

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT & CONSOLIDATED FINANCIAL**  
**STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Registered Number 08515149 (England and Wales)**

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

---

<b>Members</b>	J Berry OBE J Bryars A Green M Kapur OBE J Green	
<b>Trustees</b>	J Berry* OBE N Benton (appointed 3 July 2018) H Elliott* (appointed 16 January 2018) M Johal* (appointed 9 April 2018) R Padgett* S Richards* (Chair) I Sandhu* OBE (Executive Head Teacher & Accounting Officer) P Thompson * denotes members of the Finance and Personnel Committee	
<b>Company Secretary</b>	H Gurton	
<b>Senior Management Team:</b>		
<b><i>Launde Primary School</i></b>		
<b>Executive Head Teacher</b>	I Sandhu OBE	
<b>Head of School</b>	K Priddey	
<b>KS1 Leader</b>	J Hall	
<b>KS2 Leader</b>	C Johnston	
<b>Foundation Leader</b>	H Stewart	
<b><i>Glenfield Primary School</i></b>		
<b>Head Teacher</b>	K Martin	
<b>Deputy Head Teacher</b>	S Kaur	
<b>Assistant Deputy Head Teacher</b>	N Quinn H Lacey	
<b>Principal and Registered Office</b>	New Street Oadby Leicester Leicestershire LE2 4LJ	
<b>Academies operated</b>	<b>Location</b>	<b>Head Teacher</b>
Launde Primary School	Oadby	I Sandhu
Glenfield Primary School	Glenfield	K Martin
<b>Company Registration Number</b>	08515149 (England and Wales)	

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Independent Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Enderby  
Leicestershire  
LE19 1SD

**Bankers**

Lloyds Bank plc  
56 Chestnut Avenue  
Oadby  
Leicestershire  
LE2 5JG

**Solicitors**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

The trust operates two primary academies in Leicestershire. Its academies have a combined pupil capacity of 1080 and had a roll of 1039 in the school census dated January 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy 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 Scholars Academy Trust are also Directors of the Charitable Company for the purposes of company law and Trustees for the purposes of charity legislation. The articles of association require the members of the Charitable Company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

Details of the Trustees who served throughout the period 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

**Trustees' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 in total per year on any one claim.

**Method of recruitment and appointment of Trustees and Governors**

The Members were appointed two years ago and they in turn appoint the Trustees. Trustees are recruited through rigorous process of interviews to ensure that they have the relevant skill set required to oversee the Trust and hold leaders to account. Governors are appointed through nomination and election (staff and parent governors), in addition there re Trust appointed governors. Terms of office for Governors are for a period of four years.

**Procedures for the induction and training of Trustees and Governors**

The training and induction provided for new Trustees and Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees and Governors will be given a tour of the Academy Trust i.e. both schools. All Trustees and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. New Trustees and Governors will undertake training that is tailored specifically to the personal needs. This year Trustees and Governors have continued to undertake training relevant to their needs, this has included induction for new governors, developing the role of the Chair of governors, academy finance training, safeguarding, SEN, pupil premium and sports' premium awareness sessions.

**Organisational structure**

A unified management structure is utilised to run the Academy Trust. The structure now consists of different levels, Members, Trustees, Governors and the Executive Head Teacher/Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Organisational structure (continued)**

The Trustees are responsible for setting general policy, approving the annual budget, monitoring the Trust by the use of budgets, making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Governors of each school manage the strategic direction of the school by adopting an annual school development plan and have a key focus on standards. They, in turn are accountable to the Trustees. The Governors of each school hold the senior staff to account and ensure that standards are improving.

**Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration for key management staff is set out in Academies pay policy for Teachers which is annually reviewed and ratified by Trustees. The pay policy sets out the framework for making decisions on all teachers' pay including key management staff. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and/or the recognised trade unions. The pay policy underpins the Academies Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the Finance and Personnel Committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards. No remuneration payments are made to Trustees.

**Trade union facility time**

There was no activity and costs related to Union activity.

**Connected organisations**

The Academy Trust, Scholars Academy Trust is a 'Multi Academy Trust - MAT' which includes two schools Launde Primary School and Glenfield Primary Schools. The primary aim of the MAT is to ensure all pupils achieve their academic potential.

The Academy Trust also has a trading subsidiary Oadby Learning Partnership Limited (OLP), which started trading on 7 June 2015 providing the provision of teaching resources and training to other local schools in the area. The profits of the subsidiary company are donated to the Academy Trust.

**OBJECTIVES AND ACTIVITIES**

**Object and aims**

The vision statement below is incorporated within the core principal object of the Charitable Company i.e. the operation of Scholars Academy Trust which is to provide education for pupils of different abilities between the ages of 4 and 11.

**Objectives, strategies and activities**

The main objectives of the Academy Trust are within the vision statement and are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

The Academy Trust's main strategy is encompassed in its vision statement.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Objectives, strategies and activities (continued)**

These key value statements will guide us as we work towards our aim and are linked to the key goals specified below:

**Vision**

To ensure that Scholars Academy Trust is a recognised centre of educational excellence where our children and teachers will achieve exceptional outcomes.

**Mission – what do we need to do to get there?**

Our mission is to draw on the individual strengths of each Academy school in the trust to build good practice and ensure that outstanding teaching and learning is at the heart of everything we do. Children will achieve excellent academic outcomes in a safe and nurturing environment and be empowered to make decisions about their lives and their contribution to society. We will nurture our staff professionally and foster positive relationships with our parents and the wider community.

**Our Values**

1. **Focus: children at the core of everything we do.** Our overriding aim is to ensure that success and wellbeing of all children educated within the MAT so that they fulfil their potential. We believe that if children do not benefit, it is not worth doing.
2. **Outcomes: Measuring our results, ensuring that children achieve to their full potential.** Only the best will do for our children. We constantly review our results in all areas of learning, including non-academic. We support staff to grow, develop and challenge themselves to take educational risks to support the best outcomes.
3. **Inclusion: a voice for everyone and everyone is heard.** It is important that both adults and children are involved in the teaching process and opinions valued.
4. **Diversity:** We value the strengths and enrichment that working in a diverse community brings to enhance educational learning and understanding.
5. **Quality: excellence through innovation, creativity and continuous improvement.** Quality teaching and learning will be our key priority, striving for excellence in creative and mature ways. No complacency.
6. **Collaboration: together we are stronger.** We passionately believe schools should work in partnership to pool resources, expertise and skills to provide the best for all children.
7. **Challenge: providing peer to peer support as critical friends.** There is an expectation of staff providing professional support, challenge and development as critical friends to each other in order to gain continuous improvement and maximise outcomes for children.
8. **Innovation: to be at the forefront of educational innovation and excellence.** To use our links to the Teaching School to ensure we are at the forefront of educational research, innovation and excellence. The MAT will develop and nurture high quality leadership in order to ensure innovation leads to continual improvement in learning for all pupils.

***Integrity, transparency and fairness in all we do is an important part of our everyday work.***

**Public benefit**

'Public benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is to be recognised, and registered, as a charity in England and Wales. The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The four underlying principles for the Charity are as follows:

- It must be clear what the benefits are;
- The benefits must be related to the aims;
- Benefits must be balanced against any detriment or harm; and
- The aims at Scholars relate to the educational outcomes of its pupils.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**STRATEGIC REPORT**

**Achievements and performance**

**Data 2017/18**

The data for both schools is compared to each other, schools within the teaching school alliance (OLP), LA and national outcomes.

Area	Launde	Glenfield	OLP	LA	National
<b>EYFS</b>	85.6%	73.3%	70.8%	70.9%	71.5%
<b>Phonics</b>	93.3%	81.4%	83.5%	83.5%	82.5%

**Pupils achieving at the expected standard at KS1**

KS1	Launde	Glenfield	OLP	LA	National
<b>Combined RWM</b>	73.3%	64.8%	64.7%	63.9%	65.3%
<b>Reading</b>	77.8%	72.2%	76.9%	75.1%	75.4%
<b>Writing</b>	84.4%	70.4%	73.2%	69.5%	69.9%
<b>Maths</b>	86.7%	75.9%	78.2%	76%	76.1%
<b>Science</b>	83.3%	75.9%	N/A	83.9%	82.8%

**Pupils exceeding the expected standard and above at KS1**

KS1	Launde	Glenfield	OLP	LA	National
<b>Combined RWM</b>	13.3%	7.4%	9.2%	10.6%	11.7%
<b>Reading</b>	21.1%	25.9%	23.5%	24.9%	25.6%
<b>Writing</b>	18.9%	13%	13.7%	14.8%	15.9%
<b>Maths</b>	21.1%	16.7%	20.8%	21.1%	21.8%

**Pupils achieving at the expected standard at KS2**

KS2	Launde	Glenfield	OLP schools	LA	National
<b>Combined RWM</b>	77.4%	75%	63.8%	65.3%	64.4%
<b>Reading</b>	89.2% (107.1)	76.9%	76.2% (104.8)	76.3% (105)	75.3% (105.1)
<b>Writing</b>	95.7%	78.8%	75.2%	80.1%	78.3%
<b>Maths</b>	78.4% (105.8)	86.5%	75.2% (104.6)	76.6% (104.4)	75.6% (104.4)
<b>Spelling, punctuation and grammar</b>	91.4% (110)	76.9%	80% (106.2)	78.9% (106.2)	77.7% (106.2)
<b>Science</b>	85.9%	82.7%	N/A	84.8%	82.5%

Numbers in brackets denotes average scaled scores.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Pupils exceeding the expected standard and above at KS2**

<b>KS2</b>	<b>Launde</b>	<b>Glenfield</b>	<b>OLP schools</b>	<b>LA</b>	<b>National</b>
<b>Combined RWM</b>	17.2%	15.4%	10%	10%	9.9%
<b>Reading</b>	35.4%	23.1%	25.2%	27.2%	28.1%
<b>Writing</b>	35.5%	23.1%	20.4%	21.2%	19.9%
<b>Maths</b>	38.7%	40.4%	27.7%	23.6%	23.6%
<b>Spelling, punctuation and grammar</b>	60.2%	28.8%	35.9%	33.7%	34.4%

**NB LA and National Results are provisional**

**Launde Primary School**

Launde has had its first Year 6 data due to the retention of year 6. The outcomes were pleasing with better than the national results within each subject and the combined overall. The results within the other phases have continued to be high so Launde is set to continue to build on the success of this year.

**Glenfield Primary School**

Glenfield have continued to build on last year's successes. The challenge is now to ensure that the children within KS1 who are marginally below the National expectations now achieve in line with National expectations including those above expected.

There is a significant drive by both schools to reach the Trust's objective of each child achieving their academic potential through hard work and dedication.

**Annual Key Performance Indicators For Scholars Academy Trust**

**Teaching and learning**

- Pupils to achieve to their full potential, making positive progress from their starting point;
- 100% of teaching and learning to be good or better;
- No inadequate teaching / number of cause for concern; and
- Pupils to have access to a broad range of experiences across the curriculum.

