

Company Registration Number: 07663864 (England & Wales)

MOORLANDS LEARNING TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's report on regularity	20 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24 - 25
Statement of cash flows	26
Notes to the financial statements	27 - 59

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs L Wharmby
Mr R Belfied (appointed 8 July 2020)
Mr M Brook
Mrs S Morrissey
Mr J Rickard (appointed 8 July 2020)

Trustees

Mrs A Duggan, Chair
Mr A Bradley
Mrs I Clark, Vice Chair
Mr D Cutter (appointed 18 December 2019)
Mr D Halsall (appointed 18 December 2019)
Mrs S Morrissey (appointed 18 December 2019)
Mr J Rickard (resigned 10 December 2019)
Mrs L Wharmby (resigned 1 September 2020)
Ms H Williams, Chief Executive Officer

Company registered number

07663864

Company name

Moorlands Learning Trust

Principal and registered office

Cowpasture Road
Ilkley
LS29 8TR

Secretary

Mrs A Kaye (Chief Finance Officer)

Executive Group

Ms H Williams (Chief Executive Officer)
Mrs A Kaye (Chief Finance Officer)
Mrs C Purnell (Ilkley Grammar School Headteacher)
Mr R McManus (The Skipton Academy Headteacher)

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

HSBC
1 Wells Road
Ilkley
LS29 9IB

Solicitors

Schofield Sweeney
Church Bank House
Church Bank
Bradford
BD1 4DY

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trustees of Moorlands Learning Trust present their annual report together with the financial statements and auditor's report of the Academy Trust for the year ended 31 August 2020. During the year the Academy Trust operated two secondary academies, Ilkley Grammar School, with approximately 1,850 students on roll including 430 in P16. With effect from 1st December 2019 The Skipton Academy joined the Trust with 290 on role at the time of the transfer.

Structure, governance and management

Constitution

The Academy Trust is a charitable 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 Moorlands Learning Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Moorlands Learning Trust (MLT).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Academy Trust business. Further details are in note 12.

Method of recruitment and appointment or election of Trustees

The Academy Trust, on identifying a need to recruit an additional or replacement Trustee, will refer to the Trustee skills audit. They will then seek to recruit an individual with appropriate skills to help the Board of Trustees ensure effective governance. The Academy Trust may advertise the role or look at offers of service received both within the Academy Trust's schools and the wider community. Appointment will be subject to interview with the Chair of Trustees and Chief Executive Officer and a vote by the Board of Trustees.

The members appoint a minimum of 3 Trustees including the Chair of Trustees. The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher or any post held ex-officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

A full induction pack is provided to all Trustees and new Trustees will meet the Chair, the CEO and the CFO to help with their assimilation in to the role of School Trustee. All Trustees subscribe to the importance of communicating the Academy Trust's performance to stakeholders and are, therefore, taken step by step through school evaluation systems by a member of Ilkley Grammar School's Senior Management Team. All Trustees are also constantly updated on all matters through the committee and Board meetings. Training requirements are assessed by the Chair of Trustees to ensure that there is an appropriate balance of skills and experience on the Board at all times.

Organisational structure

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

Ilkley Grammar School has a Local Governing Body and The Skipton Academy has an Advisory Board. These are focused on the interests of the individual academy and include parental and staff representatives.

The Executive Group consists of the Chief Executive Officer, Chief Financial Officer and the Headteachers of the Academies operated by the Trust. The Chief Executive Officer is the Multi Academy Trust's Accounting Officer. The Chief Executive Officer and the Chief Financial Officer control the Trust at an executive level implementing the policies laid down by the Trustees and being accountable to them. The Executive Group is responsible for authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to the Local Governing Body of Ilkley Grammar School and to members of the Extended Leadership Team as documented within the scheme of delegation for each Academy. The Extended Leadership Team includes the Executive Group and Deputy and Assistant Headteachers, the Curriculum Leaders and the Pastoral Leaders within each Academy. These managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Chief Executive Officer and Chief Financial Officer is proposed by the Chair of Trustees.

The pay and remuneration of key management personnel is proposed by the Headteacher (or in the case of the Headteacher by the Chair of Trustees) and is authorised by the Pay Committee in line with the appraisal and pay policies.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	-
Total pay bill	10,033
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
---	-------

Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The sole object and aim of the Academy Trust is the operation of the Moorlands Learning Trust to advance, for the public benefit, education for students of different abilities between the ages of 11 and 19. The main ambitions of the Academy Trust are summarised below.

- Develop successful learners, happy and confident individuals and responsible citizens;
- Develop a rich curriculum, responsive to need and providing the skills for life and work in the 21st century;
- Create a culture of inspirational learning and teaching;
- Achieve outstanding outcomes;
- Develop high quality leadership;
- Ensure high expectations and professionalism in all aspects of school life;
- Promote an inclusive and engaged community;
- Secure a sustainable organisation;
- Provide a pleasant, inspirational and safe environment; and
- Promote our reputation locally, nationally and internationally.

