

Company Registration No. 11716066 (England and Wales)

**CHILDREN FIRST LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

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CHILDREN FIRST LEARNING PARTNERSHIP

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CHILDREN FIRST LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Nicola Ann Chell
Sarah Bradley
Jody Graeme Shaw
Lesley Drumm
Stephen Chaddock

Trustees

Mr W M Holt (Appointed 6 December 2018)
Mrs S M Haydon (Appointed 6 December 2018)
Mr T J Bainbridge (Appointed 6 December 2018)
Mrs S L Tudor (Appointed 6 December 2018)
Mr W G Richings (Appointed 6 December 2018)
Mrs F Stagg (Chair) (Appointed 6 December 2018)
Mrs B Mounsey (Appointed 6 December 2018)
Mrs A Rourke (Appointed 6 December 2018)
Mrs N A Chell (Appointed 6 December 2018)

Senior management team

- Chief Executive Officer	A Rourke
- Chief Financial Officer	J Howard
- Headteacher	R Newton
- Headteacher	R Butler
- Headteacher	R Newton

Company registration number

11716066 (England and Wales)

Academies operated

The Reginald Mitchell Primary School
Oxhey First School
Kingsfield First School
Knypersley First School

Location

Stoke-on-Trent
Stoke-on-Trent
Stoke-on-Trent
Stoke-on-Trent

Principal

Mrs A Rourke
Mrs A Rourke
Mrs Butler
Mrs E Goodyear

Independent auditor

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Bankers

Lloyds Bank PLC
Fountain Square
Hanley
Stoke-on-Trent
ST1 1LE

Solicitors

Keelys LLP
28 Dam Street
Lichfield
Staffordshire
WS13 6AA

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 6 December 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 First Schools in Biddulph, Staffordshire and 1 Primary School in Kidsgrove, Staffordshire. Its academies have a combined pupil capacity of 1080 and had a roll of 969 in the school census in October 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Children First Learning Partnership are also the directors of the charitable company for the purposes of company law. The constituent academies of the trust are:

- Academy 1: Knypersley First School
- Academy 2: Kingsfield First School
- Academy 3: Oxhey First School
- Academy 4: The Reginald Mitchell Primary School

Details of the trustees who served during the period, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members and Trustees

Fiona Stagg, Chair of the Directors Board

Fiona is a National Leader of Governance. Fiona supports governance boards across the Midlands region. Fiona supports schools and academies by undertaking external reviews of governance, training and development, self-evaluation and mentoring and offers a clerking service. Fiona has been a governor for 15 years and is an experienced chair at primary level. Relevant Memberships include Fellow of the Royal Society of Arts, NASEN and the National Governance Association.

Nicola Chell, Vice Chair of the Directors Board

Nicola has been a Chair of governors for several years, where she led the governance team to effectively support the achievement of the Ofsted outstanding judgement at Knypersley First school.

Wayne Holt, Director and Chair of the Finance Audit and Resource Committee

Wayne is a qualified civil engineer with 30 years experience and owner and Director of a Civil and Structural Engineering Design Consultancy. Wayne has extensive knowledge and experience in business strategy, finance and employment law, and has a Master's degree in Management and Business.

Tim Bainbridge, Director

Tim has a background in Telecommunications, with previous business roles including leading teams of Engineers as a Field Engineer. Tim has 6 years experience working in a HR role as a Transition Manger and as an accredited Union Safety Representative. Tim now owns and operates a private business.

Benetia Mounsey, Director

Benetia has extensive experience in schools, from class teacher to senior leader, and more recently as a School Improvement Advisor. Benetia relishes the opportunity to utilize this experience working as part of the team of Directors at the Children First Learning Partnership.

Wayne Richings, Director

Wayne is part of a corporate team working as a Process and Applications Consultant and a Regional Logistics Manager in the technology sector. Wayne's core activities are within logistics, supply chain and project management, managing and supporting 3 sites in Europe for all logistics requirements. Wayne has extensive experience of project implementations, cost efficiency savings and initiative management.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Abigail Rourke, Director and Chief Executive Officer

Abigail is an experienced Headteacher, a National Leader of Education and an Ofsted Inspector. Abigail has led all of her schools from an Ofsted category of RI to Good, with two of those schools becoming Outstanding. Abigail has a MSc in School Effectiveness and has recently achieved her National Qualification of Executive Leadership.

Sarah Haydon, Director

Sarah is the Chief Officer at Biddulph Town Council. Sarah is a Member of the Chartered Institute of Housing and Principal Member of the Society of Local Council Clerks, with professional qualifications in both Housing and Local Council administration. Sarah has a BA Hons Degree in Politics and Modern History and a Masters Degree in International Politics.