**Welfare, personal development, behaviour**

- School attendance to be above national average;
- To secure a safe, stimulating environment;
- All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc.;
- To understand and be prepared for life in multicultural Britain;
- Number of exclusions;
- Numbers of children with multi agency involvement; and
- Numbers of children on the child protection register.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Leadership and management**

- All vacancies to be filled with good quality teachers;
- To ensure appropriate CPD to grow and nurture own staff for succession planning;
- Staff attendance maintained at 95% plus; and
- All schools to be good or better in two years as categorised by Ofsted.

**Governance**

- 100% of skills coverage within Trustees Board;
- Financial probity: no red flags;
- Robust financial parameters maintained in all schools ensuring value for money;
- Risk register ensuring appropriate risk management; and
- Number of complaints.

**Health and Safety**

- Number of accidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18**

KPI	Launde	Glenfield	Additional comments
<b>Teaching and Learning</b>			
Pupils to achieve to their full potential, making positive progress from their starting point	See data above		
100% of teaching and learning to be good or better No inadequate teaching / number of cause for concern	Effective learning has led to good outcomes at the relevant stages with Launde. As in last year there has been a four new teachers who have all risen to the challenge of teaching to high expectations required of teaching at Launde. There have been no significant concerns and any that arose during the year were rectified during the year so that it had no impact on outcomes for the school.	There has been no inadequate teaching other than one teacher who was on a support plan for the Autumn term. Improvements were made and overall the teaching and learning has been good.	
Pupils to have access to a broad range of experiences across the curriculum	<p>The curriculum is broad and balanced and the evidence is clear for all to see within the books. The books evidence the fact that all subjects are taught throughout the year and other schools have visited both Launde and Glenfield to see how the staff achieve this within the school day.</p> <p>The children have access to a wide range of external visitors and schools visits which are very popular which support the teaching of the curriculum. The curriculum has been reviewed by the subject leads not only to ensure contoured breadth, balance and progress but also to ensure that children have access to leaning beyond the classroom. Use of IT is strong within the curriculum and again evident in all books.</p> <p>Both schools offer additional music lessons to children paid for by the school and should children wish to continue then the provision is made for this, e.g. at Launde 30 children who learnt to play the guitar in 2016/17 continued to have lessons in 2017/18. At Glenfield the children continue to access drumming as class sessions.</p> <p>Pupil premium money has been used at both schools to ensure access to the wider curriculum for children who otherwise would not be able engage in such activity with a view of not only broadening their horizons but also improving life chances</p>		

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18 (continued)**

KPI	Launde	Glenfield	Additional comments
	The curriculum overall is exciting, vibrant and stimulating as it enthuses the children who clearly enjoy learning as a result of this.		
<b>Welfare, personal development and behaviour</b>			
School attendance to be above national average	96.24%	96%	
To secure a safe, secure, stimulating environment	<p>At Launde the staff provide a safe secure stimulating environment as witnessed during lesson observations and learning walks.</p> <p>Through assemblies and class teaching children are made aware of the need for safety, and when asked children can identify the ways to stay safe. This will range from safety on the road, stranger, danger to internet safety. The school council have led on road safety.</p> <p>All school visits have risk assessments which include safeguarding. The safeguarding audit was completed by Governors and was positive as the schools had all the necessary safeguarding procedures in place.</p> <p>Launde has 4 DSPs and 4 members of staff who have had safer recruitment training. In addition, a Governor has also been trained on the latter.</p> <p>Fire drills and lock down procedures are in place and the children have undertaken practises of both.</p>	<p>Pupils are taught how to stay safe online and say that they feel safe in school and bullying is rare. Safeguarding is effective and vulnerable pupils are monitored closely and have mentors. Displays around the school reflect learning and celebrate achievements of children.</p> <p>Glenfield has Sporting Ambassadors, Reading Ambassadors, Helping Hands and a School council. All give pupils opportunities to contribute to the well-being of other pupils. Ofsted 2017 referred to positive relationships between staff and pupils, the nurturing and inclusive environment in the speech and language provision and the EYFs being a safe and exciting place to learn.</p> <p>Procedures for Risk assessments have been updated and are under constant review.</p> <p>The school has 4 DSPs. Members of SLT have also had Safer Recruitment and Allegations Training.</p> <p>The school has completed several fire drills, a lockdown procedure and has practised whole school evacuation to the Church Hall.</p>	<p>Two Trustees have had safer recruitment training this year.</p> <p>Both schools when visiting are bright and stimulating with lots of children's work on display.</p>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18 (continued)**

<b>KPI</b>	<b>Launde</b>	<b>Glenfield</b>	<b>Additional comments</b>
All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc.	<p><b>September</b> Year 2 – Geography walks around Oadby Year 5 – Children's Bookshow at Curve Year 3 – Brocks Hill Shelter Building Year 4 – Conkers Roman Day</p> <p><b>October</b> Foundation/Years 1 &amp; 2 - Blunderbus Year 4 – Condover Hall residential Year 5 – Space Centre Year 4 – Mandir</p> <p><b>November</b> Year 6 – BBC Studio, Birmingham</p> <p><b>December</b> Years 2-6 – De Montfort Hall Beauty &amp; the Beast</p> <p><b>January 2018</b> Year 3 – Keep Safe Club (run by Leic. Police) Years 5/6 – Young Voices</p> <p><b>February 2018</b> Year 5 – Contender Charlie – Romeo and Juliet Year 3 – Pizza Making at Beauchamp College Foundation/Year 1 – A Tigers Tale at Warwick Arts</p> <p><b>March 2018</b> Year 2 – Botanical Gardens Foundation – Lambing Visit Year 4 – Magna Science Museum</p> <p><b>April</b> Year 5 – Warner Bros Studio Tour – The Making of Harry Potter Year 3 – Beaumanor Hall Iron Age and Celts Day Year 5 – 8 children to Space Centre Leic City Science</p> <p><b>May</b> Year 3 – Canals and Rivers Trust visit school Foundation – Beaumanor Hall Gruffalo Day</p>	<p><b>September</b> Year 6 – Harry Potter World Year 2 – Tywcross Zoo</p> <p><b>October</b> Year 4 – Castleton Residential Year 4 – Shree Swaminarayan Mandir - Hindu Temple</p> <p><b>November</b> Year 1 – Battram Woods Year 3 – Guru Nanak Gurdwara Year 6 – Young Mathematicians</p> <p><b>December</b> Year 1 – 6 Christmas Pantomime EYFS – Curve Theatre</p> <p><b>January</b> Year 6 – Mosque Visit Year 6 – Warning Zone Whole school – Safer Internet Day</p> <p><b>February</b> EYFS – Police visit Fire Service visit</p> <p><b>March</b> Whole school – World Book Day Year 5 Lambing trip Whole school – Poet visit Year 3 – Beaumanor Hall</p> <p><b>April</b> Year 2 – Cathedral Visit Year 1 – Sea life Centre</p> <p><b>May</b> Year 5 – Buddhist Centre Year 4 – Think Tank Year 6 - Belsey Bridge Residential</p> <p><b>June</b> Sports and health week Commonwealth Athlete visit Year 5 – Space Centre University- Inflatable Planetarium Year 3 – Foxton Locks Year 2 – Bosworth Battlefield Year 1 – Plantasia EYFS – Stonehurst Farm</p>	<p>Schools continue to offer a range of after school clubs as well as opportunities to take part in the sporting competitions.</p> <p>Launde achieved the Silver Mark for their sports engagement and Glenfield were awarded the Bronze Mark.</p> <p>Swimming forms part of the curriculum for 2 years in both schools.</p>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18 (continued)**

<b>KPI</b>	<b>Launde</b>	<b>Glenfield</b>	<b>Additional comments</b>
All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc. (continued)	<p><b>June</b> Year 2 – Thinktank Year 3 – Foxtan Locks Visit Year 4 – Botanical Gardens Guitar Performance – Year 4 Author Visit – Foundation &amp; KS1 - Rachel Greaves Year 1 – Conkers – Teddy Bear's Grand Adventure Attendance Prize – Cinema Years 3-4 De Montfort Hall Awful Auntie</p>		
To understand and be prepared for life in multicultural Britain	<p>This is part of the everyday curriculum and has not been an additional add-on. It features regularly within assemblies and there are lessons on elements of this as part of the personal and social development programme. The children are very aware of their place in society and will verbalise when asked. It is an ongoing subject that is visited regularly. Children take part in special assemblies to understand and learn about the different faiths within Launde. In addition, there are visits to local places of worship. The children have also taken part in community events e.g. at the old people's home, this has aided their understanding of life beyond Launde.</p>	<p>In addition to the trips to places of worship to support work in religious Education, each year group presents an assembly throughout the year about the different faiths in Britain and the major religious festivals. Assembly themes throughout the year include tolerance, inclusion and equality. These themes are also addressed in classes and through PHSE sessions.</p>	
Number of exclusions	0	1	
Numbers of children with multi agency involvement	14	9	
Numbers of children on the child protection register	2	4	

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18 (continued)**

KPI	Launde	Glenfield	Additional comments
<b>Leadership and Management</b>			
All vacancies to be filled with good quality teachers	During the course of 17/18 children had access to good quality teachers who were supported by leaders. There were four NQTs. In addition, there were 4 teachers who were in their second year of teaching. These teachers were closely monitored through the year to ensure that the children had the best teaching that could be provided.	All vacancies have been filled. This year supply agencies were used for PPA cover and a job-share vacancy in EYFS. This cover was generally consistent throughout the year, with 1 change to PPA in the Spring Term. One member of staff left at the end of the Autumn term but this post was filled by a teacher returning from maternity leave.	
To ensure appropriate CPD to grow and nurture own staff for succession planning	1 member of staff have completed the Leadership for all Programme. 4 members of staff have been involved in the OLP Recently Qualified Teacher Programme. 3 NQTs has engaged with the OLP NQT Programme. Appropriate staff have attended OLP Network Meetings. (Deputies, Mathematics, English, Science, SEND, RE) 3 members of staff have attended Route to Resilience Training Sessions with the Executive Head Teacher. Subject Lead training both within and from OLP.	2 members of staff have completed the Leadership for all Programme. 1 member of staff has completed the Aspiring Leaders Programme. 4 members of staff have been involved in the OLP Recently Qualified Teacher Programme. 1 NQT has engaged with the OLP NQT Programme. Appropriate staff have attended OLP Network Meetings. (Deputies, Mathematics, English, Science, SEND, RE) English Team have attended training on coaching and Visual Literacy through the SSIF Programme. 4 members of staff have attended Route to Resilience Training Sessions with the Head Teacher.	Staff meetings within both schools have focused on the school priorities and have been held each week. Detailed CPD reports are given to governors on a termly basis.
Staff retention to be at 80%	Both schools had 2 members of teaching staff leave the school, therefore staff retention remains high.		