Objectives, strategies and activities

The Academy Trust's vision statements are as follows:

Moorlands Learning Trust

The Moorlands Learning Trust vision is one where its students will be equipped with the confidence and skills to make a positive difference to their own lives and to the lives of others. Through Moorlands Learning Trust, schools will learn from and challenge each other. They will take opportunities to develop the range of provisions across the Trust, in order to enhance the achievement of all students in MLT and to enrich their lives and the opportunities they have - both now and in the future.

Ilkley Grammar School

Our vision at Ilkley Grammar School is to provide an exceptional, inclusive learning experience at the heart of our community. Our students will achieve their academic Personal Best and will be equipped with the confidence and skills to make a positive difference to their own lives and the lives of others. We will achieve this through modelling our core values and attributes in the way we work together.

The Skipton Academy

At The Skipton Academy we belong to a school community where we feel safe, connected, understood, and supported. We aim to be an integral part of the Skipton community by providing parents and children with a high quality school that caters for the needs of all Skipton residents. The Skipton Academy encourages all students and staff to achieve their full potential by providing guidance and support whilst maintaining a high level of challenge. We inspire our students through motivational teaching and learning, being positive role models and creating an environment of high aspirations for all.

Public benefit

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Strategic report

Achievements and performance

Key performance indicators

Trust Growth

In December 2019, The Skipton Academy (TSA) joined MLT. This followed a period where colleagues at Ilkley Grammar School had been supporting school improvement at TSA, partly through a successful MLT Emergency Strategic School Improvement Fund (SSIF) bid after TSA had gone into special measures in 2017. TSA, although located in another local authority is only 20 minutes' drive from Ilkley Grammar School (IGS), and is also the only comprehensive school within its local community.

In March 2019, TSA was deservedly judged to have improved to 'Requires Improvement' by Ofsted and the improvement journey now continues to ensure that TSA can be judged 'Good' at its next inspection. This will be achieved through working in closer partnership with IGS and Trust colleagues as part of the MAT's school improvement function and its wider vision to 'make a positive difference'.

Student achievements

Covid 19 had a dramatic effect on examination results in 2020, whereby students did not sit any exams and instead, were awarded calculated grades based on teacher predictions and evidence of performance to March 2020, when the country went into lockdown and schools closed to all but the children of key workers and vulnerable students. Throughout the period of school 'closure' both IGS and TSA remained open, including through both the Easter and Half Term holidays to key worker and vulnerable children before then welcoming Year 10 (and at IGS, Year 12) students back in July.

A rigorous process was undertaken in both schools to calculate the grades to be submitted to the exam boards. This was based on hard evidence of students' achievement up to the time of closure and was subject to internal moderation by senior members of staff to ensure that the submitted grades were genuine and evidence-based.

The usual headline comparisons to national progress cannot be made this year, as the government announced that there would be no performance tables or achievement comparison data published this year.

Ilkley Grammar School

At Ilkley Grammar School, results at both GCSE and A Level were once again strong, continuing a 5 year upward trend at GCSE.

A-Level:

- 42% (29% in 2019) of all A-level entries were A*/A (national 38.1%); 68% (58% in 2019) were at A*-B (national 65.4%)
- The pass rate was 99.7% (98.9% in 2019, with national at 99.7%)
- The average grade per entry was a grade B (41.46) (B- 36.25 in 2019)

GCSE:

- Attainment 8 score of 60.4 (59.8 in 2019)
- 43% of all GCSE grade were at 7-9 (41.4% in 2019) with 25.7% at the very highest grades 8-9 (24.8% in 2019)
- 68% (65% in 2019) achieved the Basic measure (5+ in English and Maths), with 86% (84% in 2019) securing a grade 4 and above in both subjects
- 80% (77% in 2019) of students who were entered for the English Baccalaureate achieved this measure with at least a strong pass (grade 5) across all contributing subjects; 94% achieved this measure with at least a

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

(continued)

standard pass (grade 4) in all subjects

The Skipton Academy

At TSA the results this year are the best on record, and reflect the considerable improvements that have been made in the quality of teaching and learning over the past year.

GCSE

- Attainment 8 score of 41.27 (37.18 in 2019)
- 37% (25% in 2019) achieved the Basic measure (5+ in English and Maths), with 60% (53% in 2019) securing a grade 4 and above in both subjects
- 77% of students who were entered for the English Baccalaureate achieved this measure with at least a standard pass (grade 4) in all subjects); 44% achieved at least a strong pass (grade 5) across all contributing subjects

Despite this success however, it is important to note that Covid-19 has had a negative impact on the speed of the wider improvement trajectory of the school; additional planned support and intervention between March and September 2020 was unable to take place due to lockdown and the momentum that had been built up in terms of continuing staff professional development and further improvements to the curriculum offer and delivery up to that point has been lost.

