

THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

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**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Kayes (resigned 26 March 2019) P Tompkins R Wales
Trustees	D Smith (appointed 26 March 2019) C Bath, Chair ^{1,2,3} K Broughton (appointed 26 March 2019) ² S Brown ¹ D Jenkins ^{2,3} A Ledgard ^{1,3} A Moss, Vice Chair ^{1,3} K Peraux ^{1,2} J Piper ³ D Powell (resigned 19 September 2018) A Ragbourne (resigned 13 December 2018) ^{2,3} P Stone ¹ E M Stones ^{2,3} K Taylor, Executive Principal (resigned 31 August 2019) ^{1,2,3} M Young ^{2,3} A Lovett, Executive Principal (appointed 2 September 2019)
	¹ Human Resources & Health and Safety Committee ² Finance, Audit & Premises Committee ³ Performance & Standards Committee

Company registered number 08561222

Company name The Minerva Learning Trust (Dorset)

Principal and registered office The Sir John Colfox Academy
Ridgeway
Bridport
Dorset
DT6 3DT

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Accounting Officer	K Taylor (until 31/08/2019) A Lovett (from 01/09/2019)
Senior management team	K Taylor, Executive Principal (until 31/08/19) D Herbert, Headteacher (until 22/04/19) H Farmer, Headteacher (until 31/08/19) K Batorska, Headteacher (from 01/04/19) M Hoffman, Acting Headteacher (from 23/04/19) G Jacobs, Finance Director
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank 16 A High Street Cosham Portsmouth Dorset PO6 3BY
Solicitors	Taylor Culshaw 60 High Street Burnham-On-Sea TA8 1AG

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their Annual Report together with the financial statements and auditors' Report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates 3 primary Academies and 1 secondary Academy in Bridport, Dorset. Its Academies have a combined pupil capacity of 1,600 and had a roll of 1,523 in the school census on 1 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Academy Trust opened as a Multi Academy Trust on April 2016 when the 3 primary schools joined the Sir John Colfox Trust. The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Articles of Association is the primary governing document of the Academy Trust.

The Trustees of The Minerva Learning Trust (Dorset) are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Minerva Learning Trust (Dorset).

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

b. 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.

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 on any one claim.

**THE MINERVA LEARNING TRUST (DORSET)
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**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

c. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

There are four Members, one of whom is appointed by the SDBE to satisfy the Church of England requirement for 25% representation. The Members appoint nine Trustees and the SDBE appoint three Trustees ensuring 25% representation of the Church of England. The principles used to appoint the Trustees are based on achieving a suitable skill mix to best serve the objects of the Trust.

Trustees are appointed for a four year period. Any Trustee can be reappointed.

The Trustees may co-opt four additional Trustees with the consent of the SDBE.

The Trustees elect a chair and vice-chair from among their number at the commencement of each school year.

The Members appoint any new or replacement Trustees, having taken advice from the existing Trustees. They consider the mix of skills and experience in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. A similar approach will be taken with those Trustees appointed by the SDBE.

Each school has retained a local governing body (LGB) that acts as a committee of the Trust Board. The Governors are appointed by the LGB with the approval of the Trust Board. The Governors elect a chair and vice-chair from among their number at the commencement of each school year subject to the approval of the Trust Board. The functions and proceedings of the LGBs are subject to regulations made by the Trustees from time to time.

d. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience but will always include a tour of all the schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction is tailored specifically to the individual. Advantage is taken of specific courses offered by the local authority and other bodies. A more formal programme of training is undertaken by the Minerva Learning Trust (MLT) and one Trustee has responsibility for ensuring that the appropriate training takes place.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

e. Organisational structure

The Board of Trustees normally meets six times a year. The Board establishes an overall framework for the governance of the MLT and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three committees as follows;

- Finance, Audit and Premises Committee

This meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements. It also receives reports from the Director of Finance and internal auditors and drafts the annual budget. The Trust Board has overall responsibility for outcomes and standards as well as ensuring compliance with policies, including safeguarding.

- Performance and Standards Committee

This monitors student outcomes, the quality of teaching and learning and self-evaluation processes.

- HR and Health and Safety Committee incorporating the pay committee for teaching staff

This approves pay progression, monitors HR policies and staff attendance and compliance with workload issues such as zero cover provisions. It also monitors health and safety and receives reports from the LGBs.

Local Governing Bodies – each school has a governing body which is responsible for the quality of education in the school, monitors the budget and policies, including health and safety, safeguarding and the appraisal process. Local governing bodies include parental and staff representatives and have a key responsibility to liaise and work with their community to ensure the best education for children in their school.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the chairman and/or vice chairman, to appoint the Executive Principal, headteacher and clerk to the Trustees, to approve the improvement plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the performance of MLT by the use of budgets and other performance data, and making major decisions about the ethos and direction of MLT, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the MLT to the Executive Principal and to the headteacher in each school.

The leadership group of the MLT comprises the executive principal and the headteachers of each school and the finance director. This meets every four weeks and reviews policies, sets targets and draws up improvement plans. It also monitors expenditure across the Trust and within schools.

In each school, the headteacher is responsible for the appointment of staff, through appointment panels which normally includes a Governor or Trustee. The Executive Principal and the Trust Board is responsible for headteacher appointments.

The Executive Principal is the Accounting Officer.

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**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

f. Arrangements for setting pay and remuneration of key management personnel

National Pay award – the Trust Board considers the STRB recommendations and also the recommendations by Dorset County Council. They consider issues such as recruitment and retention and local market pressures and make recommendations to the Trust Board. The Trust Board approves pay awards.

Pay progression – each LGB oversees the processes for appraisal and pay progression within their school. Their pay committee meets annually to discuss the Head's recommendations on pay progression. The executive principal attends all LGB pay progression meetings to ensure consistency of judgements. The recommendations are taken to the HR and H&S committee which has delegated powers to agree pay progression. They then report to the Trust Board.

Pay Progression of heads and leadership group – the heads make recommendations on leadership pay to the Governors, Headteachers and Leadership Appraisal and Pay Review committee. The Governors Appraisal and Pay Review committee manage the appraisal of the headteacher advised by the executive principal. Where pay progression is to be awarded, they will make a recommendation to the HR and H&S committee for approval. The HR and H&S committee will report to the Trust Board. The pay progression of the executive principal is determined by a committee of the Trust Board.

All Trustees give their time freely and no Trustees received remuneration in the year for their role as Trustee. When Trustees undertake training or attend meetings then travelling expenses are reimbursed.

Support Staff pay continues to follow the guidelines set out by Dorset County Council in job evaluation and increments are awarded after review.

Details of Trustees' expenses are disclosed in the notes to the accounts.

Trustees are committed to working with the representatives of employees (professional associations and trade unions). Two employees are union officials and they have the equivalent of 1 day per week union time.