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Key Performance Indicators Outcomes 2017/18 (continued)**

<b>KPI</b>	<b>Launde</b>	<b>Glenfield</b>	<b>Additional comments</b>
Staff attendance maintained at 95% plus	Teachers – 97% Teaching Support Staff – 95.9% Administrative Staff – 96.4% Premises Staff – 98.9% Lunchtimes Staff – 98% Launde Care – 93%	Teachers 96.9% Teaching support staff – 95.2% Administrative Staff – 92.6% Premises Staff – 98.3% Lunchtimes Staff – 97.9%	
All schools to be good or better in two years as categorised by Ofsted	Launde is currently outstanding	Glenfield is good	
<b>Governance</b>			
100% of skills coverage within Trustees Board	Overall the Trustees cover the main skills required but there is need to recruit more trustees to share the workload. Governors at each school also have the skills to verse the day to day running within each establishment. Both Governing Bodies are activity engaged in school activity to ensure they fully understand the day to day work of the school. They ensure they challenge the leaders to satisfy themselves that learning is the best it could be at each school.		Launde governors have completed the skills audit but Glenfield are yet to complete it.
Financial probity: no red flags	See full MAT audit report		
Robust financial parameters maintained in all schools	The end of year reserves demonstrate that the schools are both in a strong financial position. However, the budget is closely monitored throughout the year to ensure that overall spending stays within the allocated budget. This year the school Governing Bodies have also been scrutinising the school accounts as part of their roles.		The five-year plan is the overall planning of the budget. However, in year monitoring ensures budget stays on track.
Number of complaints	1 formal complaint which was dealt with by the Executive Head Teacher and no further action was needed.	2 complaints received under the complaints procedure. Both have been dealt with.	
<b>Health and Safety</b>			
Number of accidents reported to RIDDOR or reported on line	3 accidents reported	2 accidents reported	

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Key Performance Indicators Outcomes 2017/18 (continued)**

Key performance indicators overall look at the value for money that the Academy Trust provides, this is scrutinised by the Trust Board.

The Trustees meet within committees, both Finance and Education, to ensure that the above KPIs are scrutinised and checked against national benchmarking to ensure that the performance of the school is on track to achieve outstanding within an Ofsted context. Benchmarking occurs as available so that the company can see value for money against similar schools and academies both academically and financially. The Education Committee will do this at least three times per year and the Finance and Personnel Committee will consider this between 4-6 times and this in turn is evaluated within full Trustees meetings at 3 times per annum.

**Financial review**

The vast majority of the MAT's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2018 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Group held fund balances at 31 August 2018 of £4,639,782 (2017: £4,482,473) comprising £310,671 (2017: £146,287) of restricted funds (excluding pension reserve), £4,480,646 (2017: £4,549,329) restricted fixed asset funds, £1,063,465 (2017: £1,108,857) unrestricted general funds and a pension reserve deficit of £1,215,000 (2017: £1,322,000).

**Financial and risk management objective and policies**

The Academy Trust has prepared a risk register to identify and prioritise the major risks facing the MAT. Control procedures, target dates and those accountable have also been identified. The register will be monitored internally and reviewed annually by the Board of Trustees. The policies which are set by the Board of Trustees with respect to financial and risk management are implemented and communicated by the Executive Head Teacher.

**Reserves policy**

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Unrestricted reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy Trust in Finance and Personnel Committee meetings which take place six times per year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,063,465. The Academy Trust has immediate plans that any reserves as at 31 August 2018 are used in line with its plans for future periods.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Reserves policy (continued)**

The overall aim within each school and Trust is to have a reserve which you would cover expenditure for at least 3 – 6 months if the need arose in line with the reserves policy.

The Academy Trustees are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

The Academy Trust has restricted fixed assets fund, with a balance of £4,480,646 which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the charity and will only be realised by disposing of the tangible assets.

**Investment policy**

At present, the Academy Trust does not hold significant funding to warrant additional investment but this is always under review at both governor and trustee level. Currently, the balance outlined above is held within our main school bank accounts and the balance is planned for development of the school buildings and refurbishment of the school grounds in the coming year at both schools subject to planning permission and successful CIF bids.

**Plans for future periods**

The Academy Trust will continue striving to improve the levels of performance of its students at all levels. The Trust will work with stakeholders to ensure that there is the continuing improvement in standards across the schools. It will have to respond to local and national changes as required but is well set up to do this. Building plans are in place for Launde and the Trustees are reviewing further provision for the pupils. The Trustees are also actively considering how the Trust could expand over the coming year.

**Principal risks and uncertainties**

The risks faced by the Academy Trust are outlined in the Risk Register and although this is an annual assessment undertake, the Trustees and Governors are continually monitoring any risks associated with the Academies.

The Trustees have set procedures (contained within the Financial Manual and the Risk Register - Strategic and Reputational Risks) on internal controls which cover the following:

- the type of risks the Academy Trust faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy Trust's ability to reduce the incidence and impact on the operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- ensured the Strategic Management Team implement the Trustees' policies and identify and evaluate risks for the Trustees' consideration;
- employees understand that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy Trust's operations so that it becomes part of the culture of the MAT;
- developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

The Academy Trust have considered the major risks to which the Academy Trust is exposed and have reviewed these risks and established systems and procedures to manage these risks.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**Principal risks and uncertainties (continued)**

The Trustees have assessed the major risks to which the Academy Trust is exposed; in particular, those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances and systems are in place to mitigate those risks. The Trustees assessed risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance and updated the Risk Register, however, this is looked at termly. They monitor systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. The Academy Trust has an effective system of internal financial controls.

The Trustees see the following as the key risks and have agreed the control mechanisms in place

