

Report of the Trustees and
Financial Statements For The Period 8 March 2017 to 31 August 2017
for



Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Link Learning Trust

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For The Period 8 March 2017 to 31 August 2017

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Link Learning Trust

Reference and Administrative Details
For The Period 8 March 2017 to 31 August 2017

MEMBERS	Lord K J Bradley (appointed 8.3.2017) I T Williamson (appointed 8.3.2017) K J Doyle (appointed 8.3.2017)
TRUSTEES	Lord K Bradley (Chair of Link Learning Trust) (appointed 8.3.2017) S Ferris (appointed 8.3.2017) J Kennedy (appointed 8.3.2017) J M Fye (appointed 8.3.2017) T C N Hilton (appointed 8.3.2017) S Johnson (appointed 8.3.2017) T W Matthews (appointed 8.3.2017) J M E Shuttleworth (appointed 8.3.2017) C A Starbuck (appointed 8.3.2017) A R Young (appointed 8.3.2017)
SENIOR MANAGEMENT TEAM	S Ferris (Executive team) (appointed 8.3.2017) J Kennedy (Accounting Officer) (appointed 8.3.2017)
REGISTERED OFFICE	Brookburn Primary School Brookburn Road Chorlton - Cum - Hardy Manchester M21 8EH
REGISTERED COMPANY NUMBER	10660172 (England and Wales)
AUDITORS	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU
SOLICITORS	Browne Jacobson 18-22 Bridge Street Manchester M3 3BZ
BANKERS	Lloyds Bank Market Street Manchester M1 1PW

Link Learning Trust

Report of the Trustees **For The Period 8 March 2017 to 31 August 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 8 March 2017 to 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 8 March 2017 to 31st August 2017. This report serves the purpose of both a trustees' report, and a directors' report under company law.

The principal activity of the charitable company is the operation of LINK Learning Trust to provide education for pupils and students of a range of ability between the ages of 2 to 11. This is the primary object of the multi academy trust as set out in paragraph 4 of the articles of association of the company limited by guarantee.

On 1 April 2017, the activities, assets and liabilities of Brookburn Community Primary School and Barlow Hall Primary School were transferred to LINK Learning Trust.

INCORPORATION

The charitable company was incorporated on 8 March 2017.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The Academy Trust's objects are specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Our vision is a world where all children and young people are given the opportunity to thrive, succeed and aspire. Link Learning Trust intends to achieve this through our LINK Vision:

Learning Together
Inspiring each other
Nurturing and valuing
Knowledge that builds futures

The children are at the centre of what everything we do. Every pupil will be supported and challenged to reach their potential. We aim to provide the best possible preparation for our pupils to contribute to society and look for the best in everyone. Our view is that everyone in our organisation should want to learn and to contribute positively to the academy and wider society.

We aim for every child to leave our schools with the essential skills they need to contribute effectively to society and to become well-rounded, confident, happy adults. Our LINK Vision should help us to achieve this aim.

Link Learning Trust

Report of the Trustees For The Period 8 March 2017 to 31 August 2017

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

LINK Learning Trust (LLT) Board have agreed four key strategic business objectives for LLT which will steer our growth and development over the next three years. These are:

- Increasing quality of provision from all our schools
- Ensuring a financially viable and sustainable Multi Academy Trust
- Sponsoring and improving schools in need of help and support
- Developing new partnerships and a growth model for our MAT

'The Big 5'

At Multi Academy Trust level, the 'big five' performance priorities will drive our schools' improvement and enable us to review and challenge; so we are able to deliver high quality teaching and learning in our schools.

- All children are making at least expected progress
- More children are making better than expected progress year on year
- 100% of teaching is judged as good or better
- Pupil attendance is in line with the national average or higher
- All schools in the trust will become a 'Rights Respecting' School

Our Values, Mission and Goals

Our vision -

Learning together
Inspiring each other
Nurturing and valuing
Knowledge that builds futures

Our mission -

We provide an inspirational experience that develops imaginative learners who take ownership of their learning, are proud of their achievements, and are prepared for a life in modern Britain.

Our goals - parents will want their children to be educated at one of our MAT schools because we:

Develop good citizens
Ignite learning and develop excellent teaching
Grow exceptional leaders
Focus on performance
Provide public value

Our values are embedded through every layer of governance and drive everything we do.

Child centric - children are our raison d'etre.

Collaborative - we learn with and from each other.