Other Achievements:

- CFO designated as SRMA
- CEO designated as LLE and achieved NPQEL
- Clerk to Trust Board achieved ISBL Professional Clerking qualification
- Partner of the Red Kite Teaching School Alliance and member of its Steering Group with CEO as the Cross Phase School Improvement lead for the alliance
- Successful MAT Development Improvement Fund bid
- First additional academy joined the trust
- Secured £3 million capital via Strategic School improvement Capital Brokerage (SSICB) funds for repairs, essential maintenance and upgrades at The Skipton Academy during 2020-21.
- Secured 2 successful Condition Improvement Funds bids for fire safety and boiler replacement works at Ilkley Grammar school during 2020-21
- Largest Year 7 intake at TSA in many years
- Largest cohort of students progressing to A Level / Level 3 study from TSA in recent history

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 they continue 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.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102), such grants are shown under 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.

During the year ended 31 August 2020, total expenditure of £13,107,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial losses and excluding restricted fixed asset funds) was £1,674,000..

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2020 net book value of fixed assets was £17,319,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £6,187,000 recognised on the Balance Sheet.

The Academy Trust held fund balances as at 31 August 2020 of £14,692,000 comprising £146,000 of restricted general funds, £20,733,000 of restricted fixed asset funds, £nil unrestricted funds and a pension deficit of £6,187,000. The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted reserves at 31 August 2020 is a net surplus of £146,000. The net in year surplus was £35,000.

Reserves policy

The policy of the Academy Trust is to allocate a prudent level of funds to meet long-term recurring needs of renewal and any other unforeseen expenditure, subject to the constraint that the level of resource does not exceed the level permitted by the ESFA.

The Academy Trust has three categories of reserves: Restricted Funds, which is ESFA funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted reserves which is used under the direction of the Trustees.

Unrestricted reserves are freely available for general purposes and, where available, these will be allocated in line with the strategic objectives of the Academy Trust.

The level of reserves is reviewed by the Trustees regularly throughout the year. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and nature of reserves. The Trustees therefore consider it prudent to hold reserves in the general fund in the form of free reserves of £250,000.

The current reserves (excluding restricted fixed asset fund and pension fund) are £146,000. Without the financial impact of COVID-19 the Trust would have met its reserves policy. A surplus is forecast for the current year and with increasing student numbers and a containment of costs the reserves policy will be met.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy (continued)

The restricted funds of £14,692,000 include the restricted fixed asset fund of £20,733,000. The restricted pension fund is currently in deficit to the value of £6,187,000 as at 31 August 2020.

Investment policy

The Academy Trust monitors cash flow to ensure immediate and forthcoming commitments can be met. Surplus funds are invested in risk free, short, fixed term deposit accounts with British banks.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA, over which the Academy Trust has no control. The Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant potential deficit on the Academy Trust balance sheet if the Academy Trust was called upon to meet it. 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 Trustees have assessed the major risks to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy Trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

The Academy Trust plans to build further on the excellent results of 2019/20 and to continue with the plans approved by Trustees in the Academy Development Plan. The Academy Trust will continue to support and invest in staff and facilities to ensure the best outcomes for our students.

At Moorlands Learning Trust, partnerships matter and we value our work with an increasingly wide range of stakeholders. This includes the Red Kite Teaching School Alliance, where we work with several similar schools across the Leeds, Harrogate and the North Yorkshire region, for the training and development of teachers. We are also committed to working with our fellow Bradford schools to support the delivery of the best outcomes for children, young people and our communities across the Bradford District. We converted our 'single' academy to multi academy trust (MAT) status in July 2017 when we formed Moorlands Learning Trust, in order to be able to better contribute to wider system leadership and school to school support through enhanced partnership working.

The Trustees welcomed The Skipton Academy to the Academy Trust on 1 December 2019.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

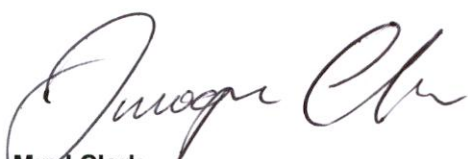
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:



Mrs I Clark
Vice Chair of Trustees

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Moorlands Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mrs A Duggan, Chair	9	9
Mr A Bradley	8	9
Mrs I Clark, Vice Chair	8	9
Mr D Cutter	3	6
Mr D Halsall	6	6
Mrs S Morrissey	3	6
Mr J Rickard	0	3
Mrs L Wharmby	8	9
Ms H Williams, Chief Executive Officer	9	9

During the year, D Cutter, CEO of Skipton Building Society, D Halsall and S Morrissey, joined the Board of Trustees.

The Audit, Governance and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to

- Agree the internal audit programme and receive/review internal audit reports
- Monitor and review the risk register
- Review the statutory accounts and propose approval by the Board of Trustees.

The Local Governing Body of Ilkley Grammar School has formally met 7 times during the year.

Mrs L Wharmby (Chair)	7	7
Ms H Williams (Chief Executive Officer)	7	7
Dr N Garrido	7	7
Mr S Herrington	4	7
Mrs V Hepworth	4	6
Mr T Hurst	5	7
Ms M Kirkbride	5	7
Mrs S Lazenby	4	7
Mr R Shelley	4	4
Mrs F Cooper	3	4
Mr R Wilson	4	4

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Due to a different Scheme of Delegation, The Skipton Academy has formed an Advisory Board with stakeholder responsibilities feeding into the Trust Board. The first meeting took place on 26 November 2020.