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
<b>Strategic and Reputational Risks</b>					
Public Profile Risk	Quality of service	Low	Low	<ul style="list-style-type: none"> <li>• A school within the MAT receives an unfavourable Ofsted</li> <li>• Parents confidence in the Trust ability to run schools</li> </ul>	<ul style="list-style-type: none"> <li>• Teaching and learning being monitored at all levels within schools, timely reports given to governors and trustees</li> <li>• Effective communication with parents about activity within the schools so that they are constantly kept up-to-date with practice</li> </ul>
	Failure to recruit sufficient numbers to Trust schools	Low	Low	<ul style="list-style-type: none"> <li>• Loss of confidence of parents and community</li> </ul>	<ul style="list-style-type: none"> <li>• Admissions policy in place</li> <li>• Encourage good news stories of school to market</li> <li>• Review waiting lists</li> </ul>
	Trust failure to maintain high standards the progress and attainment	Low	Low	<ul style="list-style-type: none"> <li>• Loss of confidence in schools by local community and stakeholders i.e. parents</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil achievement regularly monitored and additional support provided within schools</li> <li>• Strategies constantly reviewed to ensure improvements in teaching and learning</li> <li>• Individual targets set through performance management process</li> <li>• Progress meetings held both individually and year groups</li> <li>• Scrutiny and challenge by governors and trustees</li> <li>• Head Teachers meet to discuss progress and action for continual improvements</li> </ul>
	Failure of senior staff to meet school objectives	Low	Low	<ul style="list-style-type: none"> <li>• School fails to operate within the strategic objectives set by the GB</li> <li>• Out of date objectives</li> <li>• Unfavourable Ofsted report</li> </ul>	<ul style="list-style-type: none"> <li>• Experienced SMT in each school</li> <li>• Active GBs providing challenge to leadership</li> <li>• Staff involved at all levels in the management of the school</li> <li>• Clear School development plans leading to Trust improvement plan</li> <li>• Trust education committee receive termly report for each school</li> </ul>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
	Safe-guarding	Low	Medium	<ul style="list-style-type: none"> <li>• Potential risk of safeguarding issue in school</li> <li>• Schools do not maintain it safeguarding protocols</li> <li>• Unfavourable Ofsted</li> </ul>	<ul style="list-style-type: none"> <li>• All procedures and safeguarding but here too</li> <li>• Annual LA safeguarding return</li> <li>• Annual safeguarding audit carried out by governor</li> <li>• Designated Trust member overseeing schools</li> <li>• Trustees check on schools, designated governor in place within schools</li> </ul>
	Health and Safety Risk	Medium	Low	<ul style="list-style-type: none"> <li>• Accidents could lead to claims made affecting insurance</li> <li>• Adverse publicity for school</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety policies in place, health and safety plans and measures carried out, responsible persons given duties</li> <li>• Adequate insurance in place</li> <li>• Trustees monitor health and safety within each school</li> </ul>
Governance Risk	Failure to recruit Trustees with appropriate skill set	Medium	Medium	<ul style="list-style-type: none"> <li>• Failure of Trustees to evaluate activity and standards within schools</li> <li>• Loss of confidence in Trust Board</li> </ul>	<ul style="list-style-type: none"> <li>• Skilled Chair to manage recruitment of Trustees</li> <li>• Trustees reviews to check that the skill set of Trustees are appropriate to need</li> </ul>
	Failure to recruit governors with correct profile and skills	Medium	Medium	<ul style="list-style-type: none"> <li>• Risk governors could attract negative publicity</li> <li>• Risk in loss of confidence in governing body</li> <li>• strategic overview not comprehensive</li> </ul>	<ul style="list-style-type: none"> <li>• Independent clerk to governing body</li> <li>• Governor induction training and mentoring set by the trustees</li> <li>• Skills audit to ensure appropriate skills are represented within the governing body</li> <li>• Annual review of GB</li> </ul>
	Failure of Chairs in schools to provide effective leadership	Low	Low	<ul style="list-style-type: none"> <li>• Governing Body has not the correct skills to recruit from</li> <li>• Constitution of Governing Body is not appropriate</li> <li>• Trust failed to hold GB to account</li> </ul>	<ul style="list-style-type: none"> <li>• Chair of governor's role description</li> <li>• Clerk to support and challenge Chair</li> <li>• Experienced Chairs of governors in place</li> <li>• Appropriate training in place to ensure effectiveness</li> <li>• Termly meetings with GB Chairs to review effectiveness</li> </ul>
	Failure by Trust to ensure schools have a robust organisational approach to deliver governance	Low	Low	<ul style="list-style-type: none"> <li>• Risk that committees failed to operate</li> <li>• Risk that the governing body does not delegate or delegates too much to the Executive Head Teacher and senior leadership team</li> </ul>	<ul style="list-style-type: none"> <li>• Independent clerk to governors</li> <li>• Governor training on induction</li> <li>• Internal audit</li> <li>• Minutes of governing body scrutinised by trust</li> <li>• Trust expects GB to bring key points to their attention following GB meetings</li> <li>• Trust Chair meets with GB Chair and Vice Chair to discuss schools</li> <li>• Register of business interests</li> </ul>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
	Failure to have appropriate insurance in place	Low	Low	<ul style="list-style-type: none"> <li>Adds risk to public image</li> <li>Risk of claims against the school or Trust</li> </ul>	<ul style="list-style-type: none"> <li>Office staff to check all insurance regularly to ensure adequate provision is in place</li> <li>Trust Finance and Personnel committee scrutinise the policies</li> </ul>
<b>Funding Risks</b>					
	Income risk	Medium	Medium	<ul style="list-style-type: none"> <li>National funding is cut</li> <li>Number of pupils on roll falls</li> <li>Additional funding is not secured for school</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the national funding and ensuring that the five-year plan takes account of potential cuts and expenditure</li> <li>Ensuring the number of pupils is kept high through appropriate marketing and ensuring schools retain the good and outstanding status</li> <li>To constantly look out for additional funding and spend accordingly</li> </ul>
	Expenditure	Low	Low	<ul style="list-style-type: none"> <li>Expenditure does not match income</li> <li>Unexpected unplanned expenditure arises</li> <li>Risk that expenditure is allocated incorrectly between budget heading</li> <li>Risk that expenditure is not accounted for</li> </ul>	<ul style="list-style-type: none"> <li>Monitor expenditure on a monthly basis, report to the Finance and Personnel Committee and a half term the basis and put embargoes in place should it start to exceed income</li> <li>Reserve in place to allow for unexpected expenditure</li> <li>Internal and external audit in each school</li> <li>Trust Finance and Personnel Committee</li> </ul>
	Failure to ensure school maintains overall financial control in relation to budget	Low	Low	<ul style="list-style-type: none"> <li>Risk of budget being in deficit</li> <li>Risk that reporting mechanisms will not governors to concerns with budget</li> <li>Risk budget not prepared in accordance to DFE guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports to leadership team</li> <li>Reports to Trustees monthly</li> <li>Finance and Personnel Committee in place</li> <li>Trust oversee governor decisions</li> </ul>
	Failure to reconcile accounts regularly	Low	Low	<ul style="list-style-type: none"> <li>Risk bank accounts not reconciled</li> <li>Failure of non-payments being missed</li> <li>Risk of unfavourable audit</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reports to leadership team</li> <li>Reports to Governors termly</li> <li>Finance and Personnel Committee in place both at school and Trust level</li> <li>Trust oversee governor decisions</li> </ul>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
	Failure to ensure that financial systems are secure	Low	Low	<ul style="list-style-type: none"> <li>• Risk of lack of controls</li> <li>• Risk of lack on monitoring</li> <li>• Risk of loss of data</li> </ul>	<ul style="list-style-type: none"> <li>• Daily back up</li> <li>• Cloud based back up</li> <li>• Password protected</li> <li>• Trust oversee governor decisions</li> </ul>
<b>Operational Risks</b>					
Staffing	Key staff loss	Medium	Medium to High	<ul style="list-style-type: none"> <li>• Key personnel e.g. finance officer absent and unable to carry out tasks at required time</li> </ul>	<ul style="list-style-type: none"> <li>• No one person has overall responsibility workload spread out and an awareness of each other's tasks</li> <li>• Key tasks written down so the event of absence someone else is able to carry out the duties</li> <li>• Support from audit as required</li> </ul>
	Recruitment of staff	Medium	Medium	<ul style="list-style-type: none"> <li>• Senior staff and support staff not applying to jobs as required by the trust</li> <li>• Standards could fall without appropriate staff</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning in place so that roles can be filled internally as far as possible and backfill for other roles</li> <li>• Effective projection and over recruitment in place</li> <li>• Part of TeachLeics</li> <li>• Use teaching school links and contacts</li> <li>• Revised volunteer and work placement strategy to talent spot</li> </ul>
Finance	Failure to employ staff with appropriate skills	Medium	Medium	<ul style="list-style-type: none"> <li>• One person has too much control</li> <li>• Too much work for one person</li> </ul>	<ul style="list-style-type: none"> <li>• Financial oversight is spread over a number of people e.g. finance officer, Executive Head Teacher and Finance and Personnel Committee</li> <li>• In addition, training for succession planning in place</li> <li>• Appropriate training</li> <li>• Use personnel from MAT schools</li> </ul>
	Failure to ensure goods and services are purchased in line with financial regulations	Low	Low	<ul style="list-style-type: none"> <li>• Financial risk</li> <li>• Reputational risk</li> <li>• Risk that school's objectives are not met</li> <li>• Risk of breaking financial regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Half termly reports from school</li> <li>• SMT review monthly reports</li> <li>• Effective internal and external audits</li> </ul>
	Failure to implement a risk management strategy	Low	Low	<ul style="list-style-type: none"> <li>• Non-compliance with EFSA</li> <li>• Exposure to unnecessary risk e.g. insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Risk register</li> <li>• GB reporting system to Trustees</li> </ul>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
IT Infra-structure	System suitability risk	Medium	Medium	<ul style="list-style-type: none"> <li>• System not fit for purpose</li> <li>• Financial risk in terms of monitoring and delivering and thereby potential litigation</li> <li>• Risk of unauthorised access</li> <li>• Risk of litigation</li> </ul>	<ul style="list-style-type: none"> <li>• Regular monitoring in place to monitor suitability for tasks</li> <li>• Offsite back up of system</li> <li>• Secure security systems in place</li> <li>• Password access only</li> <li>• Encrypted data passed through designated portals</li> </ul>
	Maintenance risk	Medium	High	<ul style="list-style-type: none"> <li>• System not maintained by provider i.e. Capita</li> </ul>	<ul style="list-style-type: none"> <li>• Provider kept under review and discussed on annual basis with financial staff</li> </ul>
	Disaster risk	Medium	Low	<ul style="list-style-type: none"> <li>• Risk that financial information cannot be recovered in the event of a disaster e.g. fire theft vandalism</li> </ul>	<ul style="list-style-type: none"> <li>• Backup in place managed externally as well as internally</li> <li>• Regular check up on back up</li> </ul>
<b>Compliance Risks</b>					
	Failure to comply with Trust requirements on employee legislation	Low	Low	<ul style="list-style-type: none"> <li>• Risk of litigations due to lack of equal opportunity/ data/ pensions/ contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Support from HR / legal</li> <li>• Health and safety policy in place</li> <li>• Appropriate skills in place on Trust Board</li> </ul>
	Failure to adhere to reporting requirements of the Trust	Low	Low	<ul style="list-style-type: none"> <li>• Financial risk</li> <li>• Litigation risk</li> <li>• Risk that governors may not be aware of obligations</li> <li>• Risk in PAYE / NI/ data protection</li> <li>• Non-compliance of tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Independent clerk</li> <li>• EFSA updates</li> <li>• Support from HR / accountants / auditors</li> <li>• Training for appropriate persons</li> </ul>
	Failure to comply with welfare issues	Low	Low	<ul style="list-style-type: none"> <li>• Risk of not adhering safeguarding policies and procedures</li> <li>• National curriculum requirements for children</li> <li>• Mental health concerns</li> <li>• Risk of lack of duty of care for staff</li> </ul>	<ul style="list-style-type: none"> <li>• Support from HR /; Welfare</li> <li>• Training in place for safeguarding</li> <li>• Reports to governors</li> <li>• DBS compliant for all workers</li> <li>• Named governor and Trustee for Safeguarding</li> <li>• Annual report to governors for each school</li> <li>• Reports to Trustees from the safeguarding Trustee and the Executive Head Teacher</li> </ul>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Sub risk	Likelihood	Rating Low Medium High	Risk Consequences	Controls in place to support RAG rating
	Failure to comply with website compliance and policies	Low	Low	<ul style="list-style-type: none"> <li>• Risk of Ofsted trigger</li> <li>• Risk parents are not informed and lose confidence in the school</li> <li>• Risk of governors/ Trustees not carrying out statutory duties</li> </ul>	<ul style="list-style-type: none"> <li>• Termly checks on website</li> <li>• Updates added as necessary</li> </ul>

**Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation 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 Accounting Policies.

**Fundraising**

Both schools carry out charitable work for local and national events. The work is focused on curriculum development in terms of enterprise but more importantly is undertaken to ensure children have a greater awareness of the work around them and an understanding that there are people and children less fortunate than them. Children will often plan events to raise funds which are for external causes such as Children in Need, Red Nose Day, Christmas Jumper Day and MacMillan Cancer research. Children participate on a voluntary basis with parents informed about how they can support their child to carry the charitable work without it be an extra expense to them, for example children use their pocket money or give up treats they might have otherwise had towards the fund raising. The number of events are planned so that no additional burden is added to either staff or parents to raise funds.

The only funds requested from parents are the voluntary contributions towards schools trips as other fund raising is for external causes as stated above and only carried out by the children and not the wider public.

**Funds held as Custodian trustee on Behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

**Auditors**

RSM UK Audit LLP has indicated their willingness to continue in office.

**Statement as to disclosure of information to auditors**

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 27.11.2018 and signed on its behalf of:



---

**S Richards**  
**Chair of Trustees**

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Scholars Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 the Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the period. Attendances during the period at meetings of the Board of Trustees were as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of possible</b>
I Sandhu OBE (Executive Head Teacher & Accounting Officer)	3	3
J Berry OBE	3	3
P Thompson	3	3
R Padgett	3	3
S Richards (Chair)	3	3
H Elliot	1	2
M Johal	0	1
N Benton	1	1

The Trustees have overall responsibility for the administration of Scholar's Trust finances. The main responsibilities of the Trust are prescribed in the Funding Agreement between the Trust and the DfE and in the Academy's Scheme of Government.

The Trust Board has a strategic role in determining the educational and financial priorities of the Scholars Trust, ensuring that the financial resources delegated to it are used effectively and that adequate internal controls are maintained over these.

**Responsibilities:**

- Ensuring the grant from the DfE is used only for the purpose intended;
- Ensuring that funds from Sponsors are received according to the Trust funding agreement, and are used only for the purpose intended;
- Approval of the Annual Budget;
- Appointment of the Executive Head Teacher;
- To fulfil the statutory responsibility for the administration of financial management within the Academy;
- To set out in writing the roles and responsibilities of the Trust Board, its committees, the Executive Head Teacher and other relevant staff in relation to financial decision making;
- To undertake an annual review of the Finance Regulations Manual to be ratified;
- To establish the financial limits of delegated authority to enter into commitments and to authorise invoices and the subsequent payment of these e.g. cheques, BACS);
- To approve the financial procedures within the Academies and ensure that they comply with the Funding Agreement and the Academies Financial Handbook;

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Responsibilities (continued):**

- To establish a register of business interests of Members, Trustees, governors, the Executive Head Teacher and any other staff who have the ability to influence financial decisions, to ensure that it is open to inspection and to oversee its maintenance through an annual review and update;
- To ensure that the priorities, aims and objectives are outlined in the schools Improvement/Development plan and are costed and clearly linked to the annual Budget Plan;
- To approve the annual Budget Plans and ensure that the annual budget plans are subjected to the Education Funding Agency by the required deadline;
- To determine the level of detail, minimum frequency and general format of financial information to be provided to the Trust and governors, especially in relation to budget monitoring reports; and
- To report suspected financial irregularities to the Education Funding Agency without delay, and as necessary convene disciplinary panels to consider the findings of investigations.

The Board of Trustees has a strategic role in the review and management of the Academy Trust and therefore its key responsibilities include setting priorities, including finance spending and deployment of resources for accountability through the:-

- School Development Plans (SDP);
- The Schools Self-Evaluation Forms (SEF);
- The School Prospectuses;
- A 5 year financial plan;
- The annual budget; and
- The School Scheme of Financial Delegation and Internal Finance Procedures.

<b>Finance and Personnel Committee</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J Berry OBE	4	6
R Padgett	6	6
S Richards	6	6
I Sandhu OBE	6	6
H Elliot	2	3
M Johal	2	2

The Finance and Personnel Committee is an advisory body with no executive powers. However, it is authorised by the Board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries.