Connected Organisations, including Related Party Relationships

The MLT is a Multi-Academy Trust. It does not belong to any other federation or have commercial links with any other companies.

The MLT works with community groups such as the town council, the Rotary Club and Bridport Lions. All the schools are part of the Jurassic Coast Teaching Schools' Alliance. The Sir John Colfox Academy works in partnership with Beaminster School and Yeovil College to provide a wider range of courses and opportunities post 16.

Burton Bradstock School and St Mary's School continue to work closely with the Diocese of Salisbury. Burton Bradstock Primary School and St Mary's Primary School have Parent Teacher Associations, which have charitable status.

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**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	5,014
Total pay bill	6,371,725
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 %
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OBJECTIVES AND ACTIVITIES

a. Objects and aims

The principal objective and activity of the MLT is to provide high-quality education for the benefit of children and families in the Bridport area. In particular by establishing, maintaining, carrying on, managing and developing each school in the trust.

The aims of the MLT during the period ended 31 August 2019 are summarised below:

- to ensure all students are safe and that their wellbeing is nurtured
- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to develop the use of the outdoor environment so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the MLT by keeping the curriculum and organisational structure under continual review
- to maximise the number of students who achieve appropriate outcomes at all levels.

**THE MINERVA LEARNING TRUST (DORSET)
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**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES (continued)

- to develop skills and attributes which will ensure students are prepared for life in modern Britain
- to preserve and develop the religious character of the Church of England schools (Burton Bradstock and St Mary's) in accordance with the principles of the Church of England
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the MLT's capacity to manage change, and
- to conduct the MLT's business in accordance with the highest standards of integrity, probity and openness.

The MLT aims to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The MLT is a community in which children, staff and parents should be part of a happy, safe and caring environment.

b. Objectives, strategies and activities

The trust has a three-year strategic plan (2017-20). The overarching themes are:

- working together to improve teaching and learning and hence raise standards
- developing the trust as a sustainable organisation that is effective and efficient
- ensuring the wellbeing of staff and pupils.

The plan will be revised and renewed during 2019-2020, ready for re-publication in the summer of 2020

The trust plans for improvement in 2018-19 focused on:

1. Improving outcomes at key stage 1, key stage 2 and GCSE with a focus on
 - a. mathematics
 - b. the use of assessment
 - c. subjects that have underachieved at GCSE.
2. Improving outcomes for disadvantaged pupils.
3. Rationalisation of support services.
4. Revision of curriculum and assessment policy and practice.
5. Development of leadership capacity.

These priorities were reflected in each school's improvement plans where appropriate. In addition, two further challenges arose during the year that required particular attention:

- Local Authority (LA) decisions re SEN funding and the consequent impact on provision
- Bridport Primary School was judged to require improvement by Ofsted.

1. a) Our three primary schools worked together to make the necessary improvements in mathematics in the primary phase. By working together and sharing training opportunities they began to address the longstanding issues. A start has been made and no school makes less than average progress in mathematics. However, this will remain a focus for 2019-20.

b) The three schools also began to work together to develop their assessment practice in line with the latest developments from national research. This work is being expanded into 2019-20.

c) At GCSE, progress overall was in line with national averages. Departmental data, although provisional, indicates no department significantly underachieved.

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**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES (continued)

2. The performance of disadvantaged pupils has been a focus for trust and school leaders since the Trust was established. There has been significant work in all four schools on ensuring these pupils receive high quality classroom input, that their progress is monitored closely and that teachers intervene when pupils need support to keep up with their peers. This work can never be deemed to be complete, however, there has been significant progress in all schools and key stages. There are still challenges in engaging pupils in learning when they first join the schools, but in broad terms, as they settle they make increasing levels of progress in the later years of primary and in secondary school.

3. The Trust has rationalised its IT services. This has led to significant efficiency savings. Schools are now working on the next phase, which is the rationalisation of food services and caretaking. It is anticipated that these will be in place by September 2020.

4. Significant preparatory work has been done to improve curriculum and assessment practice across primary and secondary phases. Schools have worked together on joint initiatives and individually. The curriculum is at the centre of the Trust's improvement plans for 2019-20.

5. Developing leadership capacity and improving leadership at all levels has had a high priority in 2018-19, not least because of the retirement of the executive principal and new headteachers in three of the four schools, including the secondary school. This has given colleagues in school opportunities for interim and acting leadership positions. This has enhanced their understanding of leadership. Deputy headteachers in two schools acted as head and flourished in the role to the extent that one has secured the post permanently.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Multi-Academy Trust's aims and objectives and in planning its future activities.

The MLT aims to advance for the public benefit, education in Bridport and the surrounding area. In particular, maintaining, managing and developing schools, offering a broad and balanced curriculum.

As a Multi-Academy Trust, we have a duty to support other schools. During 2018-19 two of the headteachers supported other schools as self-evaluation partners. The headteacher at the Sir John Colfox Academy and the executive principal have been Ofsted Inspectors and have also given leadership support to a local school deemed inadequate by Ofsted. The deputy head at St Mary's primary school has been operating as a Specialist Leader in Education (SLE) through the Jurassic Coast Teaching Schools' Alliance and supporting schools in mathematics. A member of staff in the secondary school also works for PIXL to develop character education as an Edge Ambassador. The executive principal and Trustees have also supported other schools during their application for Academy status.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. Key performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention, the amount of carry forward is unrestricted. In the period under review, £4,942 was carried forward.

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers for 2018/19 were 1,500. Numbers are stable in the Sir John Colfox Academy and falling at KS1 in the primary schools. This needs to be taken into account in future financial planning.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018/19 this was 85.3%, compared to 85.7% in 2017/18.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi-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.

c. Outcomes in the primary schools

Outcomes in the early years varied across the Trust in 2019. This is, in part a reflection of the context of the communities the schools serve. At Bridport Primary School (BPS), the proportion of children who achieved good levels of development is in line with national averages. This is similar to previous years. Burton Bradstock achieved well above the national average. This is the continuation of a trend and potential area of strength for the school. St Mary's achieved well below the national level. In 2018 they were at the national level; this fall in outcomes is largely the result of a cohort with an especially large number of pupils with special educational needs and/or disabilities (SEND).

Outcomes in the Year 1 phonics screening check were below the national average in Bridport Primary and St Mary's. This relative weakness at BPS was highlighted in their Ofsted inspection. The Trust and school leaders have taken rapid action to address this by putting a new scheme in place and training teachers to ensure it is delivered effectively. The outcomes at St Mary's are the result of a weak cohort. St Mary's reputation as an effective school for pupils with SEND is affecting its raw attainment figures across the key stages as it is now attracting a disproportionate number of SEND pupils. However, Ofsted recently confirmed that it is a good school and its progress scores are strong. Phonics outcomes at Burton Bradstock are well above the national average. This is largely built on strong early years outcomes.