Review of value for money

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

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

- Ensuring appropriate benchmarking is conducted including Integrated Curriculum and Financial Planning.
- Using Government frameworks and local joint procurements opportunities where possible, for example with the cleaning tender.
- Entering into a shared internal audit provision with local Trusts to maximise value for money.

During the year, the impact of COVID-19 adversely impacted on value for money. The Trust adopted the guidance of PPN 02/20 and PPN 04/20 and as such made payments to suppliers where necessary to secure continuity of supply of critical services in the medium and long term. An example of such a cost is exam board fees.

COVID-19 adversely impacted on value for money in relation to lost income and additional costs; this was mitigated in part due to the CJRS and the claim for exceptional COVID-19 costs, however there was a net remaining negative impact of £149k on the Trust's in year financial position.

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 Moorlands Learning Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- regular reviews by the Resources 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an internal auditor.

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

- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of controls relating to HR and recruitment
- review of GDPR compliance

The internal auditor reports to the Board of Trustees, through the audit, risk and compliance committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No material control issues have been identified as a result of the internal auditor's work.

Review of effectiveness


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

- the work of the internal auditor;
- the work of the external auditors;
- the school resource management 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 audit, risk and compliance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:


Mrs I Clark
Vice Chair of Trustees


Ms H Williams
Accounting Officer


MOORLANDS LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Moorlands Learning Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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

A handwritten signature in dark ink, appearing to read 'H. Williams', with a stylized flourish at the end.

Ms H Williams
Accounting Officer
Date: 15 December 2020

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from DfE/ESFA 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 15 December 2020 and signed on its behalf by:


Mrs I Clark
Vice Chair of Trustees

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MOORLANDS LEARNING TRUST**

Opinion

We have audited the financial statements of Moorlands Learning Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Academy Trust 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Christopher Beaumont BA(Hons) BFP FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

Reporting Accountant

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

15 December 2020

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Moorlands Learning Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Moorlands Learning Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Trustees, governing body and committee minutes;
- Review of termly Internal Audit reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

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

Conclusion

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

A handwritten signature in dark ink, appearing to read 'Clive Owen' followed by a stylized initial or mark.

Clive Owen LLP

Reporting Accountant
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 15 December 2020

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants:	3					
Acquisition of existing academy trust		59	(1,141)	3,521	2,439	-
Other donations and capital grants		142	-	4,353	4,495	3,102
Charitable activities		749	10,922	-	11,671	9,613
Other trading activities		265	-	-	265	301
Total income		1,215	9,781	7,874	18,870	13,016
Expenditure on:						
Charitable activities		1,215	11,455	437	13,107	11,638
Total expenditure		1,215	11,455	437	13,107	11,638
Net movement in funds before other recognised gains/(losses)		-	(1,674)	7,437	5,763	1,378
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(1,603)	-	(1,603)	(1,381)
Net movement in funds		-	(3,277)	7,437	4,160	(3)
Reconciliation of funds:						
Total funds brought forward		-	(2,764)	13,296	10,532	10,535
Net movement in funds		-	(3,277)	7,437	4,160	(3)
Total funds carried forward		-	(6,041)	20,733	14,692	10,532

The Statement of financial activities includes all gains and losses recognised in the year.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07663864

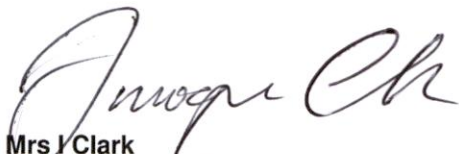
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	17,319	13,525
		<u>17,319</u>	<u>13,525</u>
Current assets			
Stocks	14	2	4
Debtors	15	4,419	732
Cash at bank and in hand		1,111	362
		<u>5,532</u>	<u>1,098</u>
Creditors: amounts falling due within one year	16	(1,478)	(996)
Net current assets		<u>4,054</u>	<u>102</u>
Total assets less current liabilities		<u>21,373</u>	<u>13,627</u>
Creditors: amounts falling due after more than one year	17	(494)	(220)
Net assets excluding pension liability		<u>20,879</u>	<u>13,407</u>
Defined benefit pension scheme liability	21	(6,187)	(2,875)
Total net assets		<u><u>14,692</u></u>	<u><u>10,532</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	20,733	13,296
Restricted income funds	18	146	111
		<u>20,879</u>	<u>13,407</u>
Restricted funds excluding pension asset	18	20,879	13,407
Pension reserve	18	(6,187)	(2,875)
Total restricted funds	18	<u>14,692</u>	<u>10,532</u>
Unrestricted income funds	18	<u>-</u>	<u>-</u>
Total funds		<u><u>14,692</u></u>	<u><u>10,532</u></u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07663864

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 59 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:



Mrs J Clark
Vice Chair of Trustees

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	338	(929)
Cash flows from investing activities	25	168	394
Cash flows from financing activities	24	243	252
Change in cash and cash equivalents in the year		749	(283)
Cash and cash equivalents at the beginning of the year		362	645
Cash and cash equivalents at the end of the year	26, 27	<u>1,111</u>	<u>362</u>