Sarah Tudor, Director

Sarah is a Director of Employer Partnerships and Associate Professor of Work Based Education and Skills at Staffordshire University. Sarah has a Master's degree in Strategic Human Resource Management and is qualified to teach in post-16 education. Under Sarah's leadership, Staffordshire University has become one of the largest providers of higher and degree apprenticeships, this experience has led to Sarah playing a key role in a DfE policy lobby group to develop Ministers' and Civil Servants' understanding of higher and degree apprenticeships in practice. Sarah has recently been awarded an Associate Professorship at Staffordshire.

Jody Shaw, Chair of Members Board

Jody is currently Area Manager UK & Ireland for an Animal Nutrition and Health company. Jody has a wide range of experience in conducting S.W.O.T analysis, focused impact evaluation, resource allocation (labour and capital), strategic planning short-medium and long term with the primary element throughout being open, transparent and honest communication.

Sarah Bradley, Member

Sarah has an enhanced mental health qualification including in how to deal with self-harm and suicide. Sarah is also a family liaison officer dealing with families going through crisis (death of a relative). Sarah offers training to prison staff on how to deal with people with a mental health illness and is also a trained negotiator. Sarah has expertise in Safeguarding and Health and Safety.

Stephen Chaddock, Member

Stephen is a Senior Systems Analyst at a leading UK financial services firm. A core member of the IT teams delivering change and business agility, Stephen collaborates frequently with company directors and management in a number of governance committees to identify Key Performance Indicators (KPI), define strategy and analyse performance data.

Members' liability

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

Trustees' indemnities

As part of the overall insurance cover taken out with third party insurers the trust has taken out insurance relating to Governors' Indemnity through the Department for Education insurance scheme for academies, the Risk Protection Arrangement. The limit of Indemnity cover is unlimited in this respect.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

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.

Staff and parent trustees are recruited by nomination and election by the board of trustees. Community trustees are recruited by invitation from the Chair of the board of trustees of persons known to the academy trust who are able to benefit the academy trust by their knowledge and expertise. Staff trustees are recruited by nomination by all school staff. Parent trustees are invited to express an interest in joining the board of trustees and are elected by ballot. Other trustees are recruited by invitation from the Chair of the board of trustees of persons known to the academy trust who are able to benefit the academy trust by their knowledge and expertise.

The UK Corporate Governance Code, main principle B.1 and B.2 state:

The board and its committees should have the appropriate balance of skills and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. The search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender.

- Trustees are selected on an assessment of skills and experience of the individual who wishes to become a trustee but also of the existing trustees to ensure that the skills compliment those of the individuals already on the board;
- Founding Trustees were appointed on the above process;
- Term of Trustee's is 4 years to avoid entrenchment;
- Vacancies are advertised within academy schools to achieve a range of applicants with differing skills and experience, positive working relationships are encouraged and meetings are held at mutually convenient times.

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

A skills audit is performed to allocate the trustees to the committee to which their skills are best suited. The trustees then receive additional training on the responsibilities of being a part of the board of trustees of the academy trust.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Organisational structure

The board of trustees are responsible for the overall strategic direction of the academy trust. The trustees have a duty to act in the fulfilment of the academy trust objects. They set the strategic direction, and determine the policies and procedures of the academy trust whilst holding each academy within the academy trust to account. The trustees will meet at least three times a year and local governing body committees will report to meetings of the board of trustees throughout the year.

Each academy within the academy trust is governed by an academy committee which is appointed by the board of trustees and elected by staff and parents in a manner similar to the board of trustees. The academy committee is responsible for determining the strategic direction of the academy in accordance with the overall strategic direction of the academy trust. The academy committee should engage with the local community, constructively challenge the leadership team of the academy and provide evaluative feedback and supporting evidence to the board of trustees on the impact and effectiveness of the collective and individuals aims, objectives, policies, targets and future plans.

The board of trustees and each academy committee do not exercise a managerial role. The leadership and management across the academy trust is delegated by the board of trustees to the Senior Leadership Team within each academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

The Chief Executive Officer is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the Autumn term meeting.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	N/A
Total pay bill	N/A
Percentage of the total pay bill spent on facility time	N/A

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	N/A
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Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, no transactions have taken place with related parties and other connected charities and organisations.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

Vision - Our vision is to be one of the highest performing and constantly improving Trusts in the country with capacity and capability to support others for the benefit of all children.

Values – collaboration, honesty, inspiration, leadership, democracy, respect, equality and nurture.

Ethos - The Children First Learning Partnership is a community of schools in which our children come first; we are proud of each and every one of them and want them to thrive, flourish and achieve their full potential within a supportive and caring environment.