Attainment at key stage 1 is good across the Trust's primary schools. Over time, reading and writing outcomes are at least in line, and often above the national level. There has been particular success in the numbers reaching a greater depth in reading. Nonetheless, results in 2019 did not show the same upward momentum as in previous years. This, combined with the phonics issues alluded to earlier, means that this will be a focus for improvement in 2019-20. Attainment in mathematics is weaker than reading and writing in BPS and Burton Bradstock in 2019. However, standards in St Mary's are significantly above the national average.

Pupils made well above average levels of progress in reading in key stage 2 in all three primary schools. This is an area of strength across the Trust. Pupils also made good progress in key stage 2 in writing in two of the three schools. In St Mary's progress was in the top 5% of schools nationally. Progress in mathematics was in line with that in other schools across the country. Leaders are ambitious that standards in mathematics mirror those in literacy and so they have identified mathematics as an area for further work in 2019-20.

Since 2017, all primary schools have either improved their progress scores in reading, writing and mathematics, relative to the national picture, or at least maintained them. All three have improved in at least one area.

All three primary schools have focused on disadvantaged pupils successfully this year. As a result, this group of pupils make similar levels of progress to other pupils in reading, writing and mathematics. Attainment levels are

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

lower because, on average, pupils have lower starting points. This is an improvement on previous years and is the culmination of work over the last three years.

d. Outcomes at the Sir John Colfox Academy

GCSE outcomes are broadly in line with those in other schools across the country. Over the last three years there has been a slow improvement in overall progress (P8) scores. However, the values remain in the 'not significantly different from other schools' category. There has been greater improvement in the performance of disadvantaged pupils. They are now making similar progress to other pupils in other schools. This was not the case when the school first academised.

The proportion of pupils achieving 4+ in English and mathematics is higher than the national average. The proportion achieving 5+ is less than that average.

The proportion entering the EBacc suite of subjects is broadly in line with the government's ambition of 75% for 2022.

Sixth form outcomes are broadly in line with national averages. Outcomes over time are at least stable and are slowly improving. The small size of cohort makes the data unreliable over one year. However, more than a quarter of results were A*-A. Students make similar rate of progress in academic and applied general subjects.

e. Awards and successes achieved by the schools

MLT was set up to ensure that pupils in the Bridport area received a broad education that prepared the young people of the area for a full and active life. Our schools place an emphasis on providing a broad range of opportunities. Some of these have been recognised at a regional and national level. In 2018-19, two in particular stood out:

- To celebrate 50 years since the moon landings the schools came together to work on a cantata written by Geof Edge, a professional composer. The Minerva Trust Choir worked with Geof to produce 'Apollo – One Giant Leap'; a celebration in song and word and took part in two public performances. Children in the schools also produced artwork to celebrate the anniversary which was displayed at the performance venue.
- Sir John Colfox Academy has been recognised as a 'PixL Edge Ambassador School'. The Edge programme is designed to challenge and inspire pupils and students from Year 7 to Year 13. Pupils are given opportunities to develop their leadership, communication and initiative skills. They develop resilience in the face of adversity as they overcome barriers and experience success. As a result of the school's success with Edge, 28 schools and 50 teachers have visited to see what they can learn from us.

FINANCIAL REVIEW

a. Reserves Policy

The Trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Multi-Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In 2018/19 we were unable to maintain this level of reserves due to unanticipated reductions in national and local funding (SEND). As a result, the reserves policy will be reviewed in November 2019 at the Trust Board meeting. Total reserves of

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**TRUSTEES'S REPORT (CONTINUED)
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STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

the trust amount to £3,446,919, although £3,241,722 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining 205,197 (representing £197,255 unrestricted funds and £7,942 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents approximately half a month's staff costs.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Mult-Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Mult-Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Mult-Academy Trust.

b. Investment Policy

Due to the nature and timing of receipt of funding, the Mult-Academy Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

c. Principal risks and uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial: the Trust has considerable reliance on continued government funding through the ESFA. In the last year the majority of the Trust's incoming resources were ultimately government funded and whilst this level is expected to continue, there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Local Authority provide funding from the High Needs Block for SEND students. However, they currently have a £6.1 million deficit on this block so have reduced top up funding by around 50% and the primary schools have lost significant amounts of tipping grant funding. This has put all budgets under pressure and it is now not possible to employ the number of TAs previously employed for 1:1 support. National Funding Formula (NFF) funding from the ESFA is being allocated by the LA using their needs led formula. This is less beneficial to the Trust schools. Originally this was for 2017/18 and 2018/19 but has been extended to 2019/20. The LA intends to move closer to the methodology of NFF over the three years but until 2020 their formulas will be used to distribute funds and reduce turbulence in the system. The DfE have confirmed the government's intention to move to a hard NF for schools where budgets will be set on the basis of a single national formula.

Failures in governance and/or management: the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational: the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection: the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing: the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear

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**TRUSTEES'S REPORT (CONTINUED)
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STRATEGIC REPORT (continued)

FINANCIAL REVIEW (continued)

succession planning.

Fraud and mismanagement of funds: The Trust has appointed an internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by revising the process and ensuring staff understanding. A risk register is maintained and reviewed and updated on a regular basis.

The Trust has agreed a risk management strategy, a risk register and a risk management plan. These have been approved by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

d. Financial review

Most of the Multi-Academy Trust's income is obtained from the DfE via the ESFA (Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Multi-Academy Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Multi-Academy Trust's accounting policies.

During the year ended 31 August 2019, the Multi-Academy Trust received total income of £8,913,830 and incurred total expenditure of £8,975,810 (excluding depreciation and pension adjustments). The excess of expenditure over income, again excluding depreciation and pension adjustments, was £61,980.

At 31 August 2019 the net book value of fixed assets was £6,790,026 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Policy which lays out the framework for financial management, including financial responsibilities of the Board, executive principal, headteachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included the pay policy and the Trustees' and Governors' expenses policy.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

FUNDRAISING

Most fundraising in the MLT has tended to be for charitable purposes. Direct fundraising for the schools is carried out by parents through the PFA. These funds are used for specified purposes as agreed by the LGB.

The MLT also receives sponsorship from local businesses. This is again for specified purposes such as the trust's music strategy or for prize-giving rewards and is only spent in these areas and the sponsors are kept informed of how the money is spent.

The MLT has a policy of not using third party fundraisers. All funds raised are included in accounts and shown as income and expenditure under the appropriate headings.

PLANS FOR FUTURE PERIODS

The establishment of the Trust has led to improved outcomes across its schools. It is now time to push on, seek new partnerships and accelerate the improvement in standards.