The notes on pages 27 to 59 form part of these financial statements

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has put sufficient measures in place and has adequate resources to continue in operational existence for the foreseeable future. The Academy Trust has restricted reserves of £146,000. A surplus is expected to be generated of circa £100,000 during 2020/21 so that the Academy Trust meets its reserves target. Additional funding in future years is anticipated following amendments made during the General Election Campaigns. This would result in circa additional income of £380,000.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is 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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Fund accounting

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

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The premises are held on a 125-year lease from City of Bradford Metropolitan District Council and North Yorkshire County Council. As the risks and rewards have transferred to the Academy Trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at existing use valuation by DTZ, on behalf of the Education and Skills Funding Agency. The Trustees consider that the cost of obtaining an additional valuation would outweigh the benefits.

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	- 50 years
Long leasehold land	- 125 years
Building maintenance	- 10 years
Fixtures and fittings	- 5 to 25 years
Computer equipment	- 3 to 5 years
Motor vehicles	- 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leased assets

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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

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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not apply an administration charge. The funds received and paid and any balances held are disclosed in note 30.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation — Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £414,000.

Critical areas of judgement:

Land and buildings – Land and buildings are held under a 125 year lease from Bradford Metropolitan District Council and North Yorkshire County Council. These assets are included on the Balance Sheet of the Academy Trust due to the significant risks and rewards of ownership belonging to the Academy Trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Academy Trust could use them without major modification.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations					
Acquisition of existing academy trust	59	(1,141)	3,521	2,439	-
	<u>59</u>	<u>(1,141)</u>	<u>3,521</u>	<u>2,439</u>	<u>-</u>
Donations	142	-	421	563	2,981
Capital grants	-	-	3,932	3,932	121
	<u>142</u>	<u>-</u>	<u>4,353</u>	<u>4,495</u>	<u>3,102</u>
Subtotal					
	<u>201</u>	<u>(1,141)</u>	<u>7,874</u>	<u>6,934</u>	<u>3,102</u>
	<u>181</u>	<u>-</u>	<u>2,921</u>	<u>3,102</u>	
Total 2019					

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,430	9,430	7,801
Pupil Premium	-	198	198	140
Rates	-	34	34	27
Year 7 Catch Up	-	16	16	10
Insurance	2	-	2	10
Teachers' pay and pension grants	-	530	530	78
Other DfE Group grants	-	124	124	137
	<u>2</u>	<u>10,332</u>	<u>10,334</u>	<u>8,203</u>
Other government grants				
SEN	-	105	105	106
Local Authority grants	-	210	210	186
Other Government grants	-	203	203	60
	<u>-</u>	<u>518</u>	<u>518</u>	<u>352</u>
Exceptional government funding				
Coronavirus exceptional support	-	72	72	-
	<u>-</u>	<u>72</u>	<u>72</u>	<u>-</u>
Other funding				
Student trips	424	-	424	550
Student catering	323	-	323	508
	<u>749</u>	<u>10,922</u>	<u>11,671</u>	<u>9,613</u>
Total 2019	<u>1,068</u>	<u>8,545</u>	<u>9,613</u>	

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	74	74	69
Other	141	141	179
Consultancy	50	50	53
	<u>265</u>	<u>265</u>	<u>301</u>
Total 2019	<u>301</u>	<u>301</u>	

6. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Academy's educational operations:					
Direct costs	8,399	-	917	9,316	7,561
Allocated support costs	1,634	1,268	889	3,791	4,077
	<u>10,033</u>	<u>1,268</u>	<u>1,806</u>	<u>13,107</u>	<u>11,638</u>
Total 2019	<u>7,727</u>	<u>1,838</u>	<u>2,073</u>	<u>11,638</u>	

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Expenditure (continued)

In 2020, of the total expenditure, £1,215,000 (2019 - £1,550,000) was to unrestricted funds and £11,892,000 (2019 - £10,088,000) was to restricted funds.

Included within expenditure are the following transactions:

	Amount	Reason
- Unrecoverable debts	£5,000	Unrecoverable debtors

No individual unrecoverable debts were above £5,000

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the Academy Trust
- Fixed asset losses
- Stock losses
- Cash losses

There were no ex-gratia payments during the year.