Creative - we are innovative and forward thinking.

Responsive - we serve the needs of our communities.

Passionate - about improving children's life chances.

Inclusive - we celebrate diversity and challenge prejudice and ignorance.

Relentless - we are progress orientated, no child left behind.

Excellence - we are driven by purpose - the pursuit of school improvement.

Positive - we challenge fixed mindsets and promote growth mindsets.

Resources

Our people are our most valuable and important asset

We want LINK Learning Trust to support the development of our staff and for working at one of our schools to be career enhancing. We are focused on creating the right working environment so people can give of their best in all that they do, in line with the Trust's values and ways of working.

Our working culture and behaviours

We are clear about the behaviours we are looking for and reflect these in our ways of working, training and performance management. We value staff feedback through day to day communications and surveys so we can continue to monitor staff engagement and retention issues.

Using data and information effectively

We are information led and take responsibility for the quality of our data both in our external audit and standards work and in managing ourselves. We use data to improve our organisational management and prioritise the use of resources. This means supporting our people to deliver high quality work through good integrated planning, robust risk and project management and prioritisation and the ability to work flexibly across our schools.

Working collaboratively

We seek to work collaboratively both across our organisation and with other MATS, LAs, Teaching School Alliances and with all other agencies. We will use our experts across the Trust to use methods and consistent comparative frameworks to ensure we always deliver the best the Trust has to offer to all.

Link Learning Trust

Report of the Trustees

For The Period 8 March 2017 to 31 August 2017

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

Efficient business systems

All our business support functions will seek to provide the essential services that our schools need. Our Business Support Team will endeavour to provide a service that can give the best possible support to teaching and learning. We will build a culture of efficiency ensuring we use systems and procedures in the most efficient manner possible by digital investment and streamlining activities across the trust.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit, when reviewing the charity's aims and objectives and in planning future activities.

The key public benefit delivered by the Trust is the provision of high quality education to the pupils. The Academies Trust seeks to provide the cultural, physical, spiritual, social as well as academic development of its pupils.

Both schools are used as a resource by the local community. They are used by community groups ranging from, sports clubs to a full range of evening activities including yoga, kettle bells and Zumba.

Link Learning Trust

Report of the Trustees
For The Period 8 March 2017 to 31 August 2017

ACHIEVEMENT AND PERFORMANCE

Key Performance Indicators

The academic year 2016-17 has been one of substantial change for both schools within the newly formed Multi Academy Trust. The Trust was incorporated in March 2017 and the assets and liabilities of Barlow Hall Primary School and Brookburn Primary School were transferred into the Trust from the Local Authority on 1 April 2017. Both schools have seen significant change over the course of the period from 1 April 2017 to 31 August 2017 in terms of leadership and the Trust's governance structure - we now feel in a good position to grow as and develop as a Multi Academy Trust.

Standards Across the Trust in 2017

Early Years Foundation Stage

Expected standard	National average	Brookburn	Barlow Hall
Good level of development	71%	75%	63%
Communication and language	82%	82%	80%
Physical development	88%	87%	93%
Personal, social and emotional	85%	82%	90%
Literacy	77%	75%	69%
Reading	77%	83%	73%
Writing	73%	75%	64%
Maths	77%	80%	76%
Understanding of the world	83%	78%	90%
Expressive arts	86%	87%	100%

Expected standard	National average	Brookburn	Barlow Hall
Reading	76%	84%	86%
Writing	68%	62%	74%
Maths	75%	77%	81%
Phonics	81%	85%	75%
Combined	64%	57%	72%

Greater depth (exceeding the standard)	National average	Brookburn	Barlow Hall
Reading	25%	31%	21%
Writing	16%	15%	12%
Maths	20%	20%	16%
Combined	11%	11%	12%

Key Stage 2

Expected standard	National average	Brookburn	Barlow Hall
Reading	71%	92%	83%
Writing	76%	80%	83%
Maths	75%	90%	87%
SPAG	77%	90%	83%
Combined	61%	80%	83%

Greater depth (exceeding the standard)	National average	Brookburn	Barlow Hall
Reading	24%	58%	27%
Writing	18%	17%	3%
Maths	22%	46%	23%
SPAG	31%	39%	27%
Combined	9%	14%	3%

Link Learning Trust
Report of the Trustees
For The Period 8 March 2017 to 31 August 2017

FINANCIAL REVIEW

Financial Review

Revenue income received in the year relates predominantly to grants received from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant and Pupil Premium Grant which are shown as restricted general funds in the Statement of Financial Activities.