The Trust has plans to:

- review and revise its school finance structure. This will allow more flexibility in addressing school improvement priorities. It will allow the Trust to direct limited resources to the place and issue of greatest need
- further rationalise administrative and technical services, to improve efficiency and effectiveness and allow school leaders and local governors to focus on raising standards
- seek to grow and/or work with other MATs and schools to improve educational outcomes for all children in the community

The Trust will renew its focus on raising standards by:

- making it a priority that every child is an enthusiastic reader
- ensuring that the quality of primary mathematics teaching is as good as the teaching of reading and writing
- reviewing and revising the curriculum from early years to the sixth form to make sure that it is challenging and appropriate for every child and young person
- improving provision in the early years, ensuring that each school has embedded the principles and good practice highlighted in 'Bold Beginnings'.

Once finalised, full details of our plans for the future will be published on our website and available from the clerk to the Trustees.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Minerva Learning Trust continues to ensure that appropriate standards of recruitment and retention are approached in a fair, consistent, equitable, transparent manner, with due regard for Equal Opportunities.

TRUSTEE INDEMNITIES

There were no third party indemnity provisions made during the year or at the date of approval of the Trustees' Report.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

EMPLOYEE CONSULTATION

A consultative group of staff including Unions and volunteers has been established made up of staff at all levels from all schools. There is also a separate Staff Wellbeing Group who meet termly to consider workload and relevant issues and report to the Leadership group of heads.

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 auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:

C Bath
Chair of Trustees

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Minerva Learning Trust (Dorset) 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's Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 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
C Bath, Chair	7	7
K Broughton (appointed 26/03/2019)	3	3
S Brown	2	7
D Jenkins	7	7
A Ledgard	6	7
A Moss, Vice Chair	5	7
K Peraux	7	7
J Piper	7	7
D Powell, Vice Chair (Resigned 19/09/2018)	1	1
A Ragbourne (Resigned 13/12/2018)	2	3
P Stone	6	7
E M Stones	6	7
K Taylor, Executive Principal (Retired 31/08/2019)	7	7
M Young	7	7
A Lovett, Executive Principal	0	0

The Minerva Learning Trust Board of Trustees welcomed new Trustee Kristina Broughton on 26 March 2019 and new Member, Reverend Debbie Smith, also on 26 March 2019 who took the place of Pete Stone who had vacated his role as a Member to become a Trustee.

The Executive Principal, Kay Taylor, retired on 31 August 2019 and the Trust will welcome Andrew Lovett as the new Executive Principal as from 1 September 2019.

There were no changes to the committee structure during the period 1 September 2018 to 31 August 2019, the three committees being Finance, Audit and Premises Committee, the Human Resources/Health and Safety Committee and the Performance and Standards Committee.

A workshop of chairs of local governing bodies and Trustees is currently being planned as an opportunity for Trustees and Governors to consider the next steps in the development of the MLT.

The Trust uses the National Governance Association (NGA) documentation to review the effectiveness of Governance practices within the Trust.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Different elements of data are regularly gathered by the Executive Principal and submitted to and reviewed by the performance and standards committee and the Trust Board. This data is deemed by the committee and the Trust Board to be of good quality, succinct and, most importantly in an understandable format for all.

A key challenge being faced by the MLT and all Trusts alike is the pressures on funding. The finance, audit and premises committee regularly review the budget profiles and budget projections to have oversight of the changing picture. Another challenge being faced by all Trusts is school improvement and measures are in place to monitor and improve this.

There has been significant change in school leadership over the course of the year. A new headteacher was appointed at St Mary's Primary School. The Trust seconded a leader into Bridport Primary School as an interim headteacher prior to the appointment of a substantive head. A new headteacher was appointed at The Sir John Colfox Academy.

In spite of these challenges, Burton Bradstock CE Primary School recently received a rating of 'Good' following an inspection by Ofsted, which stated "The Minerva Learning Trust provides strong support to the school. Support has reinforced leadership and is improving the quality of teaching further." The report further went on to say that Governors exercise their responsibilities effectively, bring a range of skills and experience to their work, which helps the governing body to be an effective force for improvement.

During this year St Mary's CE Primary School also received a rating of 'Good' following a short inspection by Ofsted who stated that the leadership team had maintained the good quality of education in the school since the last inspection.

An Ofsted inspection at Bridport Primary School however, resulted in a rating of 'Requires Improvement' but noted that Trustees had overseen a turbulent time in staffing. Following the retirement of the head at short notice an interim headteacher was appointed. Ofsted recognised that she was making significant changes swiftly to improve school standards and pupils' progress. It was felt that Trustees had managed very unsettled staffing well during the past 12 months. There were now three new middle leaders and a very experienced interim headteacher in post who was making appropriate changes without unsettling staff which Ofsted felt was bringing stability to the school. Ofsted recognised that the Trustees had the overarching accountability for the school but were aware of the Trust plan which supports key initiatives across the four schools of the Trust. Ofsted also stated that the Trustees were skilful and had managed the turbulence in staffing well. Ofsted recognised that, following the last inspection, Governors had taken on board the advice given. They were now more involved in the school and took their responsibility seriously.

The Performance and Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to agree, monitor and review performance targets as set out in the MLT Improvement Plan. It plays a crucial role in ensuring the success of the Trust and in supporting the Executive Principal and headteachers in improving the quality of teaching and learning and outcomes for all the children across the Trust. The performance and standards committee formally met 4 times in the period 1 September 2018 to 31 August 2019. Trustees David Jenkins and Martin Stones joined the performance and standards committee following the resignations of David Powell and Adrian Ragbourne.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance at meetings during the period 1 September 2018 to 31 August 2019 was as follows:

Trustee	Meetings attended	Out of a possible
D Jenkins (Joined Committee 08/05/2019)	1	1
A Ledgard	2	4
A Moss	4	4
J Piper	4	4
D Powell (Resigned 19/09/2019)	0	0
A Ragbourne (Resigned 13/12/2018)	1	1
M Stones (joined Committee 08/05/2019)	0	1
K Taylor, Executive Principal (Retired 31/08/2019)	4	4
M Young	4	4

The Human Resources/Health and Safety Committee is a sub-committee of the main Board of Trustees. Its purpose is to scrutinise policies, review performance and make recommendations to the Board in accordance with the agreed terms of reference. This committee has the following responsibilities with regard to HR:

- Approval of Academy staffing structures within the Academy's budget, including approval of any restructuring;
- The organisation of procedures for the appointment of senior staff at the academies;
- The appointment of headteachers (with the Executive Principal and the LGB) and the Executive Principal;

The human resources/health and safety committee is also responsible for:

- Recommending the Pay Policy to the Trust Board for adoption;
- Advising each local governing body/finance committee on current and future pay levels;
- Ratifying appropriate salary ranges and starting salaries for lead practitioners, and members of the leadership group and recommending these to the Board for adoption;
- Determining the annual pay progress for teachers (by 31 October at the latest) as set out in the Pay Policy, taking account of recommendations made by the local governing body in accordance with the Pay Policy;
- Approving applications to be paid on the upper pay range;
- Recommending to the board Board the approval of any pay progression for the Executive Principal (by 31 December at the latest), taking account of the recommendation made by the performance review panel, following the annual review;
- Monitoring and reviewing the performance and pay of all headteachers in the Trust;
- Monitoring and reporting to the local governing body on the annual pattern of performance pay progression at each level and the correlation between pay progression, quality of teaching and outcomes for pupils;
- Ensuring that the appraisal policy in each school is followed;
- Monitoring recruitment and staff attendance;
- Ensuring high quality training and CPD, including appropriate induction and support for career progression and this should be reviewed annually;
- Recognising and celebrating the good work of staff and keeping the Board informed in such circumstances;
- Ratifying all HR policies and recommending those to the Trust Board for approval;
- Ensuring consultation with recognised Unions where appropriate;
- Encouraging a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the chair of the audit committee or chair of the Trust Board;
- Monitoring health and safety compliance on all sites.