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Academy's educational operations	9,316	3,791	13,107	11,638
Total 2019	7,561	4,077	11,638	

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £000	Total funds 2019 £000
Staff costs	8,399	6,316
Educational supplies	576	919
Examination fees	173	171
Staff development	24	21
Technology costs	34	33
Educational consultancy	88	55
Staff expenses	11	28
Other costs	11	18
	<hr/> 9,316 <hr/>	<hr/> 7,561 <hr/>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	Total funds 2019 £000
Net interest cost on pension scheme	73	27
Staff costs	1,634	1,411
Depreciation	414	291
Staff development	1	5
Technology costs	141	192
Staff expenses	6	7
Maintenance of premises	181	1,077
Cleaning	270	131
Other premises costs	113	83
Energy	186	170
Rent & rates	41	27
Insurance	56	62
Operating lease rentals	150	153
Catering	247	313
Legal costs - conversion	13	-
Legal costs - other	13	18
Security	16	-
Other costs	214	90
Governance costs	22	20
	<u>3,791</u>	<u>4,077</u>

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £000	2019 £000
Operating lease rentals	150	153
Depreciation of tangible fixed assets	414	291
Loss on disposal of fixed assets	-	1
Fees paid to auditors for:		
- audit	12	12
- other services	3	-
	<u>577</u>	<u>557</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	7,208	5,799
Social security costs	695	564
Pension costs	2,054	1,271
	<hr/> 9,957	<hr/> 7,634
Agency staff costs	76	90
Staff restructuring costs	-	3
	<hr/> <hr/> 10,033	<hr/> <hr/> 7,727

Included within pension costs is a charge of £502,000 (2019: £343,000) in respect of movements in the LGPS deficit.

The difference of £16,000 to the actuary report for employers pension contributions relates to The Skipton Academy contributions during the year prior to joining the Academy Trust in December 2019.

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	3
	<hr/> -	<hr/> 3
	<hr/> <hr/>	<hr/> <hr/>

b. Non-statutory/non-contractual staff severance payments

There were no non statutory/non-contractual staff severance payments made during the year. (2019: none).

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	134	115
Administration and support	131	108
Leadership team	9	4
	<hr/> 274	<hr/> 227
	<hr/> <hr/>	<hr/> <hr/>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £939,000 (2019 £431,000). The increase was as a result of The Skipton Academy joining the Academy Trust in December 2019.

10. Central services

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

- financial services
- legal services
- Governance and compliance services

The Academy Trust charges for these services on the following basis:

Charges are made on a flat 6.5% of ESFA grants income apportioned over the period of being a multi-academy trust.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Ilkley Grammar School	428	-
The Skipton Academy	84	-
Total	<u>512</u>	<u>-</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Trustees' remuneration and expenses

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

		2020	2019
		£000	£000
H Williams (Chief Executive Officer)	Remuneration	110 - 115	100 - 105
	Pension contributions paid	25 - 30	15 - 20

During the year ended 31 August 2020, expenses totalling £542 have been incurred (2019 - £NIL).

12. 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 business. The insurance provides cover up to £5,000,000 . It has not been possible to quantify the Trustees indemnity element from the overall cost of the insurance premium. The cost of this insurance is included in the total insurance cost

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

	Long leasehold land and building £000	Assets under construction £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2019	12,412	2,800	399	44	14	15,669
Additions	13	625	15	-	-	653
Acquired on conversion	3,497	-	45	13	-	3,555
Disposals	(13)	-	-	-	-	(13)
Transfers between classes	3,221	(3,221)	-	-	-	-
At 31 August 2020	19,130	204	459	57	14	19,864
Depreciation						
At 1 September 2019	1,903	-	187	40	14	2,144
Charge for the year	355	-	51	8	-	414
On disposals	(13)	-	-	-	-	(13)
At 31 August 2020	2,245	-	238	48	14	2,545
Net book value						
At 31 August 2020	16,885	204	221	9	-	17,319
At 31 August 2019	10,509	2,800	212	4	-	13,525

14. Stocks

	2020 £000	2019 £000
Stock	2	4

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Debtors

	2020 £000	2019 £000
Trade debtors	83	57
VAT recoverable	298	240
Prepayments and accrued income	4,038	435
	<u>4,419</u>	<u>732</u>

16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	304	407
Other taxation and social security	179	134
Other creditors	367	32
Accruals and deferred income	628	423
	<u>1,478</u>	<u>996</u>

	2020 £000	2019 £000
Deferred income at 1 September 2019	188	198
Resources deferred during the year	228	188
Amounts released from previous periods	(188)	(198)
	<u>228</u>	<u>188</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for Schools Trips, Rates relief and the Post 16 bursary.

17. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Other creditors	494	220
	<u>494</u>	<u>220</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due after more than one year (continued)

2020	2019
£000	£000

Included within other creditors are the following loans on the following terms:

- Interest free Salix loan of £32,000 repayable through GAG in bi-annual installments from September 2016 for 8 years.
- Interest free Salix loan of £189,000 repayable through GAG in bi-annual installments from September 2019 for 8 years.
- 2 CIF loans totalling £217,000 for which repayment terms are yet to be confirmed.
- 1 Salix loan of £56,000 for which repayment terms are yet to be confirmed.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
Unrestricted funds	-	1,215	(1,215)	-	-
Restricted general funds					
General Annual Grant (GAG)	37	9,423	(9,314)	-	146
Pupil Premium	-	198	(198)	-	-
Other DfE/ESFA grants	74	704	(778)	-	-
Other government grants	-	590	(590)	-	-
Pension reserve	(2,875)	(1,134)	(575)	(1,603)	(6,187)
	<u>(2,764)</u>	<u>9,781</u>	<u>(11,455)</u>	<u>(1,603)</u>	<u>(6,041)</u>
Restricted fixed asset funds					
Assets transferred on conversion	9,935	2,897	(268)	-	12,564
Devolved Formula Capital	53	49	(8)	-	94
Condition Improvement Fund	25	1,920	(33)	-	1,912
Capital expenditure from GAG	406	122	(62)	-	466
Capital expenditure from unrestricted funds	77	-	(2)	-	75
Strategic School Improvement	-	2,465	-	-	2,465
Donations	2,800	421	(64)	-	3,157
	<u>13,296</u>	<u>7,874</u>	<u>(437)</u>	<u>-</u>	<u>20,733</u>
Total Restricted funds	<u>10,532</u>	<u>17,655</u>	<u>(11,892)</u>	<u>(1,603)</u>	<u>14,692</u>
Total funds	<u>10,532</u>	<u>18,870</u>	<u>(13,107)</u>	<u>(1,603)</u>	<u>14,692</u>

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance. The GAG carry forward limit of 12% does apply. This has not been exceeded.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

The Other DfE/ESFA grants related to a Sponsorship Capacity Grant and a Basic Skills Maths grant. These were provided to improve school performance and pupil attainment at the Skipton Academy.

Other Government Grants related to SEN and expansion funding. SEN funding was provided to cover the costs of supporting students with additional learning requirements. Expansion funding was to assist in the expansion of the current site and the overall expansion of the Academy Trust.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets. Restricted fixed asset donations were also received with a value of £421,000 at 31 August 2020 for the new Armitage school block.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Ilkley Grammar School	51	111
The Skipton Academy	(12)	-
Moorlands Learning Trust	107	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	146	111
Restricted fixed asset fund	20,733	13,296
Pension reserve	(6,187)	(2,875)
	<hr/>	<hr/>
Total	14,692	10,532
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £000
The Skipton Academy	12
	<hr/> <hr/>

A net deficit forecast was inherited when the academy transferred to the Academy Trust.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

The Skipton Academy is expected to improve its deficit position due to significantly improving student numbers which will lead to additional income received. The Academy Trust has also applied to move to estimate funding with the ESFA which in turn should improve the financial position of the academy.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Ilkley Grammar School	7,071	848	563	1,051	9,533	11,347
The Skipton Academy	1,075	30	13	775	1,893	-
Moorlands Learning Trust	253	756	-	258	1,267	-
Academy Trust	8,399	1,634	576	2,084	12,693	11,347

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Unrestricted funds	-	1,550	(1,550)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	96	7,802	(7,858)	(3)	-	37
Pupil Premium	5	140	(145)	-	-	-
Other DfE/ESFA grants	-	251	(177)	-	-	74
Other Government grants	-	352	(352)	-	-	-
Pension reserve	(1,124)	-	(370)	-	(1,381)	(2,875)
	<u>(1,023)</u>	<u>8,545</u>	<u>(8,902)</u>	<u>(3)</u>	<u>(1,381)</u>	<u>(2,764)</u>
Restricted fixed asset funds						
Assets transferred on conversion	10,154	-	(219)	-	-	9,935
Devolved Formula Capital	60	121	(128)	-	-	53
Condition Improvement Fund	581	-	(556)	-	-	25
Capital expenditure from GAG	684	-	(281)	3	-	406
Capital expenditure from unrestricted funds	79	-	(2)	-	-	77

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Donations	-	2,800	-	-	-	2,800
	<u>11,558</u>	<u>2,921</u>	<u>(1,186)</u>	<u>3</u>	<u>-</u>	<u>13,296</u>
Total Restricted funds	<u>10,535</u>	<u>11,466</u>	<u>(10,088)</u>	<u>-</u>	<u>(1,381)</u>	<u>10,532</u>
Total funds	<u>10,535</u>	<u>13,016</u>	<u>(11,638)</u>	<u>-</u>	<u>(1,381)</u>	<u>10,532</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	17,319	17,319
Current assets	526	837	3,949	5,312
Creditors due within one year	(526)	(691)	(535)	(1,752)
Provisions for liabilities and charges	-	(6,187)	-	(6,187)
Total	<u>-</u>	<u>(6,041)</u>	<u>20,733</u>	<u>14,692</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	13,525	13,525
Current assets	433	642	23	1,098
Creditors due within one year	(433)	(531)	(32)	(996)
Creditors due in more than one year	-	-	(220)	(220)
Provisions for liabilities and charges	-	(2,875)	-	(2,875)
Total	<u>-</u>	<u>(2,764)</u>	<u>13,296</u>	<u>10,532</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds (continued)

20. Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in these financial statements	3,909	29

21. Pension commitments

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 Mercer Limited. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,198,000 (2019 - £674,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £505,000 (2019 - £348,000), of which employer's contributions totalled £370,000 (2019 - £254,000) and employees' contributions totalled £ 135,000 (2019 - £94,000). The agreed contribution rates for future years are 16.7 % for employers and 5.5% to 12.5% for employees.