In the five month period the Trust has had a total income (excluding balances transferred on conversion) of £1,747k and total expenditure (excluding depreciation and FRS102 pension adjustments) of £1,703k. The surplus of revenue (i.e. excluding restricted fixed asset funds and pension reserve) income over expenditure for the period is £34k.

Agreed balances transferring on conversion from Manchester City Council to the Trust totalled a surplus of £11,207k, including £11,672k of donated fixed assets, £220k of general unrestricted funds and a pension deficit of £685k.

At 31 August 2017 the net book value of fixed assets was £11,568k. The value of fixed assets includes the value of those assets which were transferred by Manchester City Council as part of the transfer agreement, which comprises the land and buildings for Barlow Hall Primary School and Brookburn Primary School (which are occupied on a 125 year lease from the local authority at a peppercorn rent) plus the fixtures, fittings, furniture and equipment on the two sites at the point of transfer. These assets have been used for the provision of education and associated support services to the pupils of the two Trust schools.

The deficit in the Local Government Pension Scheme (LGPS) of £798K is recognised in the balance sheet as per the requirements of FRS102. The pension deficit is not expected to have any material impact on the financial viability of the organisation.

Investment Policy

The trustees have adopted a cautious investment policy, the main principle of which is to safeguard the Trust's cash funds. In light of this approach, the Trust maintains substantial cash balances, the bulk of which is held for necessary monthly running expenses in a current account.

Reserves Policy

The Board of Trustees have developed a reserves policy and it is presented within the manual of financial procedures. The Board will review the reserve levels of the Academy Trust annually at the year-end and as a part of its budget planning process.

This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As part of its monitoring of in-year financial performance the Board of Trustees reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. The Trustees aim to hold a minimum of the funds inherited on conversion for operating costs of the Trust in general reserves (excluding fixed asset funds and the pension fund). This approximates to £220k.

At 31 August 2017, the Trust held general unrestricted reserves of £191k and restricted general reserves (excluding the pension fund) of £63k. This is a surplus of the reserves policy target by £34k. The Trust aims to achieve the target by ongoing review of budgets and planning expenditure accordingly.

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.

FUTURE PLANS

The objectives for the Trust this year and going forward are to:

- Review of Business Back Office structures to enable growth of our Trust.
- Reduce expenditure, increase income.
- To procure further services across the schools delivering better efficiencies.
- Have a business plan for the reduction in GAG funding following funding review in 2020.
- Add further schools to our MAT and apply for appropriate grant funding.
- Apply for Condition Improvement Funding (CIF).
- Apply for Strategic School Improvement Funding (SSIF).
- Appoint internal auditors to develop further internal financial controls.

Link Learning Trust

Report of the Trustees

For The Period 8 March 2017 to 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

LINK Learning Trust was incorporated on 1st April 2017 as a Multi Academy Trust and commenced its activities on transfer of two primary schools, Brookburn Community Primary School and Barlow Hall Primary School from the Local Authority on 1st April 2017. Both schools are located in Chorlton, Manchester. The Multi 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 multi academy trust. The trustees of LINK Learning Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Link Learning trust. The members (which number 3) are chaired by a member who is also Chair of the Trustee Board providing the link between the two boards. The Articles of Association require the members of the Trust to appoint between three and ten Trustees to be responsible for the affairs and the management of the Trust. Details of the Trustees who served throughout the period are included in the Reference and Administrative Details on page one.

Members' Liability

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

Trustees' Indemnities

The Trust does not purchase separate insurance for Trustees' indemnities as it buys into the Risk Protection Arrangement offered by the Department for Education, which provides appropriate cover for the Trustees' liabilities (to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business).

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited by invitation, dependent upon their expertise, experience and skills. Members may appoint by ordinary resolution up to 10 Trustees as referenced in the Articles of Association and are appointed for a term of 4 years. Terms of office for Trustees of LINK Learning Trust will be staggered, in the first instance, to maintain membership of the board thus ensuring stability in the membership.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees is dependent on their existing experience. Each Trustee will complete a skills audit to ensure a 'best fit' for our Trust requirements. Where necessary, induction will include training on educational, legal and financial matters. All Trustees will be given the opportunity to visit the schools and have the chance to meet with staff and pupils.