**THE MINERVA LEARNING TRUST (DORSET)
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The human resources/health and safety committee formally met 3 times in the period 1 September 2018 to 31 August 2019.

Attendance at meetings during the period 1 September 2018 to 31 August 2019 was as follows:

Trustee	Meetings attended	Out of a possible
S Brown	0	3
A Ledgard	3	3
A Moss	3	3
K Peraux	2	3
P Stone	1	3
K Taylor, Executive Principal (Retired 31/08/19)	3	3

The Staff Discipline, Capability, Grievances and Redundancy Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure adherence to policies approved by the Board which include:

- disciplinary rules and procedures for staff;
- rules and procedures for dealing with capability issues for staff;
- capability procedures for staff.
- procedures for addressing grievances or complaints by staff about their employment; and
- procedures to follow if a member of staff may be made redundant.

This committee will be called as and when necessary to deal with issues when appropriate. An HR Adviser from Dorset Council may attend as required.

The staff discipline, capability, grievances and redundancy committee did not have a requirement to meet in the period 1 September 2018 to 31 August 2019.

The Staffing Appeals Committee is a sub-committee of the main Board of Trustees. It will be established to hear any appeals in relation to decisions taken by the HR committee or the staff discipline, capability, grievances and redundancy committee as appropriate. The membership of this committee will be drawn from Trustees who are not members of the staff discipline, capability, grievances and redundancy committee or the HR committee. An HR Adviser from Dorset Council may attend as required.

The staffing appeals committee did not have requirement to meeting in the period 1 September 2018 to 31 August 2019.

A committee of Trustees met once in the period 1 September 2018 to 31 August 2019 to consider a complaint. Their findings were that the complaint had been appropriately dealt with by the Executive Principal and the chair of Governors of the School and that the school had followed all correct procedures.

Review of value for money

As Accounting Officer, the Executive Principal has responsibility for ensuring that the Multi-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 Multi-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 Multi-Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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 Multi-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 The Minerva Learning Trust (Dorset) for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Board of Trustees has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Board of Trustees.

The risk and control framework

The Multi-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 Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming LLP as internal auditor. An internal audit of bank and petty cash, expenditure, debit card, compliance and IT procedures was conducted by Bishop Fleming in April 2018. It has been agreed that the trust board will consider and identify further areas to be reviewed by an internal audit reviewer in the Spring of 2020.

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

**THE MINERVA LEARNING TRUST (DORSET)
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- To provide assurance over the Trust's internal control framework in relation to:
 - Governance
 - Purchases and Payments

On an annual basis, the internal auditor reports to the Board of Trustees through the finance and general purposes and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

Review of effectiveness

As Accounting Officer, the Executive Principal 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 work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes and audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 9 December 2019 and signed on their behalf by:

C Bath
Chair of Trustees

A Lovett
Accounting Officer

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Minerva Learning Trust (Dorset) 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 2018.

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 2018.

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 Lovett
Accounting Officer

Date: 9 December 2019

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 ESFA/DfE have been applied for the purposes intended.

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

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

C Bath
Chair of Trustees

Date: 9 December 2019

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

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

Opinion

We have audited the financial statements of The Minerva Learning Trust (Dorset) (the 'Academy Trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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's 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.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MINERVA LEARNING TRUST (DORSET) (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 incorporating the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MINERVA LEARNING TRUST (DORSET) (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.

Tim Borton FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Exeter

19 December 2019

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 25 April 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Minerva Learning Trust (Dorset) during the year 1 September 2018 to 31 August 2019 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 The Minerva Learning Trust (Dorset) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Minerva Learning Trust (Dorset) 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 The Minerva Learning Trust (Dorset) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Minerva Learning Trust (Dorset)'s Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Minerva Learning Trust (Dorset)'s funding agreement with the Secretary of State for Education dated 19 March 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
MINERVA LEARNING TRUST (DORSET) 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 19 December 2019

THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	6,956	157,440	113,597	277,993	206,843
Charitable activities	4	289,144	8,355,329	-	8,644,473	8,489,819
Other trading activities	5	104,551	-	-	104,551	53,228
Investments	6	410	-	-	410	530
Total income		401,061	8,512,769	113,597	9,027,427	8,750,420
Expenditure on:						
Charitable activities:						
Grants		-	5,815	-	5,815	12,703
Funding for academy's educational operations		463,993	8,939,141	178,607	9,581,741	9,568,930
Total expenditure	8	463,993	8,944,956	178,607	9,587,556	9,581,633
Net movement in funds before other recognised gains/(losses)		(62,932)	(432,187)	(65,010)	(560,129)	(831,213)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(495,000)	-	(495,000)	630,000
Net movement in funds		(62,932)	(927,187)	(65,010)	(1,055,129)	(201,213)
Reconciliation of funds:						
Total funds brought forward		260,187	(2,725,871)	6,967,732	4,502,048	4,703,261
Net movement in funds		(62,932)	(927,187)	(65,010)	(1,055,129)	(201,213)
Total funds carried forward		197,255	(3,653,058)	6,902,722	3,446,919	4,502,048

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 60 form part of these financial statements.

THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08561222

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	6,790,026	6,944,055
		6,790,026	6,944,055
Current assets			
Debtors	16	241,672	175,519
Cash at bank and in hand		650,739	674,566
		892,411	850,085
Creditors: amounts falling due within one year	17	(574,518)	(555,092)
Net current assets		317,893	294,993
Total assets less current liabilities		7,107,919	7,239,048
Net assets excluding pension liability		7,107,919	7,239,048
Defined benefit pension scheme liability	24	(3,661,000)	(2,737,000)
Total net assets		3,446,919	4,502,048
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	6,902,722	6,967,732
Restricted income funds	19	7,942	11,129
Restricted funds excluding pension asset	19	6,910,664	6,978,861
Pension reserve	19	(3,661,000)	(2,737,000)
Total restricted funds	19	3,249,664	4,241,861
Unrestricted income funds	19	197,255	260,187
Total funds		3,446,919	4,502,048

The financial statements on pages 29 to 60 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

C Bath
Chair of Trustees

The notes on pages 32 to 60 form part of these financial statements.

THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019	2018
		£	£
Cash flows from operating activities			
Net cash used in operating activities	21	(109,788)	(350,531)
Cash flows from investing activities	22	85,961	(22,222)
Change in cash and cash equivalents in the year		(23,827)	(372,753)
Cash and cash equivalents at the beginning of the year		674,566	1,047,319
Cash and cash equivalents at the end of the year	23	650,739	674,566

The notes on pages 32 to 60 form part of these financial statements

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Minerva Learning Trust (Dorset) meets the definition of a public benefit entity under FRS 102.

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 adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a Going Concern, thus they continue to adopt the Going Concern basis of accounting in preparing the financial statements.

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 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 period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations 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, 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.

1. ACCOUNTING POLICIES (continued)

1.4 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.5 EXPENDITURE

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

Expenditure on charitable activities 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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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.

1.6 TANGIBLE FIXED ASSETS

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

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (continued)

Long-term leasehold property	- 50 - 125 years straight-line
Furniture and fixtures	- 20% straight-line
Computer equipment	- 33% straight-line

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 freehold or 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.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

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

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 16. 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 note 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 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. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.14 OPERATING LEASES

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

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

1.16 PRIVATE FINANCE INITIATIVE (PFI)

The Academy Trust has in place an agreement with Dorset County Council (DCC) for The Sir John Colfox Academy concerning a Private Finance Initiative (PFI) Agreement dated 19 March 2015. The principal PFI Agreement which includes an annual charge for rent and services is between DCC and the PFI provider. The duration of the Agreement is 15 years. There is then a secondary Agreement to which the Trust is a party and this arrangement is treated in these accounts as an operating lease, charged to the Statement of Financial Activities on a straight-line basis over the lease term. The full liability over the life of the lease has been included in the operating lease commitment note 26, with the value based on the current annual charge without any inflationary adjustment.

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 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £
Donations	6,956	157,440	-	164,396
Capital Grants	-	-	113,597	113,597
Total 2019	6,956	157,440	113,597	277,993

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted funds - class ii 2018 £	Total funds 2018 £
Donations	11,247	157,440	-	168,687
Capital Grants	-	-	38,156	38,156
	11,247	157,440	38,156	206,843

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	-	7,516,953	7,516,953
Other DfE/EFSA grants	-	625,449	625,449
	-	8,142,402	8,142,402
Other Government grants			
High Needs	-	209,927	209,927
Other government grants: capital	-	3,000	3,000
	-	212,927	212,927
Other funding			
Internal catering income	6,475	-	6,475
Sales to students	2,730	-	2,730
Other	279,939	-	279,939
	289,144	-	289,144
Total 2019	289,144	8,355,329	8,644,473

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	11,005	11,005	14,300
Consultancy	93,546	93,546	38,928
Total 2019	104,551	104,551	53,228

All prior year income related to unrestricted funds.

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	410	410	530

All prior year income related to unrestricted funds.

7. Analysis of grants

	Grants to Institutions 2019 £	Total funds 2019 £
Improvements to diocesan property occupied by the Academy Trust	5,815	5,815
	Grants to Institutions 2018 £	Total funds 2018 £
Grants, Education	12,703	12,703

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Education:				
Direct costs	5,719,595	148,957	784,753	6,653,305
Support costs	669,365	345,877	1,913,194	2,928,436
Total 2019	6,388,960	494,834	2,697,947	9,581,741

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Education	6,653,305	5,815	2,928,436	9,587,556

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total funds 2018 £
Education	6,770,580	12,703	2,798,350	9,581,633

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension expenditure	71,000	75,000
Staff costs	5,702,360	5,732,652
Depreciation	163,311	184,848
Educational supplies	349,959	324,104
Examination fees	69,564	67,655
Staff development	35,415	39,722
Other costs	214,746	271,061
Supply teachers	18,478	43,366
Technology costs	28,472	32,172
Total 2019	6,653,305	6,770,580

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	669,365	649,552
Depreciation	19,435	22,104
Recruitment and support	10,235	4,934
Maintenance of premises and equipment	116,197	54,350
Cleaning	11,642	9,196
Rent and rates	219,443	221,476
Energy costs	20,648	19,930
Insurance	38,035	37,391
Security and transport	3,799	2,776
Catering	117,811	121,432
Technology costs	61,987	64,356
Office overheads	39,898	37,227
Legal and professional	68,120	72,248
PFI Charges	1,493,430	1,458,785
Governance costs	38,391	22,593
Total 2019	<u>2,928,436</u>	<u>2,798,350</u>

10. Net expenditure

Net expenditure for the year includes:

	2019 £	2018 £
Operating lease rentals	14,812	14,428
Depreciation of tangible fixed assets	182,746	206,952
PFI costs	1,493,430	1,448,736
Fees paid to auditors for:		
- audit	9,850	9,660
- other services	3,330	2,390
	<u>9,850</u>	<u>9,660</u>
	<u>3,330</u>	<u>2,390</u>

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	4,793,582	4,820,094
Social security costs	424,259	438,483
Pension costs	1,153,884	1,123,627
	<u>6,371,725</u>	<u>6,382,204</u>
Agency staff costs	17,235	43,366
	<u>6,388,960</u>	<u>6,425,570</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	84	102
Administration and support	133	201
Management	13	14
	<u>230</u>	<u>317</u>

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	70	72
Administration and support	72	70
Management	12	14
	<u>154</u>	<u>156</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

**THE MINERVA LEARNING TRUST (DORSET)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs (continued)

c. Higher paid staff (continued)

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	-	1
In the band £130,000 - £140,000	1	-
	=====	=====

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 2. 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 £488,107 (2018: £495,216).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 13 has not been included in the total benefits received by Key Management Personnel above.

12. Central services

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

- Finance and administration
- Legal costs
- Human resources
- General support costs

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

The central function charges for these services are based on specific cost savings made for each Academy by using the central function.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
The Sir John Colfox Academy	123,013	126,625
Burton Bradstock Church of England School	10,150	11,147
Bridport Primary School	36,970	49,759
Bridport St Mary's Church of England Primary School	20,349	25,702
Total	===== 190,482	===== 213,233

**THE MINERVA LEARNING TRUST (DORSET)
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13. Trustees' remuneration and expenses

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Taylor: remuneration £130,000 - £135,000 (2018: £95,000 - £100,000), Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000).

Other related party transactions involving the Trustees are set out in note 27.

During the year, retirement benefits were accruing to 1 Trustee (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £443 were reimbursed or paid directly to 1 Trustee (2018 - £1,454 to 4 Trustees).

14. 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 (2018: £5,000,000) on any one claim and the cost for the year ended 31 August 2019 was £745 (2018: £767).