The Finance and Personnel Committee is authorised to obtain independent professional advice if it considers this necessary.

**Duties**

The specific duties of the Finance and Personnel Committee shall be to:

- review and set the Annual Budget in detail and to make recommendations to the Trust to secure best value;
- monitor the budget on behalf of the Trust Board and through the termly meetings and minutes of the committee inform the rest of the governing body;
- review schools' internal and external financial statements, reports and audits to ensure that they reflect best practice;
- to approve amendments to the budget and approve virements of funding to meet the need of the school;
- to approve quotations for work based on best value on behalf of the T

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Duties (continued)**

- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- consider all relevant reports by the Finance Officer or the appointed external auditor, including reports on school accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner (e.g. risk register);
- will explore and process sources of new funding;
- review any report from the Finance Officer in relation to the operation of Trust Buildings and Grounds;
- review new and existing policies relating to the employment and conditions of staff within schools and make recommendations to the Trust;
- to consider the staffing needs of the schools and make decisions on appointment as necessary (teaching and support staff) and make recommendations for approval in significant changes in staffing structures; though this may be delegated to individual governing bodies;
- review and monitor the Health and Safety policy statement in order to safeguard the health and wellbeing of students, employees and visitors to their schools, and to make recommendations to the Trust and Governing Bodies;
- will ensure the effective implementation and monitoring of performance management on behalf of the Trust;
- review the recommendations of the Executive Head Teacher as to salaries, particularly any discretionary awards;
- review the operation of the Trust code of practice for Members, Trustees, Governors and code of conduct for staff.

The Board of Trustees must ensure personnel management procedures have been identified, formally approved and documented to cover as a minimum:

- recruitment (including references and police checks);
- performance appraisal and review;
- equal opportunities;
- disciplinary (including absence policies);
- grievance;
- staff expenses;
- consider any other matters where requested to do so by the governing body; and
- report at least once a year to the governing body on the discharge of the above duties.

The Trust ensures that procedures are in place to ensure that employees of the Trust are paid for work done in accordance with their contracts of employment.

In addition, the Board of Trustees ensures the Trust has adequate insurance cover to support its activities as an employer, such as employers' liability insurance, fidelity insurance, trustee indemnity, public liability insurance and so forth.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Powers delegated to the local governing body**

**Vision**

- To contribute to the development and carry forward the Trust's vision, in a way appropriate to the specific qualities and community characteristics of the Academy; and
- To promote and implement the school ethos and vision.

**Compliance**

- Implementation of actions required to comply with all statutory regulations; and
- Assist the Trustees in complying with the provisions of the Funding Agreements where requested.

**Governance**

- Work with the Trust in the appointment of the clerk to the LGB;
- Assisting in the appointment of staff and parent governors where requested by the Trust
- Oversight of the school's activities;
- Holding the Executive Head Teacher and leadership to account for the achievement, quality of teaching, behaviour and safety and leadership and management the school and report termly to the Trust;
- Monitoring and evaluating the outcomes of the academy against the KPIs and report termly to the Executive Head Teacher; and
- To nominate governors to oversee safeguarding and SEN.

**Policies**

- Work with the trust to set and monitor the curriculum and standards achieved by the school;
- Implementation of all policies prepared and approved by the Trust;
- Ensure provision of free school meals to those pupils meeting the criteria;
- To comply with and adhere to the terms of any Trust protocol or any guidance issued by the Trust as necessary;
- Put in place other school specific policies and procedures relevant to the school as required;
- To ensure all required policies are on school's website; and
- To set and review the school's admission policy (in agreement with the Trust).

**Educational Standards**

- Work with the Trust to determine the educational targets of the school within the School Development Plan;
- Work with the Trust to consider and evaluate school performance against key performance indicators set by the Trust;
- Monitor and evaluate the outcomes of achievement at the school and report termly to the trust – i.e. through the Executive Head Teacher and Chair; and
- The needs of pupils with SEN/or in receipt of pupil premium are met in line with legal requirements.

**Appointment**

- Work with the Trust to appoint staff including the Executive Head Teacher.

**HR and Performance Management**

- Monitoring local HR activity and policy, including the process for local performance reviews for members of staff (excluding the Executive Head Teacher or Head of School) and in particular ensuring that it is within the parameters for the school from time to time as established by the Trustees;
- Comply with all policies dealing with staff issued by Trust;
- Take account of pay terms set by Trust;

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**HR and Performance Management (continued)**

- Adopt any standard contracts or terms or conditions for the employment of staff issued by the Trust;
- Manage any claims/disputes with staff members having regard to any advice/recommendations given by the Trust; and
- Manage the CPD of all staff in line with school needs and SDP.

**Finances**

- Regularly monitoring the school's cashflow and expenditure in accordance with policies determined by the Trustees;
- Inform the Trust of any need for significant unplanned expenditure and work with the Trust to explore options for identifying available funding;
- Ensuring compliance with the overall financial plan for the school;
- Keeping proper accounts and proper records in relation to the accounts;
- Preparing a statement of accounts in respect of each financial year of the Academy Trust;
- Observing proper levels of delegation and protocols, in conjunction with the Responsible Officer;
- Managing a risk register for the Academy Trust;
- To develop a 5 year spending plan in conjunction with the Trust;
- To provide the Trust with monthly expenditure;
- To oversee viability of extended school provision; and
- To ensure specific funding eg SEN/pupil premium/sport funding is spent in accordance with legal requirements and reported upon.

**Assets and Premises**

- Ensure the health and safety of the users of the school's buildings and facilities;
- Notify the Trust of any changes to fixed assets used by the school;
- To develop a 5 year strategy to ensure suitability of buildings/facilities for the curriculum; and
- Annual risk assessments to be given to the Trust.

**Services**

- Work with the Trust to determine the extent of the services provided to the school by the Trust and how the costs should be allocated;
- Implementation of Trust's procurement policies insofar as they impact on the school; and
- Seeking value for money and being able to demonstrate that value for money has been achieved.

**Media and PR**

- Support the Trust and the school in relation to any public relations activities to project the activities of the Trust and the school to the wider community.

**Review of value of money**

As Accounting Officer, the Executive Head Teacher has the 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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Review of value of money (continued)**

- Improving educational results and ensuring that educational standards continue to improve for the benefit of pupils and wider society, and that all pupils have the opportunity to raise their individual levels of attainment.
- Targeted improvement: Keeping its staffing structure under review and deploy staff efficiently to support an improved curriculum, or to target areas of the curriculum in need of development.
- Focus on individual pupils: Continuing to manage the differing needs of pupils, such as those requiring one to one support, and those requiring more stretch.
- Collaboration: Continuing to engage with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost.
- Quantifying improvements: Providing termly reviews of data are available to evidence the effectiveness of the Trust's strategies, via the Executive Head Teachers' reports and updates – such as pupils' educational attainment, behaviour and attendance records over time.
- Financial governance and oversight: The Trust have been advised by the Accounting Officer so that they can challenge decision makers within the Trust on the cost and effectiveness of spending proposals in order to achieve value for money on a regular basis.
- Better purchasing: Informing the Trust checking as to what has been done to get more for its money.
- Fitness for purpose: Services and contracts have been appraised or renegotiated to get the best mix of quality and effectiveness for the least cost.
- Benchmarking: By considering benchmarking its costs against similar organisations to identify areas for making savings.
- Options appraisal: Different options are considered before making purchases, including an assessment of the costs and benefits of the alternatives. Tendering is used appropriately when required and effectively to get the best deal. This does not mean always choosing the cheapest option.
- Economies of scale: Informed the Trust of the opportunities to work collaboratively with others to reduce and share administration and procurement costs.
- Better income generation: Opportunities have been taken to explore and generate additional and reliable revenue streams.
- Reviewing controls and managing risks: Support the Trust to have organised its internal controls to maximise its use of assets. Management receive regular budget reports, and they act on them to best utilise spare resources and prevent waste. The Trust has checks and measures to manage cash, bank balances and investments effectively.
- Lessons learned: to ensure the Trust continues to appraise and learn from its strategies and decisions to make the budget go further.

**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 in Scholars Academy Trust for the year from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**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 are formal on-going processes for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year from 1 September 2017 to 31 August 2018 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 budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees considered the need to have in place a process for independent checking of financial controls, systems, transactions and risks. In fulfilment of this requirement the decision was taken to appoint Leicestershire County Council as Internal Auditors, during which the internal auditors will give advice on financial matters and perform a range of checks on the academy trust's financial systems. Following each visit the internal auditors will provide a report for the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**The Role of the Internal Auditors**

The Trust have agreed that an internal audit of each school and the Multi Academy Trust will take place each year. Leicestershire County Council act as internal auditors of the Academy Trust. The Academy Trust has asked the internal auditors

- To provide assurance on each school and the MAT within your academic (& accounting) year ensuring that the schools are audited at the same time;
- To carry out a full audit each year and not just a health check in each school; and
- To provide a comprehensive report identifying areas for development or improvement at school and MAT level.

As a consequence of the above the internal auditors were requested to look at all aspects of systems and structures linked to finance and ensure that policies match practice. The auditors spent a total of three days analysing the policies of the MAT, ensuring that these were being followed by the schools. In addition, the daily practice and recording of finances were considered and scrutinised in both schools. Staff including the Executive Head Teacher, finance officer, office managers were asked questions about the practice and cross referenced with policy.

As a result of this the auditors provided a report highlighting the strengths and areas for improvement for each school to consider and an overall report highlighting the areas that the Trust need to develop or improve. This subsequently informs the work of the accounting officer.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Review of Effectiveness**

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

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

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

Approved by order of the members of the Board of Trustees on 27.11.2018 and signed on its behalf by:



**I Sandhu OBE**  
**Accounting Officer**



**S Richards**  
**Chair of Trustees**

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

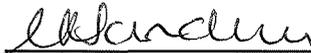
**STATEMENT ON REGULARITY, PROPERIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

---

As Accounting Officer of Scholars Academy 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 ESFA terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.



---

**I Sandhu OBE**  
**Accounting Officer**

[Date] 10.12.2018

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 27.11.2018  
and signed on its behalf by:

  
\_\_\_\_\_  
**S Richards**  
**Chair of Trustees**

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF SCHOLARS ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Opinion**

We have audited the financial statements of Scholars Academy Trust ("the parent charitable company" and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Trust Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2018 and of the group's 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 Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF SCHOLARS ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Other information (continued)**

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

We have nothing to report in this regard.