We will achieve this:

- through excellent teaching that challenges and inspires and through providing enrichment opportunities that support each child's development;
- by building a strong and collegiate identity for our Trust whilst recognising that each school within the Children First Learning Partnership has its own unique characteristics;
- through collaboration and joint working we will develop a culture in which we trust each other to ensure that all our schools share in, and benefit from, each other's strengths;
- by recruiting, retaining and developing the highest quality staff who nurture and inspire in order to deliver the best educational outcomes – and be the employer of choice;
- ensuring leadership development is focused on empowerment, accountability and improvement at every level;
- by working in partnership with other schools, MAT's and agencies to ensure that each school is at the heart of its community;
- by ensuring Members and Directors are accountable for the educational outcomes of every child in every school in the Trust, and the overall combined success of the MAT, including its financial viability, sustainability and integrity as we develop and grow;
- by ensuring that our Trust's sense of responsibility and accountability for every child's success permeates through all our schools, every Local Advisory Board (LAB) and every member of staff.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives, strategies and activities

The strategic goals of the academy trust are:

- To provide high quality education provision for all academies within the academy trust that improves the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge to each academy within the academy trust. There will be a focus on:
 - Establish and monitoring a system of governance through effective academy committees.
 - Providing intervention to support school improvement.
 - Developing collaborative curriculum activities to support key skill development, increasing independence and vocational/work-related learning.
 - Developing monitoring and evaluating strategies and procedures that will drive school improvement.
 - Supporting the procurement of best value central services.
 - Collaboratively sharing and supporting best practice.
- To provide the same high quality of education provision to pupils outside of the trust to help achieve the government's aim of the same standard of education for all children. This will be achieved by:
 - Developing a systematic marketing strategy and work with local stakeholders, Headteacher forums and the DfE to identify potential schools and academies that wish to join the academy trust.
 - Build capacity by creating a robust management structure which involves building a central team to support the board of trustees.
 - Develop training based on the expertise within the academy trust that can be delivered to other education providers.
 - Develop more effective means of collaboration with other education providers to share best practice and encourage greater innovation within the education sector.

Equal Opportunities

The trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the academy trust objective and aims and in planning future activities for the period. The trustees consider that the academy trust can clearly demonstrate that its aims are to advance education for public benefit.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Our objective

To provide high quality education provision for all academies within the academy trust that improve the outcomes of all of our pupils.

What we did

- Pupils to achieve to their full potential, making positive progress from their starting point.
- School performance data demonstrates attainment in line or better than national outcomes including for our most disadvantaged pupils.
- 100% of teaching and learning to be good or better across the whole curriculum.
- Number of exclusions to be below national averages.
- School attendance to be at least in line with national average.

Leadership

- All vacancies to be filled with good quality staff.
- All schools to be good or better as categorised by Ofsted.
- Parent, staff and pupil survey data illustrates satisfaction.
- All schools are fully compliant with health and safety, safeguarding and other statutory requirements.
- All schools are either at full capacity or are increasing their capacity.
- Staff absence is in line or below national benchmarks.
- Staff retention is in line or above national benchmarks.

Governance

- 100% of skills coverage within Director and Local Advisory Boards.
- Financial probity: no red flags raised in audit.
- Robust financial parameters maintained in all schools ensuring value for money and compliance with all ESFA expectations.
- Risk register ensures appropriate risk management.
- Number of complaints is low.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Key performance indicators

	Knypersley	Kingsfield	Oxhey	Reginald Mitchell
EYFS predictions for 2019	77% (23%)	73% (24%)	80% (49%)	82% (18%)
2019 Results	78% (20%)	73% (14%)	85% (15%)	79% (21%)
Year 2 SATS predictions for 2019	R - 75% (23%) W - 78% (20%) M - 79% (18%)	R - 81% (35%) W - 75% (27%) M - 85% (28%)	R - 96% (49%) W - 96% (38%) M - 93% (56%)	R - 77% (33%) W - 77% (26%) M - 86% (26%)
2019 Results	R - 80% (30%) W - 77% (23%) M - 87% (27%)	R - 88% (42%) W - 85% (30%) M - 88% (33%)	R - 93% (33%) W - 93% (27%) M - 96% (36%)	R - 80% (37%) W - 80% (33%) M - 90% (37%)
Year 6 SATS predictions for 2019 (Y4 if first school)	Y4 R - 90% (40%) W - 82% (37%) M - 81.5% (38%)	Y4 R - % () W - % () M - % ()	Y4 R - 96% (69%) W - 88% (50%) M - 86% (66%)	R - 86% (28%) W - 83% (21%) M - 82% (25%)
2019 Results	R - 87% (42%) W - 87% (33%) M - 88% (38%)	R - 81% (22%) W - 77% (21%) M - 85% (25%)	R - 81% (13%) W - 83% (4%) M - 83% (21%)	R - 82% (14%) W - 82% (21%) M - 86% (18%) SPAG - 86% (14%)
	<u>Knypersley First School</u>	<u>Kingsfield First School</u>	<u>Oxhey First School</u>	<u>The Reginald Primary School</u>
Ofsted inspection outcome	Outstanding	Good	Good	Good
Spend on teaching staff as a percentage of total expenditure	39%	42%	43%	41%
Spend on education support staff as a percentage of total expenditure	24%	23%	21%	23%
Spend on administrative and clerical staff as a percentage of total expenditure	5%	4%	5%	4%
Average teacher cost	£50,143	£48,878	£56,402	£42,341
Senior leaders as a percentage of workforce	6%	7%	7%	8%
Pupil to teacher ratio	27	21	26	18
Pupil to adult ratio	8	9	8	8
Average class size	30	26	28	29
Predicted percentage pupil number change in 3-5 years	0%	-2%	0%	0%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Financial review

Income for the period was £7,637,367 of which £1,843,873 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. £5,414,069 of this income related to the transfer of Land and Buildings (£6,932,068), Pension deficit (£2,149,000) and balances (£631,001) donated from the local authority on conversion. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £379,425.

