>			<u>1,245,013</u>		<u>770,787</u>

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# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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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 2022 to 2023 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 from Local Authority on conversion

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

The assets and liabilities transferred on conversion from Easington CofE Schools, Greatham CofE School and Priors Mills CofE School to 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 Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

##### 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 2023

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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 2023

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 2023

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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 2023

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### 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.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 2 Critical accounting estimates and areas of judgement

(Continued)

##### 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2023.

The Durham Pension Scheme reported a liability, and this is recognised on the balance sheet.

##### 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 2023 £	Total 2022 £
Capital grants	-	125,845	125,845	24,127

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	10,222	-	10,222	6,799
Catering income	1,791	-	1,791	1,906
Trips & Clubs	276,415	-	276,415	195,164
Other income	81,299	-	81,299	24,532
	<u>369,727</u>	<u>-</u>	<u>369,727</u>	<u>228,401</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	108	-	108	60
	<u>108</u>	<u>-</u>	<u>108</u>	<u>60</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	5,007,382	5,007,382	2,733,964
Other DfE/ESFA grants:				
- UIFSM	-	162,882	162,882	93,794
- Pupil premium	-	226,502	226,502	88,379
- Start up grants	-	100,000	100,000	30,000
- PE and sports premium	-	85,025	85,025	47,742
- Rates	-	31,811	31,811	6,024
- Teachers pension grant	-	4,325	4,325	7,097
- Teachers pay grant	-	1,531	1,531	2,512
- Supplementary grant	-	99,869	99,869	-
- TCAF grant	-	199,488	199,488	-
- National tutor grant	-	10,985	10,985	-
- Mainstream schools additional grant	-	75,945	75,945	-
- Others	-	12,256	12,256	161,147
	-	6,018,001	6,018,001	3,170,659
<b>Other government grants</b>				
Local authority grants	-	419,065	419,065	245,745
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	20,669	20,669	-
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	995	995	-
	-	21,664	21,664	-
<b>Other incoming resources</b>	38,047	-	38,047	20,811
<b>Total funding for educational operations</b>	38,047	6,458,730	6,496,777	3,437,215
<b>Catering income</b>	120,366	-	120,366	92,062
<b>Total funding</b>	158,413	6,458,730	6,617,143	3,529,277

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Expenditure on raising funds					
- Direct costs	94,373	-	236,114	330,487	105,506
Academy's educational operations					
- Direct costs	4,138,878	-	339,906	4,478,784	2,348,974
- Allocated support costs	1,044,647	589,801	739,712	2,374,160	1,468,750
	<u>5,277,898</u>	<u>589,801</u>	<u>1,315,732</u>	<u>7,183,431</u>	<u>3,923,230</u>

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

	2023 £	2022 £
Operating lease rentals	22,017	6,762
Depreciation of tangible fixed assets	140,755	168,109
Fees payable to auditor for:		
- Audit	15,000	10,000
- Other services	5,000	3,650
Net interest on defined benefit pension liability	25,000	23,000

### 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
- safeguarding
- estates management

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

The amounts charged during the year were as follows:

	2023 £	2022 £
St Mary's Cockerton Church of England Primary School	53,694	17,539
High Coniscliffe CofE Primary School	34,012	11,715
Wynyard Church of England Primary School	106,966	106,536
Esh CofE (Aided) Primary School	13,839	29,016
Greatham CofE Primary School	22,416	-
Easington CofE Primary School	15,704	-
Prior's Mill CofE Primary School	39,973	-
	<u>286,604</u>	<u>164,806</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Direct costs</b>				
Educational operations	-	4,478,784	4,478,784	2,348,974
<b>Support costs</b>				
Educational operations	120,366	2,253,794	2,374,160	1,468,750
	<u>120,366</u>	<u>6,732,578</u>	<u>6,852,944</u>	<u>3,817,724</u>

	2023 £	2022 £
<b>Analysis of support costs</b>		
Support staff costs	1,044,647	706,660
Depreciation	140,755	168,109
Technology costs	52,591	17,440
Premises costs	449,046	215,343
Legal costs	42,182	36,327
Other support costs	611,164	304,937
Governance costs	33,775	19,934
	<u>2,374,160</u>	<u>1,468,750</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	3,887,146	1,937,231
Social security costs	364,382	188,053
Pension costs	852,031	685,471
Staff costs - employees	<u>5,103,559</u>	<u>2,810,755</u>
Agency staff costs	174,339	36,275
	<u>5,277,898</u>	<u>2,847,030</u>
Staff development and other staff costs	25,126	12,576
Total staff expenditure	<u><u>5,303,024</u></u>	<u><u>2,859,606</u></u>



# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

(Continued)

#### Staff numbers

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

	2023 Number	2022 Number
Teachers	65	35
Administration and support	149	68
Management	12	9
	<u>226</u>	<u>112</u>

#### Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	2	-
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£130,001 - £140,000	1	-
	<u>4</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 £807,608 (2022: £254,200).