All Trustees are also provided with electronic copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role. Since there is expected to be only a small number of new Trustees in any year, induction will be tailored specifically to the individual.

Link Learning Trust

Report of the Trustees

For The Period 8 March 2017 to 31 August 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Members board have strategic oversight of the Trust and appoint the Trustees with the general power vested in the Trustees to manage the schools. The Trust Board are responsible for compliance, care and prudence. It manages the business of the Academy Trust and may exercise all the powers of the Academy Trust. The board focuses on the named three core functions of governance, namely:

- Ensure clarity of vision, ethos and strategic direction;
- Hold executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff.
- Oversee the financial performance of the organisation and make sure its money gives public value.

In addition, LINK Learning Trustees will also:

- Set vision and policies for LINK Learning Trust and a clear strategy for achieving the vision.
- Ensure high standards of corporate governance are maintained.
- Exercise reasonable skill and care in carrying out its duties.
- Ensure compliance with charity and company law.
- Ensure operation in accordance with funding agreement.
- Create robust accountability for standards

The Trust Board delegates to its Resources Committee responsibility of budget monitoring, risk management and internal and external audit functions. The Trust Board delegates to its Standards Committee the responsibility of monitoring performance and standards in its schools.

The Trust Board is supported by an Executive Management Team consisting of:

- Barlow Hall Primary School Headteacher who acts as the Accounting Officer
- Brookburn Primary School Headteacher

The Headteachers are supported by their Senior Leadership Teams and have contracted in this period additional support from the Chorlton Partnership Business Manager. The Trust Board delegates to its Academy Councils the powers to manage the running of individual schools on a day to day basis in conjunction with the Headteachers.

The trustees meet at least each term with the first meeting of each academic year being the AGM. Committees of the Trust will meet at least on a termly basis and report to the Trust Board. Academy Councils and their committees will also meet on a termly basis and if required, report to the Resources Committee, Standards Committee or the Trust Board for approval in relation to non- delegated matters.

Roles and responsibilities of Trustees, Governors, Headteachers and other school leaders are clearly defined in the Trust's Scheme of Delegation and Financial Policies and Procedures Manual.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy Council of each school meets additionally once per year to establish the Teachers' Performance Pay Policy on an annual basis. Pay scales follow the National Teachers Pay and Conditions document as a minimum requirement and additions are made, if warranted, by recommendation to the Trust board for approval. Annual performance management reviews inform pay progression. Recommendations for staff pay are considered at the Academy Council Pay Committee. These recommendations are put forward for ratification to the Trust Board.

Arrangements for setting performance management targets and remuneration for the Executive Team falls within the auspices of the Trust Board. A performance management review will take place in the Autumn term for each member of the Executive Team and be reported to the Trust in their termly Autumn meeting for approval.

Related Parties and other Connected Charities and Organisations

The Trust is linked with Manchester Teaching School Alliance. MTSA forms the school improvement arm of the Trust Board.

PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has established a Risk Register and regular reports will be submitted to the Trust Board by the Committees and Executive Team.

Financial risks have been identified and are managed, they include: possible funding formula changes which may have an effect on school budgets and inability in this transition period to deliver necessary savings over the medium term. The Academy Trust has initiated actions via its Executive Team in order to mitigate these risks. Regular reporting and monitoring are in place with projections as necessary to illustrate potential scenarios. The Trust is continuing to develop robust internal systems and processes to mitigate any financial risk.

Link Learning Trust

Report of the Trustees

For The Period 8 March 2017 to 31 August 2017

AUDITORS

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14th December 2017 and signed on the board's behalf by:

.....
Lord K Bradley - Chair of Link Learning Trust

Link Learning Trust

Governance Statement

For The Period 8 March 2017 to 31 August 2017

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Lord K Bradley	2	2
J M Fye	2	2
J Kennedy	2	2
S Ferris	2	2
T C N Hilton	2	2
J M E Shuttleworth	2	2
C A Starbuck	1	2
A R Young	2	2
T W Matthews	1	2
S Johnson	2	2

A review of the governance of the Trust was undertaken as part of the establishment of the Trust to ensure that the governance (including the Board) was fit for purpose, in anticipation of future growth. Relevant documents were reviewed including the DfE's Governance Handbook and guidance from the National Schools Commissioner, along with research into successful governance models used by other Trusts. This review highlighted a need to improve flows of accountability, to avoid duplication of work and to ensure a sustained focus on the improvement of individual schools. Another review of governance and the effectiveness of current structures and procedures will be undertaken towards the end of the next reporting period.

