

**Company Registration Number: 07348167 (England & Wales)**

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Directors' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 14
<b>Statement on Regularity, Propriety and Compliance</b>	15
<b>Statement of Directors' Responsibilities</b>	16
<b>Independent Auditor's Report on the Financial Statements</b>	17 - 19
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	20 - 21
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	22
<b>Balance Sheet</b>	23
<b>Statement of Cash Flows</b>	24
<b>Notes to the Financial Statements</b>	25 - 50

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ DIRECTORS  
AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Members**

D Hutt (resigned 8 May 2019)  
K Crowston  
A Price  
R Lowe (appointed 11 September 2018, resigned 5 August 2019)  
D Werry (appointed 7 May 2019)

**Directors**

Phillip Scott (appointed 7 May 2019)  
Karen Crowston, Vice Chair  
Vrigu Dey (resigned 16 January 2019)  
Ateef Azam  
Richard Beamish  
Neal Clements  
Catherine Anwar  
Jonathan Bridges  
Shilpa Unarkat  
Fiona Dennis-Stephens  
Alan Price, Chair  
Mary LeBreuilly  
Marilyn Mottram (appointed 12 May 2019)

**Company registered number**

07348167

**Company name**

Summit Learning Trust

**Principal and registered office**

Hartfield Crescent  
Birmingham  
B27 7QG

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Advisers (continued)**

**Senior leadership team**

Catherine Anwar  
Usha Devi  
Steve Ralph  
Gaetano Ferrante, (resigned 31 August 2019)  
Donna Farrugia  
Steve Smith  
Costas Tzartzalis  
Clare Sutton  
Helen Glass, (appointed 1 September 2019)

**Independent auditor**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

HSBC  
34 Poplar Road  
Solihull  
West Midlands  
B91 3AF

Lloyds Bank  
Poplar Road  
Solihull  
B91 3AN

**Solicitors**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

Irwin Mitchell  
Imperial House  
31 Temple Street  
Birmingham  
B2 5DB

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **CONSTITUTION**

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Governors of Summit Learning Trust are also the Directors of the charitable company for the purpose of company law. The Governors have been referred to as the Directors throughout this report.

Details of the Directors who served during the year are included in the Reference and administrative details on page 1.

### **MEMBERS' LIABILITY**

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

### **DIRECTORS' INDEMNITIES**

During the year, an indemnity from the Charitable Company was available to the directors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Charitable Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

### **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

The Trust's Board of Directors has been appointed for four year terms. Where a vacancy arises, through the completion of term or by the resignation of a serving director, directors will be recruited in accordance with the Articles of Association and 'A Guide to the Law for School Directors.' The term of office for any governor is 4 years, although this time limit does not apply to the CEO.

The Directors who served throughout the year and up to the date of this report are listed on page 1.

### **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

The Trust is a member of the National Governors' Association and through this body each member receives regular updates on current legislation by email and the NGA magazine. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

### **ORGANISATIONAL STRUCTURE**

During the year the trust terms of reference detailed a governance structure comprising the Board of Trustees with responsibility and accountability for the schools, Local Governing Bodies operating at each Academy, as well as Scrutiny, Finance and Resources, People & Resources, Remuneration and Audit & Risk Committees

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

which work across the Trust.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Trust nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Trust's policies, adopting the Trust's Improvement Plan budget, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students, pupils and staff.

Groups of Trustees may be formally organised outside of this structure as necessary to support the Trust as required, to consider ad hoc projects to then be reported back to the Board of Trustees.

#### **PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The aims of the Trust's pay policies are as follows:

- Maintain and improve the quality of teaching and learning at the school;
- Support the Trust's priorities and each school's improvement plan
- Underpin the Trust's Appraisal policy;
- Ensure that all staff are valued and appropriately rewarded for their work contribution to the Trust and their school;
- Ensure staff are well motivated, supported by positive recruitment and retention policies and staff development;
- Demonstrate that decisions on pay are fair and equitable and recognise the principle of equal pay for like work and work of equal value;
- Provide flexibility to recognise individual staff performance linked to pay decisions

Full copies of the policies (applying both to teaching and non teaching staff can be accessed on the Trust's website at [www.summitlearningtrust.org.uk](http://www.summitlearningtrust.org.uk)).