**Opinion on other matter 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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF SCHOLARS ACADEMY TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

**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.

*RSM UK Audit LLP*

**Gareth Jones (Senior Statutory Auditor)**

**For and on behalf of RSM UK Audit LLP, Statutory Auditor**

Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

Date 14/12/18

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Including Income and Expenditure Account)  
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018 Total £	2017 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	18,530	18,530	124,157
Charitable activities:						
Funding for the Academy Trust's educational operations	4	-	4,135,574	-	4,135,574	3,867,426
Other trading activities	5	333,423	255,169	-	588,592	498,870
Investments	6	1,148	-	-	1,148	1,018
<b>Total</b>		<u>334,571</u>	<u>4,390,743</u>	<u>18,530</u>	<u>4,743,844</u>	<u>4,491,471</u>
<b>Expenditure on:</b>						
Raising funds	7	139,265	101,076	-	240,341	164,743
Charitable activities:						
Academy Trust's educational operations	8	191,881	4,352,283	136,030	4,680,194	4,399,049
<b>Total</b>	7	<u>331,146</u>	<u>4,453,359</u>	<u>136,030</u>	<u>4,920,535</u>	<u>4,563,792</u>
<b>Net income/(expenditure)</b>		3,425	(62,616)	(117,500)	(176,691)	(72,321)
<b>Transfer between funds</b>	19	(48,817)	-	48,817	-	-
<b>Other recognised gains/(losses)</b>						
Re-measurement of net defined benefit obligations	26	-	334,000	-	334,000	550,000
<b>Net movement in funds</b>		(45,392)	271,384	(68,683)	157,309	477,679
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,108,857</u>	<u>(1,175,713)</u>	<u>4,549,329</u>	<u>4,482,473</u>	<u>4,004,794</u>
<b>Total funds carried forward</b>	19	<u>1,063,465</u>	<u>(904,329)</u>	<u>4,480,646</u>	<u>4,639,782</u>	<u>4,482,473</u>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2018**

**COMPANY NUMBER: 08515149**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	14	667	2,033
Tangible assets	15	4,479,979	4,547,296
		4,480,646	4,549,329
<b>Current assets</b>			
Debtors	16	163,485	74,222
Cash at bank and in hand		1,796,509	1,675,598
		1,959,994	1,749,820
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(585,858)	(494,676)
<b>Net current assets</b>		1,374,136	1,255,144
<b>Total assets less current liabilities</b>		5,854,782	5,804,473
<b>Net assets excluding pension liability</b>		5,854,782	5,804,473
Defined benefit pension scheme liability	26	(1,215,000)	(1,322,000)
<b>Total net assets</b>		4,639,782	4,482,473
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	19	4,480,646	4,549,329
Restricted income funds	19	310,671	146,287
Pension reserve	19	(1,215,000)	(1,322,000)
<b>Total restricted funds</b>		3,576,317	3,373,616
<b>Unrestricted income funds</b>	19	1,063,465	1,108,857
<b>Total funds</b>	19	4,639,782	4,482,473

The financial statements on pages 37 to 63 were approved by the board of trustees and authorised for issue on 27-11-2018 and are signed on their behalf by:

  
 \_\_\_\_\_  
**R Padgett**  
 Trustee

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**TRUST BALANCE SHEET AS AT 31 AUGUST 2018**

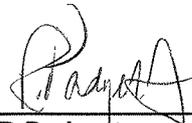
**COMPANY NUMBER: 08515149**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	14	667	2,033
Tangible assets	15	4,479,979	4,547,296
		<u>4,480,646</u>	<u>4,549,329</u>
<b>Current assets</b>			
Debtors	16	151,829	73,094
Cash at bank and in hand		1,481,293	1,433,651
		<u>1,633,122</u>	<u>1,506,745</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(258,986)	(251,601)
<b>Net current assets</b>		<u>1,374,136</u>	<u>1,255,144</u>
<b>Total assets less current liabilities</b>		<u>5,854,782</u>	<u>5,804,473</u>
<b>Net assets excluding pension liability</b>		<u>5,854,782</u>	<u>5,804,473</u>
Defined benefit pension scheme liability	26	(1,215,000)	(1,322,000)
<b>Total net assets</b>		<u>4,639,782</u>	<u>4,482,473</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund	19	4,480,646	4,549,329
Restricted income funds	19	312,706	149,955
Pension reserve	19	(1,215,000)	(1,322,000)
<b>Total restricted funds</b>		<u>3,578,352</u>	<u>3,377,284</u>
<b>Unrestricted income funds</b>	19	<u>1,061,430</u>	<u>1,105,189</u>
<b>Total funds</b>	19	<u>4,639,782</u>	<u>4,482,473</u>

The Academy Trust has taken advantage of the available exemption under Section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities or Income and Expenditure account.

The net movement in funds for the Scholars Academy Trust for the year ended 31 August 2018 was £157,309 (2017: £477,679).

The financial statements on pages 37 to 63 were approved by the board of trustees and authorised for issue on 27.11.2018 and are signed on their behalf by:

  
 \_\_\_\_\_  
**R Padgett**  
 Trustee

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	168,580	131,026
<b>Cash flows from investing activities</b>			
Interest from investments		1,148	1,018
Capital grants from DfE Group and others		18,530	64,508
Purchase of intangible fixed assets		-	(2,000)
Purchase of tangible fixed assets		(67,347)	(106,620)
<b>Net cash used in investing activities</b>		<u>(47,669)</u>	<u>(43,094)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>		120,911	87,932
Cash and cash equivalents at the beginning of the year		1,675,598	1,587,666
<b>Cash and cash equivalents at the end of the year</b>		<u><u>1,796,509</u></u>	<u><u>1,675,598</u></u>

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Accounting policies**

**General information**

Scholars Academy Trust is a Charitable Company (the Academy Trust). The address of the Academy Trust's principal place of business is given on page 1. The nature of the Academy Trust's operations is set out in the Trustees' Report.

**Basis of preparation**

The financial statements of the Academy Trust, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

**Group consolidated financial statements**

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking Oadby Learning Partnership Limited. The results of the Academy Trust and its subsidiary are consolidated on a line by line basis.

All intra-group transactions, balances and unrealised gains on transactions with the subsidiary are eliminated on consolidation.

The individual Charitable Company financial statements of Scholars Academy Trust are included in these consolidated financial statements and in accordance with FRS102, the Charitable Company has taken advantage of the exemption from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures

All the financial statements are made up to 31 August 2018. The Academy Trust has also taken advantage of the available exemption under Section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities or Income and Expenditure account.

**Going concern**

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements 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 financial statements.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Accounting policies (continued)**

**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 year is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**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, income from recharge of services, teaching resources and training, contributions to trips, catering income and other income is recognised at fair value of the consideration received or receivable in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

**Donated services and gifts in kind**

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

**Expenditure**

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

**Expenditure on raising funds**

Expenditure on raising funds 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.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Accounting policies (continued)**

***Expenditure on charitable activities***

Charitable activities are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Intangible fixed assets**

Intangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probably and the cost or value of the asset can be measured reliably. Intangible fixed 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:

Computer software development	33%
-------------------------------	-----

From previous experience, the Academy Trust's software has on average an expected useful life of 3 years, therefore trustees consider this rate of write off of the cost to be an acceptable rate to use.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Long leasehold buildings	2%
Leasehold improvements	5%
Fixtures, fittings and equipment	20%
Computer equipment	33%

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposals, for the assets as if it were at the age and in the condition expected at the end of its useful life.

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.

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

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Accounting policies (continued)**

**Investments**

The Academy's Trust shareholding in its wholly owned subsidiary, Oadby Learning Partnership Limited, is initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

**Liabilities**

Liabilities are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Leased assets**

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

**Financial Instruments**

The Academy Trust has chosen to adopt sections 11 and 12 of FRS102 in full in respect of financial instruments.

*Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**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 part 11, chapter 3 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.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1. Accounting policies (continued)**

**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') which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately. 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 reporting date. The amounts charged to net income 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 as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

**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 assets 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 funders or donors, and include grants from the Department for Education Group.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**2. Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates and assumptions*

The 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.

*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 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

*Critical areas of judgement*

In the opinion of the Trustees there are no critical areas of judgement that would have a significant effect of the amounts already recognised in the financial statements.

**3. Donations and capital grants**

	<b>Unrestricted Funds</b>	<b>Restricted General Fund</b>	<b>Restricted Fixed Assets Funds</b>	<b>Total 2018</b>	<b>Total 2017</b>
	£	£	£	£	£
Capital grants	-	-	18,530	18,530	64,508
Donated fixed assets	-	-	-	-	59,649
	<u>-</u>	<u>-</u>	<u>18,530</u>	<u>18,530</u>	<u>124,157</u>

**4. Funding for Academy Trust's educational operations**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Total 2018</b>	<b>Total 2017</b>
	£	£	£	£
<b>DfE / ESFA revenue grants</b>				
General Annual Grant (GAG)	-	3,612,384	3,612,384	3,360,037
Other DfE/ESFA Grants	-	334,852	334,852	315,691
	<u>-</u>	<u>3,947,236</u>	<u>3,947,236</u>	<u>3,675,728</u>
<b>Other Government grants</b>				
Local authority grants	-	1,900	1,900	45,942
Special education projects	-	186,438	186,438	145,756
	<u>-</u>	<u>188,338</u>	<u>188,338</u>	<u>191,698</u>
<b>Total</b>	<u>-</u>	<u>4,135,574</u>	<u>4,135,574</u>	<u>3,867,426</u>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. Other trading activities**

	Unrestricted Funds £	Restricted General Funds £	Total 2018 £	Total 2017 £
Hire of facilities	132,778	-	132,778	118,020
Income from recharge of services	35,632	-	35,632	34,496
Contributions to trips	-	79,480	79,480	100,489
Catering income	69,739	-	69,739	61,366
Teaching resources and training	63,286	175,189	238,475	150,809
Other income	31,988	500	32,488	33,690
	<u>333,423</u>	<u>255,169</u>	<u>588,592</u>	<u>498,870</u>

**6. Investment income**

	Unrestricted Funds £	Restricted General Funds £	Total 2018 £	Total 2017 £
Interest from short term deposits	1,148	-	1,148	1,018

**7. Expenditure**

	Non pay expenditure			Total 2018 £	Total 2017 £
	Staff Costs £	Premises Costs £	Other Costs £		
Expenditure on raising funds	-	-	240,341	240,341	164,743
<i>Academy's educational operations</i>					
- Direct costs	2,976,309	-	284,128	3,260,437	3,243,800
- Allocated support costs	687,169	211,460	521,128	1,419,757	1,155,249
<b>Total expenditure</b>	<u>3,663,478</u>	<u>211,460</u>	<u>1,045,597</u>	<u>4,920,535</u>	<u>4,563,792</u>

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

	2018 £	2017 £
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- audit services – statutory audit	20,320	19,725
- other services	10,530	13,843
Operating lease rentals	4,433	2,557
Net interest on defined pension liability (note 26)	35,000	36,000
Depreciation on tangible fixed assets	134,664	140,012
Amortisation on intangible assets	1,366	1,367

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**8. Charitable Activities : Academy Trust's educational operations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Direct costs – educational operations</b>	3,260,437	3,243,800
<b>Support costs – educational operations</b>	1,419,757	1,155,249
	4,680,194	4,399,049
<b>Allocated support costs:</b>		
Support staff costs	687,169	453,676
Depreciation and amortisation	136,030	141,379
Premises and equipment costs	75,430	52,057
Other support costs	481,255	466,195
Governance costs	39,873	41,942
	1,419,757	1,155,249

**9. Staff numbers and costs**

**Staff costs**

Staff costs during the year for the Trust and the Group were:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,545,690	2,408,040
Social security costs	206,391	196,891
Operating costs of defined benefit pension schemes	651,298	531,241
<b>Total staff costs</b>	3,403,379	3,136,172
Supply staff costs	260,099	262,106
Redundancy payments	-	302
	3,663,478	3,398,580

**Staff numbers**

The average number of persons (including senior management team) employed by the Trust and the Group during the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Teachers	46	43
Administration and support	109	91
Management	5	6
	160	140

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**9. Staff numbers and costs (continued)**

The average number of persons (including senior management team) employed by the Trust and the Group during the year expressed as full time equivalents was as follows:

	2018 No.	2017 No.
Teachers	44	42
Administration and support	62	58
Management	4	3
	110	103

**Higher paid staff**

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

	2018 No.	2017 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	1	-

The above employees participated in the Teachers' Pension Scheme, a defined benefit pension scheme.