The Trust Board Resources Committee (operating as sub-committee of the Trust board) will ensure that the schools operate within all appropriate financial regulations and guide and assist the Executive Team. During this period, the Resources Committee reviewed and recommended for the Board approval a number of key policies. The Trust Board reviewed the budget monitoring reports and submittals to the ESFA in July 2017 and appointed external auditors following a tender process.

In the short time available between and conversion and the year end, it was not possible for the Resource Committee to meet. The duties of the Resource Committee instead were carried out by the full Trustee Board meeting. The first Resource committee meeting took place in October 2017.

Review of Value for Money

The Accounting Officer on behalf of the Trust Board has the responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes achieved in return for the taxpayers resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the 5 month period by implementing the following measures:

- Review of contracts to identify opportunities to negotiate better terms and/or reduce utilisation of goods and services to ensure a better return from the money spent and services provided.
- Introduction of a new financial software package and training programme.
- Assessing financial rigour with a view to developing internal audit systems and procedures working alongside the audit team.
- Identification of improvement in financial controls to reduce the risk of improper use of public funds.
- 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 under development based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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.

Link Learning Trust
Governance Statement
For The Period 8 March 2017 to 31 August 2017

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 charitable company 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 Link Learning Trust for the period 8 March 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 8 March 2017 to 31 August 2017 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. It is currently being developed and implemented. It will include:

- 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- monitoring and review staffing structures.

The Board of Trustees is in the process of appointing a separate division of the external auditor, Allotts Business Services Ltd (Allotts), to act as the internal and under the auspices of the Resources Committee. This role includes giving advice on financial matters and will perform a range of checks on the Academy Trust's financial systems. During each review period, Allotts will undertake a range of additional checks at each school and report to the Trustees on a quarterly basis.

Under the proposed arrangements, Allotts' internal audit division will report to the Resources Committee on a termly basis on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

Approved by order of the members of the board of trustees on 14th December 2017 and signed on its behalf by:

.....
Lord K Bradley - Chair of Link Learning Trust

.....
J Kennedy - Accounting Officer

Link Learning Trust

Statement on Regularity, Propriety and Compliance
For The Period 8 March 2017 to 31 August 2017

As accounting officer of Link Learning Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 2016.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2016.

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.

.....
J Kennedy - Accounting Officer

Date: 14th December 2017

Link Learning Trust

Statement of Trustees Responsibilities
For The Period 8 March 2017 to 31 August 2017

The trustees (who act as governors of Link Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14th December 2017 and signed on the board's behalf by:

.....
Lord K Bradley - Chair of Link Learning Trust

**Report of the Independent Auditors to the Members of
Link Learning Trust**

Opinion

We have audited the financial statements of Link Learning Trust (the 'charitable company') for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of
Link Learning Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standard-s-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our Report of the Independent Auditors.

Mark Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date: December 2017

**Independent Reporting Accountant's Assurance Report on Regularity to
Link Learning Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Link Learning Trust during the period 8 March 2017 to 31 August 2017 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 Link Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Link Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Link Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Link Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 8 March 2017 to 31 August 2017 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 2016 to 2017 issued by the 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 charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook

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

Reporting Accountant
Allotts Business Services Ltd
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date: December 2017

Link Learning Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Period 8 March 2017 to 31 August 2017

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	3	1	-	11	12
Transfer from Local Authority on conversion	21	220	(685)	11,672	11,207
Charitable activities					
Funding for the academy's educational operations	4	-	1,658	-	1,658
Other trading activities	5	23	44	-	67
Other income		<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>
Total		254	1,017	11,683	12,954
EXPENDITURE ON					
Raising funds		7	-	-	7
Charitable activities					
Academy's educational operations		<u>-</u>	<u>1,769</u>	<u>104</u>	<u>1,873</u>
Total	6	<u>7</u>	<u>1,769</u>	<u>104</u>	<u>1,880</u>
NET INCOME/(EXPENDITURE)		247	(752)	11,579	11,074
Transfers between funds	18	<u>(56)</u> 191	<u>56</u> (696)	<u>-</u> 11,579	<u>-</u> 11,074
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(39)</u>	<u>-</u>	<u>(39)</u>
Net movement in funds		<u>191</u>	<u>(735)</u>	<u>11,579</u>	<u>11,035</u>
TOTAL FUNDS CARRIED FORWARD		<u>191</u>	<u>(735)</u>	<u>11,579</u>	<u>11,035</u>

All of the charitable company's activities derive from acquisitions in the current period.