**THE MINERVA LEARNING TRUST (DORSET)
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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	7,243,621	6,650	228,310	7,478,581
Additions	4,793	4,894	20,372	30,059
Disposals	-	-	(2,013)	(2,013)
At 31 August 2019	<u>7,248,414</u>	<u>11,544</u>	<u>246,669</u>	<u>7,506,627</u>
Depreciation				
At 1 September 2018	349,848	2,164	182,514	534,526
Charge for the year	144,968	2,309	35,469	182,746
On disposals	-	-	(671)	(671)
At 31 August 2019	<u>494,816</u>	<u>4,473</u>	<u>217,312</u>	<u>716,601</u>
Net book value				
At 31 August 2019	<u><u>6,753,598</u></u>	<u><u>7,071</u></u>	<u><u>29,357</u></u>	<u><u>6,790,026</u></u>
At 31 August 2018	<u><u>6,893,773</u></u>	<u><u>4,486</u></u>	<u><u>45,796</u></u>	<u><u>6,944,055</u></u>

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	21,996	22,432
VAT recoverable	89,647	61,898
Prepayments and accrued income	130,029	91,189
	<u><u>241,672</u></u>	<u><u>175,519</u></u>

**THE MINERVA LEARNING TRUST (DORSET)
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17. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	43,256	17,732
Other taxation and social security	100,656	106,046
Other creditors	104,601	108,687
Accruals and deferred income	326,005	322,627
	<u>574,518</u>	<u>555,092</u>

	2019	2018
	£	£
Deferred income		
Deferred income at 1 September 2018	152,102	101,126
Resources deferred during the year	142,727	152,102
Amounts released from previous periods	(152,102)	(101,126)
Deferred income at 31 August 2019	<u>142,727</u>	<u>152,102</u>

At the balance sheet date the Academy Trust was holding funds received in advance for ESFA infant free school meals income and rates relief relating to the 2019/20 year.

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18. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	650,739	674,566
Financial assets that are debt instruments measured at amortised cost	123,424	84,048
	<u>774,163</u>	<u>758,614</u>
	<u>774,163</u>	<u>758,614</u>
	2019	2018
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	(331,135)	(296,944)
	<u>(331,135)</u>	<u>(296,944)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

**THE MINERVA LEARNING TRUST (DORSET)
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19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
ICT sinking fund	79,294	-	-	(79,294)	-	-
General funds						
Unrestricted funds	176,754	401,061	(459,854)	79,294	-	197,255
Unrestricted fixed assets	4,139	-	(4,139)	-	-	-
	180,893	401,061	(463,993)	79,294	-	197,255
Total Unrestricted funds	260,187	401,061	(463,993)	-	-	197,255
Restricted general funds						
General Annual Grant (GAG)	11,129	7,516,953	(7,520,140)	-	-	7,942
High Needs	-	209,927	(209,927)	-	-	-
Pupil Premium	-	300,071	(300,071)	-	-	-
Other DfE/ESFA grants	-	325,378	(325,378)	-	-	-
Other restricted funds	-	3,000	(3,000)	-	-	-
Diocesan property rental	-	157,440	(157,440)	-	-	-
Pension reserve	(2,737,000)	-	(429,000)	-	(495,000)	(3,661,000)
	(2,725,871)	8,512,769	(8,944,956)	-	(495,000)	(3,653,058)
Restricted fixed asset funds						
Fixed assets transferred on conversion	6,868,180	-	(144,340)	-	-	6,723,840
DfE/ESFA Capital Grants	96,429	113,597	(32,705)	-	-	177,321

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Fixed Assets purchased from GAG	3,123	-	(1,562)	-	-	1,561
	<u>6,967,732</u>	<u>113,597</u>	<u>(178,607)</u>	<u>-</u>	<u>-</u>	<u>6,902,722</u>
Total Restricted funds	<u>4,241,861</u>	<u>8,626,366</u>	<u>(9,123,563)</u>	<u>-</u>	<u>(495,000)</u>	<u>3,249,664</u>
Total funds	<u><u>4,502,048</u></u>	<u><u>9,027,427</u></u>	<u><u>(9,587,556)</u></u>	<u><u>-</u></u>	<u><u>(495,000)</u></u>	<u><u>3,446,919</u></u>

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

DESIGNATED FUNDS

ICT Sinking fund - This was transferred from the Local Authority on conversion and is to be used for the improvement and running of ICT and the funds were designated for this purpose. The funds were spent during the year and this is shown by way of a transfer.

UNRESTRICTED FUNDS

Unrestricted funds - This represents other amounts of unrestricted funds, which are to be used for educational purposes.

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

Other DfE/ESFA grants - This represents funding received from the ESFA for rates relief and Universal Infant Free School Meals.

Other restricted funds - This represents other small amounts of restricted funds, which are to be used for educational purposes.

Diocesan property rental - This is a notional rental charge payable to the diocese for the use of the church buildings. There is an equal notional rental donation received from the diocese to offset this charge.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess

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19. Statement of funds (continued)

of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy Trust.

DfE/ESFA Capital Grants - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Fixed assets purchased from GAG - This represents funds transferred from GAG to fund fixed asset purchases.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by Academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
The Sir John Colfox Academy	9,302	89,110
Bridport Primary School	94,428	83,889
Burton Bradstock Church of England School	(24,579)	(28,627)
Bridport St Mary's Church of England Primary School	114,465	101,019
Central	11,581	25,925
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	205,197	271,316
Restricted fixed asset fund	6,902,722	6,967,732
Pension reserve	(3,661,000)	(2,737,000)
	<hr/>	<hr/>
Total	3,446,919	4,502,048
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit
	£
Burton Bradstock Church of England School	(24,579)
	<hr/> <hr/>

**THE MINERVA LEARNING TRUST (DORSET)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

Burton Bradstock Church of England School

This was due to a fall in numbers in September 2018 from 84 to 76.

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

A recovery plan has been put in place, which has included the restructuring of Senior Leadership, introduction of a foundation unit, and restructuring of support services. This has enabled the school to set a balanced in year budget for 2019/20 and the three year plan is projecting a return to surplus in 2020/21.