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £2,222,712 with the largest element of this expenditure being attributed to staff costs totalling £2,206,226 for the period. The depreciation charge on assets of £53,785 has been included. Net Income for the period was £5,414,655.

The academy trust element of the County Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2019, showing a net deficit of £2,495,000.

As at 31 August 2019, the net book value of fixed assets was £6,919,807 and the movement in tangible fixed assets are shown in Note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

The Accounting Officer together with the Finance, Audit and Resource Committee is responsible for reviewing the financial procedures on an annual basis and recommending approval to the Board of Trustees. Individual school budgets are monitored on a monthly basis with reports and commentary on income and expenditure against budget provided reported to the Chair of Trustees and reviewed at each Finance, Audit and Resource Committee meeting.

Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education & Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

As at 31 August 2019 the academy trust has free reserves of £747,115 with unrestricted funds of £589,395 and restricted funds of £157,720.

Investment policy

No investments have been made during the period but it should be noted that the Academy Trust has opportunities with regards to investment due to cash balances held in the central bank account. A Trust Investment policy is yet to be fully implemented, however at Academy level the funds the Academy has access to can cover any immediate expenditure, without exposing the Academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31st August 2019 no investments were held.

CHILDREN FIRST LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Principal risks and uncertainties

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £2,495,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Fundraising

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

Plans for future periods

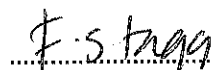
As a recently established MAT (5 months), we are committed to improving educational outcomes for pupils across our schools and to provide financial security that will enable our schools to achieve this. The Trust is keen to increase the number of academies within its Multi Academy that will fit our vision, values and ethos, and also enable us to achieve greater financial security.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16.12.19..... and signed on its behalf by:



Mrs F Stagg
Chair

CHILDREN FIRST LEARNING PARTNERSHIP

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

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

Trustees	Meetings attended	Out of possible
Mr W M Holt (Appointed 6 December 2018)	2	3
Mrs S M Haydon (Appointed 6 December 2018)	2	3
Mr T J Bainbridge (Appointed 6 December 2018)	2	3
Mrs S L Tudor (Appointed 6 December 2018)	3	3
Mr W G Richings (Appointed 6 December 2018)	2	3
Mrs F Stagg (Chair) (Appointed 6 December 2018)	3	3
Mrs B Mounsey (Appointed 6 December 2018)	2	3
Mrs A Rourke (Appointed 6 December 2018)	3	3
Mrs N A Chell (Appointed 6 December 2018)	3	3

A review of governance is planned to be completed by the Spring of 2020 when the Children First Learning Partnership will have been in operation for 12 months.

The finance, audit and resource committee is a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the Academy Trust's financial governance, financial arrangements, legislative compliance, internal control, risk management and value for money framework.

Particular issues dealt with this period is establishing financial procedures and achieving a workable cash flow level. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr W M Holt (Appointed 6 December 2018)	3	3
Mrs S M Haydon (Appointed 6 December 2018)	2	3
Mr W G Richings (Appointed 6 December 2018)	2	3
Mrs A Rourke (Appointed 6 December 2018)	3	3
Mrs N A Chell (Appointed 6 December 2018)	3	3

Review of value for money

As Accounting Officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

CHILDREN FIRST LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- using economies of scale provided by the four school's to obtain price reductions in service level agreements for IT, accountancy, data protection, property maintenance, legal and eLearning licences.
- reducing support staff costs by centralising support staff roles.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Children First Learning Partnership for the period from 6 December 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 trustees.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 6 December 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 trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, audit and resource 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 trustees has considered the need for a specific internal audit function and has decided to appoint an appropriately qualified and experienced external auditor who is a Local Advisory Board member as responsible officer for internal audit, approved an internal audit checklist, with Internal audit reports to be presented to Finance, Audit and Resource Committee.

- To appoint James Flowers as internal auditor to carry out a programme of internal checks.

CHILDREN FIRST LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/bank reconciliations.

On a quarterly basis, James Flowers the internal auditor reports to the board of trustees, through the Finance, Audit and Resource Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. This is to commence in December 2019.