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

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

Principal actuarial assumptions

West Yorkshire Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.35
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.30	2.10
Commutation of pensions to lump sums	75.00	75.00

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	22.2
Females	24.6	25.4
Retiring in 20 years		
Males	22.5	23.2
Females	25.7	27.2

North Yorkshire Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.55	-
Rate of increase for pensions in payment/inflation	2.30	-
Discount rate for scheme liabilities	1.70	-
Inflation assumption (CPI)	2.30	-
Commutation of pensions to lump sums	75.00	-

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	-
Females	23.9	-
Retiring in 20 years		
Males	23.5	-
Females	25.7	-

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

Sensitivity analysis

West Yorkshire Pension Fund

	2020 £000	2019 £000
Discount rate +0.1%	(248)	(173)
Discount rate -0.1%	248	176
Mortality assumption - 1 year increase	(371)	(268)
Mortality assumption - 1 year decrease	382	270
CPI rate +0.1%	31	128
CPI rate -0.1%	(31)	(126)
	<hr/>	<hr/>

North Yorkshire Pension Fund

	2020 £000	2019 £000
Discount rate +0.1%	(60)	-
Discount rate -0.1%	60	-
Mortality assumption - 1 year increase	(86)	-
Mortality assumption - 1 year decrease	89	-
CPI rate +0.1%	10	-
CPI rate -0.1%	(10)	-
	<hr/>	<hr/>

Share of scheme assets

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

	2020 £000	2019 £000
Equities	4,900	4,065
Government bonds	731	550
Corporate bonds	278	236
Property	302	231
Other	185	58
Cash/liquidity	129	100
Total market value of assets	<hr/> 6,525 <hr/>	<hr/> 5,240 <hr/>

The actual return on scheme assets was £118,000 (2019 - £233,000).

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2020 £000	2019 £000
Current service cost	871	434
Past service cost	1	163
Interest income	117	-
Interest cost	(190)	27
Total amount recognised in the Statement of financial activities	799	624

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

	2020 £000	2019 £000
At 1 September	8,115	5,862
Transferred in on existing academies joining the trust	1,847	-
Current service cost	871	434
Interest cost	190	164
Employee contributions	135	94
Actuarial losses	1,604	1,477
Benefits paid	(51)	(79)
Past service costs	1	163
At 31 August	12,712	8,115

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

	2020 £000	2019 £000
At 1 September	5,240	4,738
Transferred in on existing academies joining the trust	713	-
Interest income	117	137
Actuarial gains	1	96
Employer contributions	370	254
Employee contributions	135	94
Benefits paid	(51)	(79)
At 31 August	6,525	5,240

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	102	112
Later than 1 year and not later than 5 years	100	172
	<u>202</u>	<u>284</u>

23. Reconciliation of net income to net cash flow from operating activities

	2020 £000	2019 £000
Net income for the period (as per Statement of financial activities)	5,763	1,378
Adjustments for:		
Depreciation	414	291
Capital grants from DfE and other capital income	(400)	(424)
(Surplus)/loss on disposal of fixed assets	-	1
Defined benefit pension scheme obligation inherited	1,134	-
Defined benefit pension scheme cost less contributions payable	502	343
Defined benefit pension scheme finance cost	73	27
Decrease/(increase) in stocks	2	(1)
Increase in debtors	(3,467)	(31)
Increase in creditors	293	287
Buildings donated	(421)	(2,800)
Acquisition of existing academy trust - Fixed assets	(3,555)	-
Net cash provided by/(used in) operating activities	<u>338</u>	<u>(929)</u>

24. Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	(31)	-
New loans	274	252
Net cash provided by financing activities	<u>243</u>	<u>252</u>

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible fixed assets	(653)	(30)
Capital grants from DfE Group	400	424
Capital funding received from sponsors and others	421	-
Net cash provided by investing activities	168	394

26. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	1,111	362
Total cash and cash equivalents	1,111	362

27. Analysis of changes in net debt

	At 1 September 2019 £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	362	749	1,111
	362	749	1,111

28. Contingent liabilities

There were ongoing discussions with Yorkshire Water in respect of emails received for £nil (2019: £27,000) as they appear excessive. These balances have been accrued in the current year financial statements. The Academy Trust continues to work with Yorkshire Water to identify the cause of the issue and therefore whose liability it is.

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

30. Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £12,000 (2019: £19,000) and disbursed £nil (2019: £19,000) leaving a balance of £20,000 (2019: £8,000) included in accruals and deferred income

MOORLANDS LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

31. Transfer of existing academies into the academy trust

The Skipton Academy

	Value reported by transferring trust £000	Transfer in recognised £000
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	3,497	3,497
Furniture and equipment	45	45
Computer equipment	13	13
Current assets		
Debtors due after one year	89	89
Cash at bank and in hand	256	256
Liabilities		
Creditors due within one year	(291)	(291)
Creditors due after one year	(36)	(36)
Pensions		
Pensions - pension scheme assets	713	713
Pensions - pension scheme liabilities	(1,847)	(1,847)
Net assets	<u>2,439</u>	<u>2,439</u>