Link Learning Trust (Registered number: 10660172)

Balance Sheet
At 31 August 2017

	Notes	£'000
FIXED ASSETS		
Tangible assets	11	<u>11,568</u>
CURRENT ASSETS		
Stocks	12	4
Debtors	13	206
Cash at bank		<u>272</u>
		482
CREDITORS		
Amounts falling due within one year	14	(217)
		<u> </u>
NET CURRENT ASSETS		<u>265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,833
PENSION LIABILITY	19	(798)
		<u> </u>
NET ASSETS		<u>11,035</u>
FUNDS	18	
Unrestricted funds:		
General fund		<u>191</u>
Restricted funds:		
General Restricted		63
Pension Fund		(798)
Fixed Asset Fund		<u>11,579</u>
		<u>10,844</u>
TOTAL FUNDS		<u>11,035</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 14th December 2017 and were signed on its behalf by:

.....
Lord K Bradley -Chair of Link Learning Trust

Link Learning Trust

Cash Flow Statement

For The Period 8 March 2017 to 31 August 2017

	Notes	£'000
Cash flows from operating activities:		
Cash generated from operations	1	41
		<u>41</u>
Net cash provided by (used in) operating activities		<u>41</u>
Cash flows from investing activities:		
Capital grants from DfE/ESFA		<u>11</u>
Net cash provided by (used in) investing activities		<u>11</u>
Cash transferred on conversion to an academy	21	<u>220</u>
Change in cash and cash equivalents in the reporting period		272
Cash and cash equivalents at the beginning of the reporting period		<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>272</u></u>

The notes form part of these financial statements

Link Learning Trust

Notes to the Cash Flow Statement
For The Period 8 March 2017 to 31 August 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	11,074
Adjustments for:	
Depreciation	104
Capital grants from DfE/ESFA	(11)
Pension liability inherited	685
Fixed assets inherited on conversion	(11,672)
Cash inherited on conversion	(220)
Increase in stocks	(4)
Increase in debtors	(206)
Increase in creditors	217
Difference between pension charge and cash contributions	<u>74</u>
Net cash provided by (used in) operating activities	<u><u>41</u></u>

Link Learning Trust

Notes to the Financial Statements For The Period 8 March 2017 to 31 August 2017

1. STATEMENT OF 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Link Learning Trust meets the definition of a public benefit entity under FRS 102.

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 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.

Critical accounting judgements and key sources of estimation uncertainty

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the Pension and Similar Obligations note, 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 2017. 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.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

Link Learning Trust

Notes to the Financial Statements - continued For The Period 8 March 2017 to 31 August 2017

2. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Long leasehold land	straight line over 125 years
Long leasehold buildings	2% straight line
Fixtures, fittings and equipment	20% straight line
ICT equipment	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Link Learning Trust

Notes to the Financial Statements - continued For The Period 8 March 2017 to 31 August 2017

2. ACCOUNTING POLICIES - continued

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS102. 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 as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. 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.

Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the Pension and Similar Obligations note, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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.

Conversion to an academy

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as Transfer on conversion.

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

2. ACCOUNTING POLICIES - continued

Conversion to an academy

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Gifts	1	-	1
Grants	-	11	11
	<u>1</u>	<u>11</u>	<u>12</u>

Grants received, included in the above, are as follows:

Capital Grants	£'000
	<u>11</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Grants	-	1,612	1,612
Catering income	-	22	22
Trips	-	24	24
	<u>-</u>	<u>1,658</u>	<u>1,658</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
DfE/ESFA revenue grant			
General Annual Grant(GAG)	-	1,301	1,301
Other DFA/ESFA grants	-	145	145
	-	1,446	1,446
Other government grant			
Local Authority grants	-	166	166
	<u>-</u>	<u>1,612</u>	<u>1,612</u>

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Hire of facilities	16	-	16
Staff cover insurance	6	-	6
Sundry income	<u>1</u>	<u>44</u>	<u>45</u>
	<u>23</u>	<u>44</u>	<u>67</u>

6. EXPENDITURE

	Staff costs £'000	Non-pay expenditure		Total £'000
		Premises £'000	Other costs £'000	
Raising funds				
Costs of fundraising	1	2	4	7
Charitable activities				
Academies educational operations				
Direct costs	1,193	62	164	1,419
Allocated support costs	<u>274</u>	<u>68</u>	<u>112</u>	<u>454</u>
	<u>1,468</u>	<u>132</u>	<u>280</u>	<u>1,880</u>