Review of effectiveness

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

- The work of the external auditor;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Resource Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place by being recorded in the minutes of the Finance, Audit and Resource Committee

Approved by order of the board of trustees on 16.12.19 and signed on its behalf by:

F Stagg

Mrs F Stagg
Chair

A Rourke

Mrs A Rourke
CEO/AO

CHILDREN FIRST LEARNING PARTNERSHIP

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2019

As Accounting Officer of Children First Learning Partnership 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the 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.



Mrs A Rourke
Accounting Officer

16.12.19

CHILDREN FIRST LEARNING PARTNERSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees (who are also the directors of Children First Learning Partnership for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 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 in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16.12.19 and signed on its behalf by:


Mrs F Stagg
Chair

CHILDREN FIRST LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN FIRST LEARNING PARTNERSHIP

FOR THE PERIOD ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Children First Learning Partnership for the period ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

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

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.

CHILDREN FIRST LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN FIRST LEARNING PARTNERSHIP (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

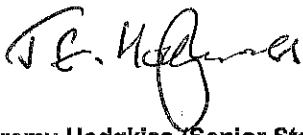
CHILDREN FIRST LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHILDREN FIRST LEARNING PARTNERSHIP (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Use of our report

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



Jeremy Hodgkiss (Senior Statutory Auditor)

for and on behalf of Deans

Chartered Accountants

Statutory Auditor

Gibson House

Hurricane Court

Hurricane Close

Stafford

ST16 1GZ

20 December 2019

CHILDREN FIRST LEARNING PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN FIRST LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 3 October 2019 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 Children First Learning Partnership during the period 6 December 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 Children First Learning Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Children First Learning Partnership 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 Children First Learning Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Children First Learning Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Children First Learning Partnership's funding agreement with the Secretary of State for Education dated 28 March 2019 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 period from 6 December 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.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- a review of minutes and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Officer and Governing Body;
- tests of control have been carried out on control activities which are relevant to regularity and;
- on a sample basis, substantive testing of individual transactions.

CHILDREN FIRST LEARNING PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHILDREN FIRST LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 6 December 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.



Reporting Accountant

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Dated: 20 December 2019

CHILDREN FIRST LEARNING PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	17	-	26,733	26,750
Donations - transfer from local authority on conversion	26	631,001	(2,149,000)	6,932,068	5,414,069
Charitable activities:					
- Funding for educational operations	4	-	2,034,754	-	2,034,754
Other trading activities	5	87,597	74,105	-	161,702
Investments	6	92	-	-	92
Total		<u>718,707</u>	<u>(40,141)</u>	<u>6,958,801</u>	<u>7,637,367</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	6,560	2,145,881	53,785	2,206,226
Total	7	<u>6,560</u>	<u>2,145,881</u>	<u>53,785</u>	<u>2,206,226</u>
Net income/(expenditure)		712,147	(2,186,022)	6,905,016	5,431,141
Transfers between funds	19	(122,752)	64,742	58,010	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(216,000)	-	(216,000)
Net movement in funds		589,395	(2,337,280)	6,963,026	5,215,141
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>589,395</u>	<u>(2,337,280)</u>	<u>6,963,026</u>	<u>5,215,141</u>

CHILDREN FIRST LEARNING PARTNERSHIP

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019	
		£	£
Fixed assets			
Tangible assets	13		6,936,293
Current assets			
Debtors	15	763,554	
Cash at bank and in hand		442,300	
		<u>1,205,854</u>	
Current liabilities			
Creditors: amounts falling due within one year	16	(381,247)	
Net current assets			<u>824,607</u>
Total assets less current liabilities			<u>7,760,900</u>
Creditors: amounts falling due after more than one year	17		(50,759)
Net assets before defined benefit pension scheme liability			<u>7,710,141</u>
Defined benefit pension scheme liability	21	(2,495,000)	
Total net assets			<u>5,215,141</u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds			6,963,026
- Restricted income funds			157,720
- Pension reserve			(2,495,000)
Total restricted funds			<u>4,625,746</u>
Unrestricted income funds	19		<u>589,395</u>
Total funds			<u>5,215,141</u>

The financial statements on pages 23 to 45 were approved by the trustees and authorised for issue on 16.12.19 and are signed on their behalf by:

F. Stagg
 Mrs F Stagg
 Chair

Company Number 11716066

CHILDREN FIRST LEARNING PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	2019 £	£
Cash flows from operating activities			
Net cash used in operating activities	22		(215,526)
Cash funds transferred on conversion			631,001
			<u>415,475</u>
Cash flows from investing activities			
Interest received		92	
Capital grants from DfE Group		26,733	
Purchase of tangible fixed assets		(58,010)	
		<u></u>	
Net cash used in investing activities			(31,185)
Cash flows from financing activities			
New other loan		58,010	
		<u></u>	
Net cash provided by/(used in) financing activities			58,010
Net increase in cash and cash equivalents in the reporting period			<u>442,300</u>
Cash and cash equivalents at beginning of the year			-
Cash and cash equivalents at 31 August 2019			<u><u>442,300</u></u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 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

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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.