### 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 2023, no expenses were reimbursed to trustees.

The value of trustees' remuneration was as follows:

R Ward (head teacher):

Remuneration	£130,001 - £135,000 (2022: £100,001 - £105,000)
Employer's pension contributions	£25,001 - £30,000 (2022: £20,001 - £25,000)

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

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 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.

#### 13 Intangible fixed assets

	<b>Computer Software £</b>
<b>Cost</b>	
At 1 September 2022 and at 31 August 2023	7,155
<b>Amortisation</b>	
At 1 September 2022	5,221
Charge for year	1,934
At 31 August 2023	7,155
<b>Carrying amount</b>	
At 31 August 2023	-
At 31 August 2022	1,934

#### 14 Tangible fixed assets

	<b>Leasehold land and buildings £</b>	<b>Computer equipment £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2022	5,731,956	470,592	433,065	6,635,613
Additions	-	71,507	108,387	179,894
At 31 August 2023	5,731,956	542,099	541,452	6,815,507
<b>Depreciation</b>				
At 1 September 2022	164,332	436,844	271,152	872,328
Charge for the year	50,461	30,309	58,051	138,821
At 31 August 2023	214,793	467,153	329,203	1,011,149
<b>Net book value</b>				
At 31 August 2023	5,517,163	74,946	212,249	5,804,358
At 31 August 2022	5,567,624	33,748	161,913	5,763,285

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 15 Debtors

	2023	2022
	£	£
Trade debtors	3,517	570
VAT recoverable	67,676	121,454
Prepayments and accrued income	682,821	194,023
	<u>754,014</u>	<u>316,047</u>

### 16 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	228,266	88,253
Other taxation and social security	117,401	56,742
Other creditors	176,036	112,745
Accruals and deferred income	408,878	170,582
	<u>930,581</u>	<u>428,322</u>

### 17 Deferred income

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	<u>141,440</u>	<u>73,034</u>
Deferred income at 1 September 2022	73,034	66,167
Released from previous years	(73,034)	(66,167)
Resources deferred in the year	<u>141,440</u>	<u>73,034</u>
Deferred income at 31 August 2023	<u>141,440</u>	<u>73,034</u>

Deferred income consists of Universal Infants Free School Meals grant, rates relief grant and residential trips income in advance of the 2023/24 academic year.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	215,579	5,007,382	(5,112,475)	(46,608)	63,878
Start up grants	-	100,000	(100,000)	-	-
UIFSM	-	162,882	(162,882)	-	-
Pupil premium	-	226,502	(226,502)	-	-
Other DfE/ESFA COVID-19 funding	-	20,669	(20,669)	-	-
Other Coronavirus funding	-	995	(995)	-	-
Other DfE/ESFA grants	-	12,446	(12,446)	-	-
Other government grants	-	419,065	(419,065)	-	-
Teachers pension	-	4,185	(4,185)	-	-
Teachers pay grant	-	1,481	(1,481)	-	-
PE & sports premium	-	85,025	(78,025)	-	7,000
Rates	-	31,811	(31,811)	-	-
Supplementary grant	-	99,869	(99,869)	-	-
Tcaf grant	-	199,488	(199,488)	-	-
National tutor grant	-	10,985	(10,985)	-	-
Mainstream schools additional grant	-	75,945	(75,945)	-	-
Pension reserve	(591,000)	(133,000)	(35,000)	227,000	(532,000)
	<u>(375,421)</u>	<u>6,325,730</u>	<u>(6,591,823)</u>	<u>180,392</u>	<u>(461,122)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	96,096	-	(2,335)	-	93,761
DfE group capital grants	5,363,895	125,845	(130,339)	-	5,359,401
Capital expenditure from GAG	312,582	-	(7,596)	46,608	351,594
Start up grants	13,170	-	(320)	-	12,850
Donated assets	4,594	-	(112)	-	4,482
Other capital funding	2,167	-	(53)	45,148	47,262
	<u>5,792,504</u>	<u>125,845</u>	<u>(140,755)</u>	<u>91,756</u>	<u>5,869,350</u>
<b>Total restricted funds</b>	<u>5,417,083</u>	<u>6,451,575</u>	<u>(6,732,578)</u>	<u>272,148</u>	<u>5,408,228</u>
<b>Unrestricted funds</b>					
General funds	415,648	1,012,929	(450,853)	(45,148)	932,576
	<u>415,648</u>	<u>1,012,929</u>	<u>(450,853)</u>	<u>(45,148)</u>	<u>932,576</u>
<b>Total funds</b>	<u>5,832,731</u>	<u>7,464,504</u>	<u>(7,183,431)</u>	<u>227,000</u>	<u>6,340,804</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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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 2023.