#### **TRADE UNION FACILITY TIME**

The school employs no trade union officials and therefore had no time or costs spent on union activities during the year.

#### **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Summit Learning Trust consists of the following educational establishments:

Ninestiles School  
Lyndon School  
Cockshut Hill School  
Yarnfield Primary School  
Oaklands Primary School  
Erdington Hall Primary School  
Pegasus Primary School  
The Sixth Form College, Solihull  
South Birmingham SCITT

Ninestiles School relinquished its Teaching School designation during the year.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**OBJECTS AND AIMS**

As described, the object of Summit Learning Trust is set out in the Company's Articles of Association.

The Board of Directors continues to set the Academy's strategic aims through the Trust's Balanced Score Card. These aims are monitored closely by the Board of Directors by way of the CEO and through the work of the academy councils and the strategic groups.

The aims and objectives for the Summit Learning Trust are derived from the trust's mission statement which is:

Strength through diversity  
Ambition through challenge  
Excellence through curiosity

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The object of Summit Learning Trust is set out in the Company's Articles of Association, namely "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."

The principal activity is to operate the Trust's Academies. Summit Learning Trust now oversees three secondary schools, a sixth form college and four primary schools as well as the ancillary services operated from those educational establishments.

**PUBLIC BENEFIT**

In setting our objectives and planning our activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

Summit Learning Trust oversees three secondary schools, a sixth form college and four primary schools as well as the ancillary services operated from those educational establishments.

**STRATEGIC REPORT**

**KEY PERFORMANCE INDICATORS**

Each establishment monitors its budget against allocations that constitute their key financial performance indicators for each financial year. These categories include employee costs, environmental costs, educational / non educational supplies, professional services etc enabling any variations in spending vs budgets to be identified and addressed. Additionally schools benchmark costs across the Trust to ensure best value and where appropriate will aim to purchase collaboratively to achieve economies of scale. Further comparisons can be seen within the financial report where spends in the reporting year are shown against previous year's spends.

**GOING CONCERN**

After consideration of the Trust's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Trustees has a reasonable expectation that the Trust has and will continue to have adequate resources to enable it to be a sustainable going concern in 2019/20 and for the foreseeable future. For this reason the Trust continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

## **ACHIEVEMENTS AND PERFORMANCE**

The work of the Trust has been enhanced further through the creation of an AIT (Academy Improvement Team) and through the continued work of the Networks of Excellence across all phases. External reviews confirm the Trust is improving strongly.

### **Primary**

Erdington Hall secured substantial improvements compared to the school's performance in 2018. The school is now performing close to national levels in most key subjects. The Oaklands secured improvements in most key subjects and particularly in reading. Yarnfield has secured substantial improvements in all subjects compared to the school's performance in 2018. Improvements were particularly rapid in maths.

### **Secondary**

Cockshut Hill secured substantial improvements compared to its performance in 2018. Improvements were particularly strong in the percentage of pupils achieving 4+ in English, Maths, English and Maths combined, and Double Science. Lyndon also secured substantial improvements compared to its performance in 2018. Improvements were particularly strong in the percentage of pupils achieving 4+ in English and Maths combined, as well as those achieving 5+ in English. Double Science also improved notably, with the percentage achieving 4+ or 5+. Results at Ninestiles generally remained stable compared to 2018.

### **Sixth Form**

The Sixth Form College secured improvements on the majority of measures compared to its performance in 2018. In A-levels, there was an increase in the proportion of top grades against a backdrop of a dip nationally. Performance in BTEC subjects remained very similar to 2018, while there was a general improvement in achievement levels for GCSE results.

## **FINANCIAL REVIEW**

The Academy Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2018/19.

### **Restricted General Fund**

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £42,447,000; expenditure against the fund was £45,395,000, giving a deficit on restricted revenue fund of £2,948,000 before transfers.

### **Unrestricted Funds**

Income received into the Unrestricted Fund was £2,081,000. Expenditure against the fund was £785,000 for the year, giving an Unrestricted Fund surplus of £1,296,000 for the year.