Children First Learning Partnership 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from The Reginald Mitchell Primary School, Oxhey First School, Kingsfield First School and Knypersley First School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and Buildings

On the transfer date of 1 April 2019, the trust was gifted land and buildings by Staffordshire County Council. These assets have been credited as a donation in the restricted fixed asset funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Local Government Pension Scheme (LGPS) Deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to Children First Learning Partnership on 1 April 2019. The deficit on the LGPS has been debited as a donation in the restricted funds column of the Statement of Financial Activities and included in the LGPS Liability on the balance sheet.

Cash

Cash balances at 1 April 2019 in respect of the maintained school and school funds were transferred to Children First Learning Partnership. These cash balances have been credited as a donation in the Statement of Financial Activities under the unrestricted fund columns and included within the cash at bank balance on the balance sheet.

Further details of the transaction are set out in note 26.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Income

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

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Transfer of assets on conversion

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land	125 years - the length of the lease
Leasehold buildings	15 - 30 years
Leasehold improvements	10 years

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

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.7 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

1.13 Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.15 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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 Trustees have considered the classification of depreciation between direct and support costs. The depreciation charge has been allocated based on the proportion of admin support staff.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £
Capital grants	-	26,733	26,733
Other donations	17	-	17
	17	26,733	26,750
	17	26,733	26,750

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £
DfE / ESFA grants			
General annual grant (GAG)	-	1,525,254	1,525,254
Start up grants	-	100,000	100,000
Other DfE group grants	-	218,619	218,619
	-	1,843,873	1,843,873
	-	1,843,873	1,843,873
Other government grants			
Local authority grants	-	190,881	190,881
	-	190,881	190,881
	-	190,881	190,881
Total funding	-	2,034,754	2,034,754
	-	2,034,754	2,034,754

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
Hire of facilities	375	-	375
Catering income	23,127	-	23,127
Parental contributions	-	74,105	74,105
Other income	64,095	-	64,095
	<u>87,597</u>	<u>74,105</u>	<u>161,702</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £
Short term deposits	92	-	92
	<u>92</u>	<u>-</u>	<u>92</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £
Academy's educational operations				
- Direct costs	1,309,570	51,096	108,466	1,469,132
- Allocated support costs	384,880	96,018	256,196	737,094
	<u>1,694,450</u>	<u>147,114</u>	<u>364,662</u>	<u>2,206,226</u>

Net income/(expenditure) for the PERIOD includes:

	2019 £
Fees payable to auditor for audit services	9,765
Operating lease rentals	1,531
Depreciation of tangible fixed assets	53,785
Net interest on defined benefit pension liability	24,000
	<u>88,081</u>

8 Central services

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

- CEO/CFO costs;
- human resources;
- financial services;
- legal services;
- educational support services.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

8 Central services

(Continued)

The academy trust charges for these services at 4% of GAG income.

The amounts charged during the period were as follows:

	2019 £
The Reginald Mitchell Primary School	14,340
Oxhey First School	13,265
Kingsfield First School	15,430
Knypersley First School	18,060
	<u>61,095</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
Direct costs			
Educational operations	5,293	1,463,839	1,469,132
Support costs			
Educational operations	1,267	735,827	737,094
	<u>6,560</u>	<u>2,199,666</u>	<u>2,206,226</u>
			2019 £
Analysis of support costs			
Support staff costs			384,910
Depreciation			2,689
Technology costs			4,014
Premises costs			93,329
Other support costs			221,353
Governance costs			30,799
			<u>737,094</u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the period were:

	2019 £
Wages and salaries	1,237,055
Social security costs	105,033
Pension costs	343,532
	<hr/>
Amounts paid to employees	1,685,620
Agency staff costs	8,830
	<hr/>
Amounts paid to staff	1,694,450
Staff development and other staff costs	2,857
	<hr/>
Total staff expenditure	1,697,307
	<hr/> <hr/>

Staff numbers

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

	2019 Number
Teachers	39
Administration and support	8
Management	4
	<hr/>
	51
	<hr/> <hr/>

Higher paid staff

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

	2019 Number
£90,000 - £100,000 (£37,500 - £41,667 pro rata)	1
	<hr/> <hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £164,347.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

A Rourke (Chief Executive Officer)

- Remuneration £40,000 - £45,000
- Employer's pension contributions £5,000 - £10,000

No Travel and subsistence payments were made to trustees during the period.