**10. Central services**

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

- Financial services
- Human resources
- Audit and governance

The trust charges for these services on the following basis:

- Flat percentage of 5% based on GAG income

The actual amounts charged during year were as follows:

	2018 £	2017 £
Launde Primary School Academy	99,742	-
Glenfield Primary School Academy	66,377	-
	166,119	-

**11. Key management personnel compensation**

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 pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £562,076 (2017: £467,158).

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**12. Trustees' remuneration and expenses**

During the year, one Trustee was paid remuneration or received other benefits from an employment with the Academy Trust.

The Accounting Officer only received remuneration in respect of services provided undertaking the role of Executive Head Teacher under her contract of employment and not in respect of her services as a Trustee. Other Trustees did not receive any remuneration nor received any other benefits from the Academy Trust in respect of their role as Trustees.

I Sandhu, (Executive Head Teacher and Accounting Officer), received remuneration of £96,674 for the year (2017: £89,282) and pension contributions paid by the Academy Trust in the year of £15,932 (2017: £14,714).

During the year ended 31 August 2018, 4 Trustees (2017: 2) claimed expenses or had their expenses met by the Academy Trust. The expenses incurred were in respect of travel and subsistence expenses and amounted to £1,294 (2017: £1,603) and were reimbursed or paid by the Academy Trust.

**13. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 (2017: £3,000,000) in total per year on any one claim and the cost for the year ended 31 August 2018 was £468 (2016: £1,144). The cost of this insurance is included in the total insurance cost.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. Intangible fixed assets**

<b>Group and Trust</b>	<b>Computer software development £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 September 2017	4,100	4,100
At 31 August 2018	4,100	4,100
<b>Amortisation</b>		
At 1 September 2017	2,067	2,067
Charged in year	1,366	1,366
At 31 August 2018	3,433	3,433
<b>Net book values</b>		
At 31 August 2018	667	667
At 31 August 2017	2,033	2,033

**15. Tangible fixed assets**

<b>Group and Trust</b>	<b>Long leasehold buildings and leasehold improvements £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2017	4,805,202	71,219	85,257	4,961,678
Additions	53,393	-	13,954	67,347
At 31 August 2018	4,858,595	71,219	99,211	5,029,025
<b>Depreciation</b>				
At 1 September 2017	324,106	27,215	63,061	414,382
Charged in year	104,584	14,100	15,980	134,664
At 31 August 2018	428,690	41,315	79,041	549,046
<b>Net book values</b>				
At 31 August 2018	4,429,905	29,904	20,170	4,479,979
At 31 August 2017	4,481,096	44,004	22,196	4,547,296

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**16. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Trust 2018 £</b>	<b>Trust 2017 £</b>
Trade debtors	14,138	5,227	3,415	4,099
VAT recoverable	33,086	28,397	33,086	28,397
Prepayments and accrued income	116,261	40,598	115,328	40,598
	<u>163,485</u>	<u>74,222</u>	<u>151,829</u>	<u>73,094</u>

**17. Creditors: amounts falling during within one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Trust 2018 £</b>	<b>Trust 2017 £</b>
Trade creditors	48,843	7,107	43,144	7,107
Amounts owed to group undertaking	-	-	945	54
Other taxation and social security	30,294	47,175	30,294	47,175
Other creditors	30,751	50,440	30,751	50,440
Accruals and deferred income	475,970	389,954	153,852	146,825
	<u>585,858</u>	<u>494,676</u>	<u>258,986</u>	<u>251,601</u>

<b>Deferred Income</b>	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Trust 2018 £</b>	<b>Trust 2017 £</b>
Deferred income at 1 September 2017	334,729	350,950	103,933	119,282
Amount released in the year	(118,933)	(350,950)	(103,933)	(119,282)
Resources deferred in the year	190,482	334,729	118,426	103,933
Deferred income at 31 August 2018	<u>406,278</u>	<u>334,729</u>	<u>118,426</u>	<u>103,933</u>

At 31 August 2018, deferred income for the Trust was made up of £21,890 (2017: £17,950) for academy trips income for trips taking place in the year ending 31 August 2018, £90,369 (2017: £82,977) relating to grants received in advance and £6,167 (2017: £3,006) for other income in advance received.

At 31 August 2018, deferred income for the group was made up of £21,890 (2017: £17,950) for academy trips income for trips taking place in the year ending 31 August 2018, £378,221 (2017: £313,773) relating to grants received in advance and £6,167 (2017: £3,006) for other income in advance received.

**18. Financial instruments**

The group and trust has the following financial instruments

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Trust 2018 £</b>	<b>Trust 2017 £</b>
<i>Financial assets</i>				
Debt instruments measured at amortised cost	<u>14,138</u>	<u>9,427</u>	<u>3,415</u>	<u>8,299</u>
<i>Financial liabilities</i>				
Financial liabilities measured at amortised cost	<u>118,535</u>	<u>62,615</u>	<u>79,516</u>	<u>50,336</u>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Funds**

Group	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	146,287	3,612,384	(3,448,000)	-	310,671
Other DfE/ESFA and local authority grants	-	523,190	(523,190)	-	-
Other restricted income	-	255,169	(255,169)	-	-
Pension reserve	(1,322,000)	-	(227,000)	334,000	(1,215,000)
	(1,175,713)	4,390,743	(4,453,359)	334,000	(904,329)
<b>Restricted Fixed Asset Funds</b>					
Assets inherited from local authority (transfer on conversion)	4,305,967	-	(92,244)	-	4,213,723
DfE/ESFA capital grants	243,362	18,530	(43,786)	48,817	266,923
	4,549,329	18,530	(136,030)	48,817	4,480,646
<b>Total Restricted Funds</b>	3,373,616	4,409,273	(4,589,389)	382,817	3,576,317
<b>Total Unrestricted Funds</b>	1,108,857	334,571	(331,146)	(48,817)	1,063,465
<b>Total Funds</b>	4,482,473	4,743,844	(4,920,535)	334,000	4,639,782

Trust	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	149,955	3,612,384	(3,449,633)	-	312,706
Other DfE/ESFA and local authority grants	-	523,190	(523,190)	-	-
Other restricted income	-	79,980	(79,980)	-	-
Pension reserve	(1,322,000)	-	(227,000)	334,000	(1,215,000)
	(1,172,045)	4,215,554	(4,279,803)	334,000	(902,294)
<b>Restricted Fixed Asset Funds</b>					
Assets inherited from local authority (transfer on conversion)	4,305,967	-	(92,244)	-	4,213,723
DfE/ESFA capital grants	243,362	18,530	(43,786)	48,817	266,923
	4,549,329	18,530	(136,030)	48,817	4,480,646
<b>Total Restricted Funds</b>	3,377,284	4,234,084	(4,415,833)	48,817	3,578,352
<b>Total Unrestricted Funds</b>	1,105,189	363,483	(358,425)	(48,817)	1,061,430
<b>Total Funds</b>	4,482,473	4,597,567	(4,774,258)	334,000	4,639,782

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Funds (continued)**

**Funds – prior year**

Group	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	127,657	3,360,037	(3,341,407)	-	146,287
Other DfE/ESFA and local authority grants	-	507,389	(507,389)	-	-
Other restricted income	-	186,489	(186,489)	-	-
Pension reserve	(1,728,000)	-	(144,000)	550,000	(1,322,000)
	<u>(1,600,343)</u>	<u>4,053,915</u>	<u>(4,179,285)</u>	<u>550,000</u>	<u>(1,175,713)</u>
<b>Restricted Fixed Asset Funds</b>					
Assets inherited from local authority (transfer on conversion)	4,398,211	-	(92,244)	-	4,305,967
DfE/ESFA capital grants	124,228	124,157	(49,135)	44,112	243,362
	<u>4,522,439</u>	<u>124,157</u>	<u>(141,379)</u>	<u>44,112</u>	<u>4,549,329</u>
<b>Total Restricted Funds</b>	<u>2,922,096</u>	<u>4,178,072</u>	<u>(4,320,664)</u>	<u>594,112</u>	<u>3,373,616</u>
<b>Total Unrestricted Funds</b>	<u>1,082,698</u>	<u>313,399</u>	<u>(243,128)</u>	<u>(44,112)</u>	<u>1,108,857</u>
<b>Total Funds</b>	<u>4,004,794</u>	<u>4,491,471</u>	<u>(4,563,792)</u>	<u>550,000</u>	<u>4,482,473</u>

Trust	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	135,615	3,360,037	(3,345,697)	-	149,955
Other DfE/ESFA and local authority grants	-	507,389	(507,389)	-	-
Other restricted income	-	100,489	(100,489)	-	-
Pension reserve	(1,728,000)	-	(144,000)	550,000	(1,322,000)
	<u>(1,592,385)</u>	<u>3,967,915</u>	<u>(4,097,575)</u>	<u>550,000</u>	<u>(1,172,045)</u>
<b>Restricted Fixed Asset Funds</b>					
Assets inherited from local authority (transfer on conversion)	4,398,211	-	(92,244)	-	4,305,967
DfE/ESFA capital grants	124,228	124,157	(49,135)	44,112	243,362
	<u>4,522,439</u>	<u>124,157</u>	<u>(141,379)</u>	<u>44,112</u>	<u>4,549,329</u>
<b>Total Restricted Funds</b>	<u>2,930,054</u>	<u>4,092,072</u>	<u>(4,238,954)</u>	<u>594,112</u>	<u>3,377,284</u>
<b>Total Unrestricted Funds</b>	<u>1,074,740</u>	<u>312,993</u>	<u>(238,432)</u>	<u>(44,112)</u>	<u>1,105,189</u>
<b>Total Funds</b>	<u>4,004,794</u>	<u>4,405,065</u>	<u>(4,477,386)</u>	<u>550,000</u>	<u>4,482,473</u>

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**19. Funds (continued)**

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

*Restricted general funds:*

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy at the year end.

*Restricted other funds:*

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

*Restricted fixed asset funds:*

This fund represents the net book value of fixed assets that the Academy has purchased out of grants received and have been transferred on conversion.

*Unrestricted funds:*

The unrestricted funds represent funds available to the trustees to apply for the general purposes of the Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.

In the current year, a transfer was made between unrestricted general funds and restricted fixed asset funds in respect of assets purchased during the year. £48,817 (2017: £44,112) was transferred in relation to the Group and £48,817 (2017: £44,112) in relation to the Trust.