### **Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy. Income received into the fund included capital grant income of £1,780,000.

The SOFA details a £1,324,000 Restricted Fixed Asset Fund year end deficit after transfers between funds.



---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Summary of Financial Performance**

Total fund balance as at 31st August 2019 was £92,237,000 comprised of a surplus of £11,458,000, a deficit of £19,788,000 and a surplus of £100,567,000 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively.

**Balance Sheet**

The Trust's assets were predominantly used for providing education to school students within Summit Learning Trust. Some assets were used by the local community, predominantly for sports and performing arts but also working with local charities such as Acocks Green Lions to raise funds and support for the elderly and disadvantaged.

The net book value of the Academy's tangible fixed assets was £99,441,000 as at 31st August 2019. The movement in this account is detailed in note 13.

Cash in hand at 31st August 2019 was £6,286,000.

**RESERVES POLICY**

Free reserves (before pension liability) at 31 August 2019 totalled £13,872,000 (2018: £13,176,000).

The Trust's aim is to spend public monies for the direct educational benefit of current and future students as soon as is prudent whilst maintaining an adequate, but not excessive, level of reserves to:

- Maintain adequate cash to cover day to day working capital needs;
- Protect the Trust against future drops in income or rises in costs;
- Save up for future capital projects and educational initiatives;
- Allow the Trust to take advantage of new opportunities;
- Provide a cushion to deal with unexpected emergencies.

Designated reserves may be set aside for a specified future project in a specified year. In addition, the Trust will aim to maintain minimum undesignated reserves to fund the higher of:

- three months' cash days in hand
- Current ratio: minimum 1.6
- a 20% drop in student numbers in its largest school for three years.
- a 10% cut in government funding per pupil for all its schools for two years.

The level of reserves will be monitored when the annual budget or financial plan are set to ensure that the level of reserves is appropriate to future need. There is a recognition of uncertainty around future funding in the context of the National Funding Formula alongside forthcoming increases in staffing employer costs and a three year budget plan has been compiled and will be carefully monitored to ensure cash flow and reserves are healthy.

A deficit of £19,788,000 has arisen on the Restricted Income Fund. This is due to the deficit of £22,202,000 on the Local Government Pension Scheme which is allocated to this fund. This liability will not crystallise immediately.

**INVESTMENTS POLICY**

With the growth and diversity of the Trust, Trustees recognised the need for a formal Investment Policy and within the structure of the new Trust constitution, a policy was ratified by the Finance & Resources Committee in June 2017. Where cash flows identify a base level of cash funds that will be surplus to requirements these may

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

be invested following approval in accordance with the Treasury Management Procedures. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk. The Trust currently has £12m in current investments.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees have compiled a comprehensive risk management process to identify and monitor the risks faced by the Trust. The principal risks they identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

The Directors consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Scheme ("LGPS"). In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

#### **FUNDRAISING**

Summit Learning Trust has during the period used the following fundraising routes:

- Request for periodic donations from parents
- Request for donations from suppliers for specific projects
- Use of easyfundraising website
- Student led fundraising for specific trips and causes

None of these methods involved unreasonably intrusive or persistent methods of communication and there is no undue pressure placed on any of the individuals/companies to donate to the Trust.

#### **PLANS FOR FUTURE PERIODS**

Summit Learning Trust strives to continually improve levels of attainment for all students and pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities.

It is a significant priority of the Trust to ensure that all settings continue to be supported to make excellent progress both in Leadership and Management and Teaching and Learning. Alongside this the Trust will explore opportunities as they arise to work with, and support other organisations and promote prudent growth within the trust.

#### **FUNDS HELD AS CUSTODIAN AND AGENCY ARRANGEMENTS**

The Trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The Sixth Form College, Solihull holds custodian funds on behalf of The Flora Forster Fund from which it makes bursary payments to students. The balance held at the year end on behalf of the Fund was £68,252.

Otherwise, neither Summit Learning Trust or the Board of Trustees are acting as third party custodial trustees.