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

12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

	Leasehold land and improvements buildings	Leasehold buildings	Total
	£	£	£
Cost			
At 6 December 2018	-	-	-
Transfer on conversion	6,932,068	-	6,932,068
Additions	-	58,010	58,010
	<u>6,932,068</u>	<u>58,010</u>	<u>6,990,078</u>
At 31 August 2019	6,932,068	58,010	6,990,078
Depreciation			
At 6 December 2018	-	-	-
Charge for the period	51,368	2,417	53,785
	<u>51,368</u>	<u>2,417</u>	<u>53,785</u>
At 31 August 2019	51,368	2,417	53,785
Net book value			
At 31 August 2019	<u>6,880,700</u>	<u>55,593</u>	<u>6,936,293</u>

14 Financial instruments

	2019
	£
Carrying amount of financial liabilities	
Measured at amortised cost	<u>260,501</u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

14 Financial instruments (Continued)

Financial liabilities measured at amortised cost comprise trade creditors and other loans

15 Debtors	2019
	£
VAT recoverable	47,137
Prepayments and accrued income	716,417
	<u>763,554</u>

16 Creditors: amounts falling due within one year	2019
	£
Other loans	7,251
Trade creditors	202,491
Other creditors	(293)
Accruals and deferred income	171,798
	<u>381,247</u>

Included above are loans of £7,251 from Salix which are interest free loans due to be repaid over 8 years.

17 Creditors: amounts falling due after more than one year	2019
	£
Other loans	50,759
	<u>50,759</u>

Analysis of loans

Not wholly repayable within five years by instalments	58,010
Less: included in current liabilities	(7,251)
	<u>50,759</u>

Loan maturity

Debt due in one year or less	7,251
Due in more than one year but not more than two years	7,251
Due in more than two years but not more than five years	21,754
Due in more than five years	21,754
	<u>58,010</u>

Included above are loans of £50,759 from Salix which are interest free loans due to be repaid over 8 years.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

18	Deferred income	2019
		£
	Deferred income is included within:	
	Creditors due within one year	118,538
		<u>118,538</u>
	Resources deferred in the period	118,538
		<u>118,538</u>
	Deferred income at 31 August 2019	118,538

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

19	Funds		Gains, losses and transfers	Balance at 31 August 2019
		Income	Expenditure	
		£	£	£
	Restricted general funds			
	General Annual Grant (GAG)	1,525,254	(1,709,695)	184,441
	Start up grants	100,000	-	(100,000)
	Other DfE / ESFA grants	218,619	(170,643)	-
	Other government grants	190,881	(85,568)	(22,699)
	Other restricted funds	74,105	(49,975)	3,000
	Pension reserve	(2,149,000)	(130,000)	(216,000)
		<u>(40,141)</u>	<u>(2,145,881)</u>	<u>(151,258)</u>
		<u>6,958,801</u>	<u>(53,785)</u>	<u>58,010</u>
	Restricted fixed asset funds			
	Inherited on conversion	6,932,068	(51,368)	-
	DfE group capital grants	26,733	-	-
	Capital expenditure from GAG	-	(2,417)	58,010
		<u>6,958,801</u>	<u>(53,785)</u>	<u>58,010</u>
		<u>6,918,660</u>	<u>(2,199,666)</u>	<u>(93,248)</u>
	Total restricted funds	6,918,660	(2,199,666)	(93,248)
	Unrestricted funds			
	General funds	718,707	(6,560)	(122,752)
		<u>718,707</u>	<u>(6,560)</u>	<u>(122,752)</u>
	Total funds	7,637,367	(2,206,226)	(216,000)
		<u>7,637,367</u>	<u>(2,206,226)</u>	<u>(216,000)</u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Funds

(Continued)

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

Restricted General Funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from the Education and Skills Funding Agency and local authorities.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

Total funds analysis by academy

	2019
	£
Fund balances at 31 August 2019 were allocated as follows:	
The Reginald Mitchell Primary School	186,019
Oxhey First School	184,521
Kingsfield First School	158,770
Knypersley First School	200,786
Central services	17,019
	<hr/>
Total before fixed assets fund and pension reserve	747,115
Restricted fixed asset fund	6,963,026
Pension reserve	(2,495,000)
	<hr/>
Total funds	5,215,141
	<hr/> <hr/>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
The Reginald Mitchell Primary School	281,902	62,293	11,334	60,351	415,880
Oxhey First School	255,677	65,682	7,216	69,199	397,774
Kingsfield First School	343,073	55,902	9,085	88,705	496,765
Knypersley First School	375,584	85,106	13,227	93,935	567,852
Central services	53,330	115,895	67,605	37,335	274,165
	<u>1,309,566</u>	<u>384,878</u>	<u>108,467</u>	<u>349,525</u>	<u>2,152,436</u>

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	6,936,293	6,936,293
Current assets	589,395	589,726	26,733	1,205,854
Creditors falling due within one year	-	(381,247)	-	(381,247)
Creditors falling due after one year	-	(50,759)	-	(50,759)
Defined benefit pension liability	-	(2,495,000)	-	(2,495,000)
Total net assets	<u>589,395</u>	<u>(2,337,280)</u>	<u>6,963,026</u>	<u>5,215,141</u>

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £110,781.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

As described in note 26 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2019
	£
Employer's contributions	120,000
Employees' contributions	28,000
	<hr/>
Total contributions	148,000
	<hr/> <hr/>