Net income/(expenditure) is stated after charging/(crediting):

Auditors' remuneration	£'000 7
Other non-audit services	5
Depreciation - owned assets	104
Operating leases - Others	<u>7</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Direct costs	-	1,419	1,419
Support costs	<u>-</u>	<u>454</u>	<u>454</u>
	<u>-</u>	<u>1,873</u>	<u>1,873</u>

	Total £'000
Analysis of support costs	
Support staff costs	274
Premises costs	68
Other support costs	91
Governance costs	<u>21</u>
Total support costs	<u>454</u>

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

8. TRUSTEES' REMUNERATION AND BENEFITS

The Headteachers only receive remuneration in respect of services they provide undertaking the roles of Headteacher, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Ms J Kennedy (Headteacher, Barlow Hall Primary School)
Remuneration £30,000 - £35,000
Employer's pension contributions £5,000 - £10,000

Ms S Ferris (Headteacher, Brookburn Primary School)
Remuneration £30,000 - £35,000
Employer's pension contributions £5,000 - £10,000

Trustees' expenses

During the period ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to trustees.

Other transactions

There were no other related party transactions involving the trustees.

9. STAFF COSTS

Wages and salaries	£'000 1,073
Social security costs	102
Operating costs of defined benefit pension schemes	<u>258</u>
	1,433
Supply teacher costs	<u>35</u>
	<u><u>1,468</u></u>

No central management / services function or central charges arose during the period.

The average number of persons (including senior management team) employed by the charitable company during the period was as follows:

Teachers and educational support staff	39
Administration and support	72
Management	<u>13</u>
	<u><u>124</u></u>

No employees received emoluments in excess of £60,000.

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) received by key management personnel for their services to the academy trust was £84,395

10. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company 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 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.

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

11. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
Transfer on conversion	11,256	281	135	11,672
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	<u>11,256</u>	<u>281</u>	<u>135</u>	<u>11,672</u>
 DEPRECIATION				
Charge for year	<u>62</u>	<u>23</u>	<u>19</u>	<u>104</u>
 NET BOOK VALUE				
At 31 August 2017	<u>11,194</u>	<u>258</u>	<u>116</u>	<u>11,568</u>

12. STOCKS

	£'000
Catering	1
Clothing	<u>3</u>
	<u>4</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade debtors	41
Other debtors	47
VAT recoverable	47
Prepayments and accrued income	<u>71</u>
	<u>206</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade creditors	55
Other creditors	5
Accruals and deferred income	<u>157</u>
	<u>217</u>

Deferred income	2017
	£'000
Deferred Income at 8 March 2017	-
Resources deferred in the period	79
Amounts released from previous period	<u>-</u>
Deferred Income at 31 August 2017	<u>79</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA free school meal (FSM) funding, ESFA devolved formula capital (DFC) funding, ESFA pupil premium funding, MCC early years and high needs block funding and before/after school club income which related to periods after 31 August 2017.

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

15. COMMITMENTS UNDER OPERATING LEASING

Minimum lease payments under non-cancellable operating leases fall due as follows:

	£'000
Within one year	11
Between one and five years	29
In more than five years	<u>2</u>
	<u>42</u>

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Fund £'000	Total 2017 funds £'000
Fixed assets	-	-	11,568	11,568
Current assets	191	280	11	482
Current liabilities	-	(217)	-	(217)
Pension liability	<u>-</u>	<u>(798)</u>	<u>-</u>	<u>(798)</u>
	<u>191</u>	<u>(735)</u>	<u>11,579</u>	<u>11,035</u>