**Total funds analysis by academy**

**Trust**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Launde Primary School Academy	679,864	676,560
Glenfield Primary School Academy	466,667	464,049
Central services	227,605	114,535
	<hr/>	<hr/>
Total before fixed assets and pension reserve	1,374,136	1,255,144
Restricted fixed asset funds	4,480,646	4,549,329
Pension reserve	(1,215,000)	(1,322,000)
	<hr/>	<hr/>
<b>Total</b>	<b>4,639,782</b>	<b>4,482,473</b>
	<hr/> <hr/>	<hr/> <hr/>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**19. Funds (continued)**

**Total costs analysis by academy**

**Trust**

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational supplies £	Other Costs (excluding depreciation) £	2018 Total £	2017 Total £
Launde Primary School Academy	1,625,328	440,576	79,821	474,490	2,620,215	2,354,089
Glenfield Primary School Academy	1,330,081	240,836	71,729	322,118	1,964,764	1,837,919
Central Services	20,900	5,757	-	26,592	53,249	-
<b>Academy Trust</b>	<b>2,976,309</b>	<b>687,169</b>	<b>151,550</b>	<b>823,200</b>	<b>4,638,228</b>	<b>4,192,008</b>

**20. Analysis of net assets between funds**

**Group**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	667	667
Tangible fixed assets	-	-	4,479,979	4,479,979
Current assets	1,066,482	893,512	-	1,959,994
Current liabilities	(3,017)	(582,841)	-	(585,858)
Pension scheme liability	-	(1,215,000)	-	(1,215,000)
<b>Total net assets at 31 August 2018</b>	<b>1,063,465</b>	<b>(904,329)</b>	<b>4,480,646</b>	<b>4,639,782</b>

**Trust**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	667	667
Tangible fixed assets	-	-	4,479,979	4,479,979
Current assets	1,066,247	566,875	-	1,633,122
Current liabilities	(4,817)	(254,169)	-	(258,986)
Pension scheme liability	-	(1,215,000)	-	(1,215,000)
<b>Total net assets at 31 August 2018</b>	<b>1,061,430</b>	<b>(902,294)</b>	<b>4,480,646</b>	<b>4,639,782</b>

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds – prior year**

**Group**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	2,033	2,033
Tangible fixed assets	-	-	4,547,296	4,547,296
Current assets	1,144,426	605,394	-	1,749,820
Current liabilities	(35,569)	(459,107)	-	(494,676)
Pension scheme liability	-	(1,322,000)	-	(1,322,000)
<b>Total net assets at 31 August 2017</b>	<b>1,108,857</b>	<b>(1,175,713)</b>	<b>4,549,329</b>	<b>4,482,473</b>

**Trust**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	2,033	2,033
Tangible fixed assets	-	-	4,547,296	4,547,296
Current assets	1,107,967	398,778	-	1,506,745
Current liabilities	(2,778)	(248,823)	-	(251,601)
Pension scheme liability	-	(1,322,000)	-	(1,322,000)
<b>Total net assets at 31 August 2017</b>	<b>1,105,189</b>	<b>(1,172,045)</b>	<b>4,549,329</b>	<b>4,482,473</b>

**21. Capital commitments**

	2018 £	2017 £
Contracted for, but not provided in the financial statements	6,072	53,393

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**22. Investments**

**Academy Trust**

Scholars Academy Trust has a subsidiary undertaking Oadby Learning Partnership Limited (company limited by guarantee) (company number 08559973). Scholars Academy Trust is the only registered member of Oadby Learning Partnership Limited. Oadby Learning Partnership Limited's registered office address and principal place of business is Launde Primary School, New Street, Oadby, Leicester, Leicestershire, LE2 4LJ. The results of subsidiary undertaking are consolidated in the Group financial statements. The audited financial statements have been filed with the Registrar of Companies. The income and expenditure from the Oadby Learning Partnership relates to Teaching Schools.

The following is a summary of the financial statements of Oadby Learning Partnership Limited for the year ended 31 August 2018 and the year ended 31 August 2017. The principal activities of the company during the year were the provision of teaching resources and training to other local schools in area.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Statement of financial position</b>		
Current assets	327,816	243,129
Current liabilities	(327,816)	(243,129)
	<hr/>	<hr/>
Net assets	-	-
	<hr/>	<hr/>
 <b>Teaching School trading account</b>		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
<b>Other income</b>		
Other trading activities	240,511	155,097
<b>Investment income</b>	150	169
	<hr/>	<hr/>
	240,661	155,266
 <b>Expenditure</b>		
<b>Direct costs</b>		
Other direct costs	(230,699)	(143,397)
	<hr/>	<hr/>
	(230,699)	(143,397)
<b>Other costs</b>		
Technology costs	-	(399)
Other support costs	(62)	-
Share of governance costs	(9,900)	(11,470)
	<hr/>	<hr/>
	(9,962)	(11,869)
Total	<hr/>	<hr/>
	(240,661)	(155,266)
 <b>Surplus from all sources</b>		
	<hr/>	<hr/>
<b>Teaching school balance at 1 September 2017</b>	-	-
<b>Teaching school balance at 31 August 2018</b>	<hr/>	<hr/>
	-	-

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. Commitments under operating leases**

At 31 August 2018, the total of the Group and Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts due:		
Within 1 year	3,947	3,719
Between 2 – 5 years	3,967	4,753
	7,914	8,472
	7,914	8,472

**24. Reconciliation of net expenditure to net cash inflow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net expenditure for reporting period (as per the Statement of Financial Activities)	(176,691)	(72,321)
Adjusted for:		
Amortisation (note 14)	1,366	1,367
Depreciation (note 15)	134,664	140,012
Capital grants and donated fixed assets (note 3)	(18,530)	(124,157)
Interest receivable (note 6)	(1,148)	(1,018)
Defined benefit pension scheme finance costs (note 26)	35,000	36,000
Defined benefit pension scheme costs less contribution payable (note 26)	192,000	108,000
Operating cash flows before movement in working capital	166,661	87,883
(Increase)/Decrease in trade and other debtors	(89,263)	48,409
Increase/(Decrease) in trade and other creditors	91,182	(5,266)
<b>Net cash provided by operating activities</b>	<b>168,580</b>	<b>131,026</b>

**25. 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**26. 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 Leicestershire County Council. Both are multi-employer defined-benefit schemes.

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

Included within other creditors at 31 August 2018 is an amount of £30,751 (2017: £50,440) relating to pension contributions payable.

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**26. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

**Valuation of the Teachers' Pensions Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer contribution rate of 16.48% (including a 0.08% administration fees), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £241,298 (2017: £233,241).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £272,000 (2017: £239,000), of which employer's contributions totalled £218,000 (2017: £190,000) and employees' contributions totalled £54,000 (2017: £49,000). The agreed contribution rates for future years are 21.47% per cent for employers and 5.5% to 12.5% per cent for employees.

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

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**26. Pension and similar obligations (continued)**

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	<b>2018</b>	<b>2017</b>
	%	%
Rate of increase in salaries	3.4%	3.4%
Rate of increase for pensions in payment / inflation	2.4%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%

The assumed life expectations on retirement age 65 are:

	<b>2018</b>	<b>2017</b>
	Years	Years
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	23.8	23.8
Females	26.2	26.2

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

	<b>Fair value of assets</b>	
	<b>2018</b>	<b>2017</b>
	£	£
Equity instruments	1,558,000	1,450,000
Debt instruments	729,000	541,000
Property	226,000	173,000
<b>Total fair value of assets</b>	<b>2,513,000</b>	<b>2,164,000</b>

The actual return on scheme assets was £108,000 (2017: £185,000).

**Amounts recognised in the Statement of Financial Activities**

	<b>2018</b>	<b>2017</b>
	£	£
Current service cost	410,000	298,000
Net interest cost	35,000	36,000
<b>Total operating charge</b>	<b>445,000</b>	<b>334,000</b>

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**26. Pension and similar obligations (continued)**

**Changes in present value of defined benefit obligations:**

	<b>2018</b>
	<b>£</b>
<b>At 1 September</b>	3,486,000
Current service cost	410,000
Interest cost	92,000
Employee contributions	54,000
Benefits paid	(31,000)
Actuarial gain	(283,000)
<b>At 31 August</b>	<u>3,728,000</u>

**Changes in the fair value of Academy Trust's share of scheme assets:**

	<b>2018</b>
	<b>£</b>
<b>At 1 September</b>	2,164,000
Interest income	57,000
Return on plan assets (excluding net interest on the net defined benefit pension liability)	51,000
Employer contributions	218,000
Employee contributions	54,000
Benefits paid	(31,000)
<b>At 31 August</b>	<u>2,513,000</u>

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

**27. Related party transactions**

**Group and Trust**

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 a member of the board of trustees may have 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 with the Group in the period of accounts, other than certain trustees' remuneration and expenses already disclosed in note 12.

Key management personal compensation disclosure is included in note 11.

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**27. Related party transactions (continued)**

**Trust only**

During the year, Scholars Academy Trust received income of £92,348 (2017: £76,376) from Oadby Learning Partnership Limited.

At the year end, the Trust owed £945 (2017: £54) to Oadby Learning Partnership Limited, the Trust's wholly owned trading subsidiary.

During the year, the Trust purchased goods totalling £2,035 (2017: £6,961) from Oadby Learning Partnership Limited.

**28. Comparative year information**

**Consolidated statement of financial activities for the year ended 31 August 2017**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
<b>Income and endowments from:</b>				
Donations and capital grants	-	-	124,157	124,157
Charitable activities:				
Funding for the Academy Trust's educational operations	-	3,867,426	-	3,867,426
Other trading activities	312,381	186,489	-	498,870
Investments	1,018	-	-	1,018
<b>Total</b>	313,399	4,053,915	124,157	4,491,471
<b>Expenditure on:</b>				
Raising funds	78,743	86,000	-	164,743
Charitable activities:				
Academy Trust's educational operations	164,385	4,093,285	141,379	4,399,049
<b>Total</b>	243,128	4,179,285	141,379	4,563,792
<b>Net income/(expenditure)</b>	70,271	(125,370)	(17,222)	(72,321)
<b>Transfer between funds</b>	(44,112)	-	44,112	-
<b>Other recognised losses</b>				
Re-measurement on net defined benefit obligations	-	550,000	-	550,000
<b>Net movement in funds</b>	26,159	424,630	26,890	477,679

**SCHOLARS ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO SCHOLARS ACADEMY TRUST AND THE EDUCATION AND  
SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 29 September 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by Scholars Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of Scholars Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

**Responsibilities of Scholars Academy Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Scholars Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook extant from 1 September 2017, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Scholars Academy Trust and appointment of the accounting officer.

**Reporting Accountant's responsibilities for reporting on regularity**

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 2017 to 2018.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of

**SCHOLARS ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO SCHOLARS ACADEMY TRUST AND THE EDUCATION AND  
SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**Reporting Accountant's responsibilities for reporting on regularity (continued)**

irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

**Use of our report**

This report is made solely to Scholars Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 29 September 2017. Our work has been undertaken so that we might state to the Scholars Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scholars Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

**RSM UK Audit LLP**  
**Chartered Accountants**  
Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

**Date** 14/12/18