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 £46,608 was spent on fixed assets. Unrestricted funds of £45,148 was spent on fixed assets.

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 £1,003,454 as at 31 August 2023.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

(Continued)

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

	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	2,733,964	(2,553,344)	(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	-	26,497	(26,497)	-	-
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)	-	-
Other restricted funds	-	884,000	(884,000)	-	-
Pension reserve	(987,000)	-	(1,165,000)	1,561,000	(591,000)
	<u>(905,804)</u>	<u>4,300,404</u>	<u>(5,284,784)</u>	<u>1,514,763</u>	<u>(375,421)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	-	-	96,096	-	96,096
DfE group capital grants	5,316,569	24,127	23,199	-	5,363,895
Capital expenditure from GAG	298,976	-	(32,631)	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	-	(3,821)	5,988	-	2,167
	<u>5,637,860</u>	<u>24,127</u>	<u>84,280</u>	<u>46,237</u>	<u>5,792,504</u>
<b>Total restricted funds</b>	<u>4,732,056</u>	<u>4,324,531</u>	<u>(5,200,504)</u>	<u>1,561,000</u>	<u>5,417,083</u>
<b>Unrestricted funds</b>					
General funds	<u>76,166</u>	<u>341,334</u>	<u>(1,852)</u>	<u>-</u>	<u>415,648</u>
<b>Total funds</b>	<u>4,808,222</u>	<u>4,665,865</u>	<u>(5,202,356)</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 2023

#### 18 Funds (Continued)

##### Total funds analysis by academy

	2023	2022
	£	£
Fund balances at 31 August 2023 were allocated as follows:		
St Mary's Cockerton Church of England Primary School	92,396	84,720
High Coniscliffe CofE Primary School	94,086	127,593
Wynyard Church of England Primary School	485,363	324,102
Esh CofE (Aided) Primary School	22,550	6,789
Greatham CofE Primary School	100,081	-
Easington CofE Primary School	59,786	-
Prior's Mill CofE Primary School	188,630	-
Central services	(39,438)	88,023
<b>Total before fixed assets fund and pension reserve</b>	<b>1,003,454</b>	<b>631,227</b>
Restricted fixed asset fund	5,869,350	5,792,504
Pension reserve	(532,000)	(591,000)
<b>Total funds</b>	<b>6,340,804</b>	<b>5,832,731</b>

##### 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 2023	Total 2022
	£	£	£	£	£	£
St Mary's Cockerton Church of England Primary School	708,259	213,395	38,542	156,467	1,116,663	382,837
High Coniscliffe CofE Primary School	473,983	110,094	31,456	87,426	702,959	224,986
Wynyard Church of England Primary School	1,345,753	278,583	143,605	460,114	2,228,055	2,084,617
Esh CofE (Aided) Primary School	371,558	83,959	29,551	94,474	579,542	613,177
Greatham CofE Primary School	320,148	85,578	24,619	116,432	546,777	-
Easington CofE Primary School	208,737	45,266	9,319	51,087	314,409	-
Prior's Mill CofE Primary School	620,630	96,446	31,305	116,113	864,494	-
Central services	184,183	146,452	44,840	279,303	654,778	168,506
	<b>4,233,251</b>	<b>1,059,773</b>	<b>353,237</b>	<b>1,361,416</b>	<b>7,007,677</b>	<b>3,474,123</b>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	-	-	5,804,358	5,804,358
Current assets	932,576	1,001,459	64,992	1,999,027
Current liabilities	-	(930,581)	-	(930,581)
Pension scheme liability	-	(532,000)	-	(532,000)
<b>Total net assets</b>	<b>932,576</b>	<b>(461,122)</b>	<b>5,869,350</b>	<b>6,340,804</b>
<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>

#### 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 and Durham County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £126,707 (2022: £65,918) were payable to the schemes at 31 August 2023 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 2023

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#### 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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £509,829 (2022: £273,320).