Principal actuarial assumptions	2019
	%
Rate of increase in salaries	2.7
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	1.9
	<hr/> <hr/>

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

	2019
	Years
Retiring today	
- Males	21.1
- Females	23.5
Retiring in 20 years	
- Males	22.2
- Females	24.8
	<hr/> <hr/>

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

	2019
Discount rate + 0.1%	(128,800)
Discount rate - 0.1%	128,800
Mortality assumption + 1 year	139,000
Mortality assumption - 1 year	(139,000)
CPI rate + 0.1%	105,200
CPI rate - 0.1%	(105,200)
	<hr/> <hr/>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

21 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £
Equities	1,449,760
Bonds	469,040
Property	170,560
Other assets	42,640
Total market value of assets	<u>2,132,000</u>

The actual return on scheme assets was £132,000.

Amount recognised in the Statement of Financial Activities	2019 £
Current service cost	198,000
Past service cost	28,000
Interest income	(19,000)
Interest cost	43,000
Total operating charge	<u>250,000</u>

Changes in the present value of defined benefit obligations	2019 £
Obligations acquired on conversion	4,001,000
Current service cost	198,000
Interest cost	43,000
Employee contributions	28,000
Actuarial loss	329,000
Past service cost	28,000
At 31 August 2019	<u>4,627,000</u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

21 Pension and similar obligations	(Continued)
Changes in the fair value of the academy trust's share of scheme assets	
	2019
	£
Assets acquired on conversion	1,852,000
Interest income	19,000
Actuarial gain	113,000
Employer contributions	120,000
Employee contributions	28,000
	<hr/>
At 31 August 2019	2,132,000
	<hr/> <hr/>
22 Reconciliation of net income to net cash flow from operating activities	2019
	£
Net income for the reporting period (as per the statement of financial activities)	5,431,141
Adjusted for:	
Net surplus on conversion to academy	(5,414,069)
Capital grants from DfE and other capital income	(26,733)
Investment income receivable	(92)
Defined benefit pension costs less contributions payable	106,000
Defined benefit pension scheme finance cost	24,000
Depreciation of tangible fixed assets	53,785
(Increase) in debtors	(763,554)
Increase in creditors	373,996
	<hr/>
Net cash used in operating activities	(215,526)
	<hr/> <hr/>
23 Commitments under operating leases	
At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:	
	2019
	£
Amounts due within one year	7,187
Amounts due in two and five years	21,462
Amounts due after five years	12,628
	<hr/>
	41,277
	<hr/> <hr/>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Related party transactions

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

25 Members' liability

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

26 Conversion to an academy

On 1 April 2019 Kingsfield First School, Knypersley First School, Oxhey First School and The Reginald Mitchell Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Children First Learning Partnership from the Staffordshire Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion	
The Reginald Mitchell Primary School	Stoke-on-Trent	1 April 2019	
Oxhey First School	Stoke-on-Trent	1 April 2019	
Kingsfield First School	Stoke-on-Trent	1 April 2019	
Knypersley First School	Stoke-on-Trent	1 April 2019	
Net assets transferred:			2019
			£
Leasehold land and buildings			6,932,068
Cash			631,001
Pension scheme deficit			(2,149,000)
			<u>5,414,069</u>

The Reginald Mitchell Primary School

	Unrestricted Funds	Restricted funds:		Total
	£	General	Fixed asset	2019
Funds surplus/(deficit) transferred:		£	£	£
Fixed assets funds	-	-	1,219,670	1,219,670
LA budget funds	142,930	-	-	142,930
	<u>142,930</u>	<u>-</u>	<u>1,219,670</u>	<u>1,362,600</u>

CHILDREN FIRST LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

26 Conversion to an academy

(Continued)

Oxhey First School

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
	£	£	£	£
Fixed assets funds	-	-	1,727,643	1,727,643
LA budget funds	128,475	-	-	128,475
	<u>128,475</u>	<u>-</u>	<u>1,727,643</u>	<u>1,856,118</u>

Kingsfield First School

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
	£	£	£	£
Fixed assets funds	-	-	1,834,782	1,834,782
LA budget funds	147,769	-	-	147,769
	<u>147,769</u>	<u>-</u>	<u>1,834,782</u>	<u>1,982,551</u>

Knypersley First School

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
	£	£	£	£
Fixed assets funds	-	-	2,149,973	2,149,973
LA budget funds	211,827	-	-	211,827
	<u>211,827</u>	<u>-</u>	<u>2,149,973</u>	<u>2,361,800</u>

Total

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2019
	£	£	£	£
Fixed assets funds	-	-	6,932,068	6,932,068
LA budget funds	631,001	-	-	631,001
LGPS pension funds	-	(2,149,000)	-	(2,149,000)
	<u>631,001</u>	<u>(2,149,000)</u>	<u>6,932,068</u>	<u>5,414,069</u>