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
The Sir John Colfox Academy	2,962,292	307,405	515,435	1,827,314	5,612,446
Bridport Primary School	1,182,227	190,871	77,983	197,371	1,648,452
Burton Bradstock Church of England School	323,158	44,740	25,575	99,256	492,729
Bridport St Mary's Church of England Primary School	745,394	100,437	330,202	-	1,176,033
Central	561,172	43,507	7,754	(137,283)	475,150
Academy Trust	5,774,243	686,960	956,949	1,986,658	9,404,810

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
ICT sinking fund	79,294	-	-	-	-	79,294
General funds						
Unrestricted funds	383,717	368,116	(575,079)	-	-	176,754
Unrestricted fixed assets	20,694	-	(16,555)	-	-	4,139
	404,411	368,116	(591,634)	-	-	180,893

THE MINERVA LEARNING TRUST (DORSET)
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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Total Unrestricted funds	483,705	368,116	(591,634)	-	-	260,187
Restricted general funds						
General Annual Grant (GAG)	52,268	7,501,357	(7,537,811)	(4,685)	-	11,129
High Needs	-	167,615	(167,615)	-	-	-
Pupil Premium	-	301,276	(301,276)	-	-	-
Other DfE/ESFA grants	-	213,460	(213,460)	-	-	-
Other restricted funds	-	3,000	(3,000)	-	-	-
Diocesan property rental	-	157,440	(157,440)	-	-	-
Pension reserve	(2,948,000)	-	(419,000)	-	630,000	(2,737,000)
	<u>(2,895,732)</u>	<u>8,344,148</u>	<u>(8,799,602)</u>	<u>(4,685)</u>	<u>630,000</u>	<u>(2,725,871)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	7,027,649	-	(159,469)	-	-	6,868,180
DfE/ESFA Capital Grants	87,639	38,156	(29,366)	-	-	96,429
Fixed Assets purchased from GAG	-	-	(1,562)	4,685	-	3,123
	<u>7,115,288</u>	<u>38,156</u>	<u>(190,397)</u>	<u>4,685</u>	<u>-</u>	<u>6,967,732</u>
Total Restricted funds	<u>4,219,556</u>	<u>8,382,304</u>	<u>(8,989,999)</u>	<u>-</u>	<u>630,000</u>	<u>4,241,861</u>
Total funds	<u><u>4,703,261</u></u>	<u><u>8,750,420</u></u>	<u><u>(9,581,633)</u></u>	<u><u>-</u></u>	<u><u>630,000</u></u>	<u><u>4,502,048</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,790,026	6,790,026
Current assets	197,255	582,460	112,696	892,411
Creditors due within one year	-	(574,518)	-	(574,518)
Pension scheme liability	-	(3,661,000)	-	(3,661,000)
Total	<u>197,255</u>	<u>(3,653,058)</u>	<u>6,902,722</u>	<u>3,446,919</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	4,139	-	6,939,916	6,944,055
Current assets	256,048	566,221	27,816	850,085
Creditors due within one year	-	(555,092)	-	(555,092)
Pension scheme liability	-	(2,737,000)	-	(2,737,000)
Total	<u>260,187</u>	<u>(2,725,871)</u>	<u>6,967,732</u>	<u>4,502,048</u>

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(560,129)	(831,213)
Adjustments for:		
Depreciation	182,746	206,952
Capital grants from DfE and other capital income	(113,597)	(38,156)
Interest received	(410)	(530)
Defined benefit pension scheme cost less contributions payable	358,000	344,000
Defined benefit pension scheme finance cost	71,000	75,000
(Increase)/Decrease in debtors	(66,151)	(42,320)
(Decrease)/Increase in creditors	19,424	(64,264)
Depreciation on disposal	(671)	-
Net cash used in operating activities	(109,788)	(350,531)

22. Cash flows from investing activities

	2019 £	2018 £
Interest received	410	530
Purchase of tangible fixed assets	(30,059)	(60,908)
Proceeds from the sale of tangible fixed assets	2,013	-
Capital grants from DfE Group	113,597	38,156
Net cash provided by/(used in) investing activities	85,961	(22,222)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	650,739	674,566
Total cash and cash equivalents	650,739	674,566

24. Pension commitments

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

24. Pension commitments (continued)

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

Contributions amounting to £69,912 were payable to the schemes at 31 August 2019 (2018 - £95,972) and are included within creditors.

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £550,529 (2018 - £548,610).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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24. Pension commitments (continued)

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 2019 was £317,000 (2018 - £335,000), of which employer's contributions totalled £244,000 (2018 - £264,000) and employees' contributions totalled £ 73,000 (2018 - £71,000). The agreed contribution rates for future years are 18.8% per cent for employers and 5.5%-12.5% per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.8	26.1
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	26.6	28.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(172)	(135)
Discount rate -0.1%	176	139
Mortality assumption - 1 year increase	225	170
Mortality assumption - 1 year decrease	(233)	(165)
CPI rate +0.1%	149	117
CPI rate -0.1%	(145)	(114)

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24. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities and gilts	1,879,000	1,668,000
Debt instruments	209,000	172,000
Cash	76,000	23,000
Property and infrastructure	461,000	358,000
Other investments	306,000	264,000
Total market value of assets	2,931,000	2,485,000

The actual return on scheme assets was £223,000 (2018 - £52,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(510,000)	(560,000)
Past service cost	(92,000)	(48,000)
Interest income	67,000	58,000
Interest cost	(138,000)	(133,000)
Total amount recognised in the Statement of Financial Activities	(673,000)	(683,000)

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

	2019	2018
	£	£
At 1 September	5,222,000	5,093,000
Current service cost	510,000	560,000
Interest cost	138,000	133,000
Employee contributions	73,000	71,000
Actuarial losses/(gains)	649,000	(638,000)
Benefits paid	(92,000)	(45,000)
Past service costs	92,000	48,000
At 31 August	6,592,000	5,222,000

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,485,000	2,145,000
Interest income	69,000	60,000
Actuarial gains/(losses)	154,000	(8,000)
Employer contributions	244,000	264,000
Employee contributions	73,000	71,000
Benefits paid	(92,000)	(45,000)
Administration expense	(2,000)	(2,000)
At 31 August	2,931,000	2,485,000

25. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	1,541,304	1,463,164
Between 1 and 5 years	6,133,335	5,827,651
After more than 5 years	9,163,803	10,141,150
	16,838,442	17,431,965

The Academy Trust has in place a School Agreement with Dorset County Council concerning a Private Finance Initiative (PFI) Agreement dated 19 March 2015. The annual commitment for the Academy Trust is made up of fixed and variable costs depending on the level of activity for the year. The costs are adjusted annually based on the RPI percentage for the past year.

The annual commitment for the year ended 31 August 2020 of £1,527,300 included in the above is based on the amount due for the year ended 31 March 2020 without any inflationary adjustment. £1,269,604 of the commitment will be paid from General Annual Grant. The balance of £257,697 is covered by additional funding from the ESFA.

26. Members' liability

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

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27. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 13.

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Academy Trust received £12,800 and disbursed £14,527 from the fund. At the beginning of the period, the Academy held £8,988 in other creditors relating to undistributed funds in prior year. An amount of £7,261 is therefore included in other creditors relating to undistributed funds for the period ended 31 August 2019 that is repayable to ESFA.

29. General Information

The Minerva Learning Trust (Dorset) is a company limited by guarantee, incorporated in England and Wales. The registered office is The Sir John Colfox Academy, Ridgeway, Bridport, Dorset, DT6 3DT.