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 26 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations (Continued)

Total contributions made	2023 £	2022 £
Employer's contributions	320,000	148,000
Employees' contributions	90,000	41,000
Total contributions	<u>410,000</u>	<u>189,000</u>

Principal actuarial assumptions	2023 %	2023 %	2022 %	2022 %
	Durham	Teesside	Durham	Teesside
Rate of increase in salaries	3.6	3.95	3.7	4.05
Rate of increase for pensions in payment/ inflation	2.6	2.95	2.7	3.05
Discount rate for scheme liabilities	5.1	5.20	4.1	4.25
Inflation assumption (CPI)	2.6	2.95	2.7	3.05

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

	2023 Years	2023 Years	2022 Years	2022 Years
	Durham	Teesside	Durham	Teesside
Retiring today				
- Males	21.7	20.5	22.1	21.7
- Females	23.9	23.5	24.2	23.5
Retiring in 20 years				
- Males	22.9	21.3	23.2	22.9
- Females	25.0	25.0	25.7	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	2023 Fair value £	2022 Fair value £
Equities	1,740,510	1,274,480
Government bonds	228,000	205,000
Corporate bonds	202,000	80,000
Cash	78,480	82,540
Property	365,010	226,980
Other assets	421,000	360,000
Asset not recognised	(198,000)	-
Total market value of assets	<u>2,837,000</u>	<u>2,229,000</u>

The actual return on scheme assets was £(33,000) (2022: £(29,000)).

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations	(Continued)	
<b>Amount recognised in the statement of financial activities</b>	<b>2023</b>	<b>2022</b>
	£	£
Current service cost	330,000	406,000
Interest income	(111,000)	(21,000)
Interest cost	136,000	44,000
	<u>355,000</u>	<u>429,000</u>
Total operating charge	<u>355,000</u>	<u>429,000</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2023</b>	<b>2022</b>
	£	£
At 1 September 2022	2,820,000	1,650,000
Obligations acquired on conversion / transfer	623,000	2,299,000
Current service cost	330,000	406,000
Interest cost	136,000	44,000
Employee contributions	90,000	41,000
Actuarial gain	(569,000)	(1,611,000)
Benefits paid	(61,000)	(9,000)
	<u>3,369,000</u>	<u>2,820,000</u>
At 31 August 2023	<u>3,369,000</u>	<u>2,820,000</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2023</b>	<b>2022</b>
	£	£
At 1 September 2022	2,229,000	663,000
Assets acquired on conversion / transfer	490,000	1,415,000
Interest income	111,000	21,000
Actuarial loss	(144,000)	(50,000)
Employer contributions	320,000	148,000
Employee contributions	90,000	41,000
Benefits paid	(61,000)	(9,000)
Asset not recognised	(198,000)	-
	<u>2,837,000</u>	<u>2,229,000</u>
At 31 August 2023	<u>2,837,000</u>	<u>2,229,000</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		281,073	(536,491)
Adjusted for:			
Net surplus on conversion to academy	26	(351,681)	-
Net deficit on transfer of academy in the trust		-	395,126
Capital grants from DfE and other capital income		(125,845)	(24,127)
Investment income receivable	5	(108)	(60)
Defined benefit pension costs less contributions payable	20	10,000	258,000
Defined benefit pension scheme finance cost	20	25,000	23,000
Depreciation of tangible fixed assets		140,755	168,109
(Increase) in debtors		(437,967)	(235,340)
Increase in creditors		502,259	156,887
Stocks, debtors and creditors transferred on conversion	26	(29,067)	522,517
<b>Net cash provided by operating activities</b>		<u>14,419</u>	<u>727,621</u>

#### 22 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	<u>770,787</u>	<u>474,226</u>	<u>1,245,013</u>

#### 23 Long-term commitments

##### Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	43,439	41,280
Amounts due in two and five years	83,651	73,407
	<u>127,090</u>	<u>114,687</u>

# MELROSE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 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 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.

#### 26 Conversion to an academy

The following schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Melrose Learning Trust from the relevant Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Greatham CofE Primary School	Hartlepool	1 December 2022
Easington CofE Primary School	County Durham	1 April 2023
Prior's Mill CofE Primary School	Stockton on Tees	1 May 2023

	Unrestricted funds	Restricted funds:		Total 2023
Funds surplus/(deficit) transferred:	£	General	Fixed asset	£
		£	£	
LA budget funds	484,681	-	-	484,681
LGPS pension funds	-	(133,000)	-	(133,000)
	<u>484,681</u>	<u>(133,000)</u>	<u>-</u>	<u>351,681</u>