18. MOVEMENT IN FUNDS

	Balance 08.03.17 £000	Incoming Resources £000	Resourced Expended £000	Gains, losses and transfers £000	Balance 31.08.17 £000
Restricted general funds					
General annual grant (GAG)	-	1,299	(1,298)	49	50
Other ESFA	-	146	(148)	2	-
Other grants	-	170	(168)	1	3
Other revenue	-	87	(81)	4	10
Restricted pension reserve	<u>-</u>	<u>(685)</u>	<u>(74)</u>	<u>(39)</u>	<u>(798)</u>
	<u>-</u>	<u>1,017</u>	<u>(1,769)</u>	<u>17</u>	<u>(735)</u>
Restricted fixed asset funds					
Assets transferred on conversion	-	11,673	(104)	-	11,569
DfE/ESFA grants	-	10	-	-	10
Capital expenditure from GAG	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>11,683</u>	<u>(104)</u>	<u>-</u>	<u>11,579</u>
Total restricted funds	<u>-</u>	<u>12,700</u>	<u>(1,873)</u>	<u>17</u>	<u>10,844</u>
Unrestricted funds	<u>-</u>	<u>254</u>	<u>(7)</u>	<u>(56)</u>	<u>191</u>
Total funds	<u>-</u>	<u>12,954</u>	<u>(1,880)</u>	<u>(39)</u>	<u>11,035</u>

The restricted general funds relate to grants receivable from the DfE, ESFA and other sources towards the operating activities of the Trust. These include GAG, Pupil Premium, Early Years funding, SEN and other grants. 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 2017.

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

18. MOVEMENT IN FUNDS - continued

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from DfE/ESFA/other government grants, which have to be held for the continuing use of the Trust, together with any unspent capital funds.

The transfers in the year represent reappportionment of funds to ensure that no restricted fund remains in deficit going forward.

At the period end, funds relating to each school were as follows:

	Barlow Hall Primary £'000	Brookburn Primary £'000	Total £'000
Unrestricted general funds	88	103	191
Restricted general funds	51	12	63
Restricted pension fund	(478)	(320)	(798)
Fixed asset fund	5,007	6,572	11,579
Total	4,668	6,367	11,035

Amounts spent by each school include the following:

	Barlow Hall Primary £'000	Brookburn Primary £'000	Total £'000
Teaching and educational support staff	590	576	1,166
Other support staff	63	91	154
Educational supplies	6	14	20
Other costs	235	305	540
Total	894	986	1,880

19. 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 Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at the end of the financial period.

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 (currently 14.1%))
- 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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £114,010.

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £93k, of which employer's contributions totalled £70k and employees' contributions totalled £23k. The agreed contribution rates for future years are 15.8 per cent for employers and between 5.5 and 11.4 per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans £'000
Present value of funded obligations	(3,509)
Fair value of plan assets	<u>2,711</u>
	<u>(798)</u>
Deficit	<u>(798)</u>
Liability	<u>(798)</u>

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans £'000
Current service cost	136
Net interest cost	<u>8</u>
	<u>144</u>
Actual return on plan assets	<u>111</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans £'000
Defined benefit obligation	3,192
Current service cost	136
Contributions by scheme participants	23
Interest cost	36
Actuarial losses/(gains)	<u>122</u>
	<u>3,509</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans £'000
Fair value of scheme assets	2,507
Contributions by employer	70
Contributions by scheme participants	23
Expected return	28
Actuarial gains/(losses)	<u>83</u>
	<u>2,711</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans £'000
Actuarial gains/(losses)	<u>(39)</u>
	<u>(39)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans
Equities	73%
Property	6%
Bonds	16%
Cash	5%

Link Learning Trust

Notes to the Financial Statements - continued
For The Period 8 March 2017 to 31 August 2017

19. PENSION AND SIMILAR OBLIGATIONS
- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

Rate of increase in salaries	3.2%
Discount rate for scheme liabilities	2.5%
Inflation assumption (CPI)	2.4%
Rate of pension increase	2.4%
Inflation assumption (RPI)	3.4%

Life expectancy assumptions

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

	At 31 August 2017
Retiring today	
Males	21.5
Females	24.1
Retiring in 20 years	
Males	23.7
Females	26.2

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2017:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10%	425
0.5% increase in the Salary Increase Rate	2%	123
0.5% increase in the Pension Increase Rate	8%	292

The estimated value of employer contributions for the year ended 31 August 2018 is £167k.

20. RELATED PARTY DISCLOSURES

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 8.

21. CONVERSION TO AN ACADEMY

On 1 April 2017 the assets and liabilities of Barlow Hall Primary School and Brookburn Primary School were transferred to Link Learning Trust from Manchester City Council. The amounts transferred were as follows:

	Barlow Hall Primary	Brookburn Primary	Total
	£'000	£'000	£'000
Tangible Fixed Assets	5,048	6,624	11,672
Unrestricted Funds	85	135	220
Pension deficit (LGPS)	(392)	(293)	(685)
Total	4,741	6,466	11,207