#### **EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

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

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

- Equal Opportunities Policy
- Health & safety policy
- Pay policies for teaching/non-teaching staff

In accordance with the Trust's Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

#### **AUDITOR**

The auditors, Crowe U.K. LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Directors' Report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 17 December 2019 and signed on its behalf by:

**Alan Price**  
Chair of Directors



---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The board of directors 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 Summit Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met 6 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Phillip Scott	0	1
Karen Crowston	6	6
Vrigu Dey	1	3
Ateef Azam	5	6
Richard Beamish	6	6
Neal Clements	5	6
Catherine Anwar	6	6
Jonathan Bridges	5	6
Shilpa Unarkat	4	6
Fiona Dennis-Stephens	6	6
Alan Price, Chair	5	6
Mary LeBreuilly	4	6
Marilyn Mottram	1	1

**REVIEW OF VALUE FOR MONEY**

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

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

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

The Strategic group (Finance and Resources) continues to apply the four principles of best value:

**Challenge**

Is the Trust's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do stakeholders want?

**Compare**

How does the Trust's student performance and financial performance compare with all schools? How does it compare with similar schools/trusts?

**Consult**

How does the Trust seek the views of stakeholders about the services the Trust provides?

**Compete**

How does the Trust secure efficient and effective services? Are services of appropriate quality, economic value?

The SG (Finance and Resources) Approach

The Trustees and school business managers apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the schools and the Trust;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all students.

Trustees, and the school business managers, will:

- make comparisons with other/similar schools using data provided by the Government, e.g. FFT, of teaching & learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual student achievement targets, expansion of number of form entry.
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration.
- consult individuals and organisations on quality/suitability of service we provide to parents and students, and services we receive from providers, e.g. Sex and Relationships Education, student reports, assigned inspector, OFSTED, maintenance consultant, Energy.

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching
- quality of learning
- purchasing
- students' welfare
- health and safety

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

Trustees and school business managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Trustees and school business managers develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £10,000 as per delegation statement but much lower values where appropriate)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

During the year the Trust has set up a procurement team to ensure that the Trust is purchasing in a manner that attracts best value supplies that are of a suitable standard to enable quality teaching and learning as well as ensuring that procurement exercises are undertaken in accordance with all relevant legislation.

Trustees and school business managers review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors.

### **Monitoring**

These areas will be monitored for best value by:

- In-house monitoring by the Principal and curriculum managers, e.g. classroom practice, work sampling
- Annual Performance Management
- Annual Budget Planning
- Analysis's of school student performance data
- Analysis of DfE student performance data, e.g. Fischer Family Trust
- OFSTED Inspection reports
- Trustees' termly committee meetings

During the year a number of services were contracted for on a Trust wide basis. This brought the benefit of financial economies of scale plus additional resources available to the pupils, students, staff, academy trustees and directors within the Trust than under the previous stand-alone school contracts. This was particularly evident in areas such as Educational Psychology, CPD, HR advice, insurance and Leadership Support. The Trust continues to develop an ICT strategy that will allow the benefits to be felt across the Trust both in respect of value, the services provided by our suppliers and how this manifests itself in teaching and learning outcomes.

The Trust's financial statements are available on the Trust website and are returned to the Department of Education and Companies House. The financial statements are subject to external audit which includes a Regularity Assurance Report. This assurance report covers two aspects of the use of public funds being Regularity and Propriety. Regularity derives from the concern that public money is used only for the purposes intended by Parliament and propriety is concerned with the standards of conduct, behaviour and corporate governance. No issues have been raised by the auditors in respect of external audit or regularity and propriety.



---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---

**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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Summit Learning Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

The 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 directors;
- regular reviews by the Finance and 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.

The board of directors has considered the need for a specific internal audit function and has decided to use the external audit firm, Crowe U.K. LLP to look at specific financial risks. Alongside this non-financial risks such as Health and Safety and GDPR were assessed by other external advisors with more experience in those areas.

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

- Month end procedures at Academy level
- Review of parallel runs and standing data in respect of the transfer of payroll systems during the year

The auditor will report to the board of directors through the audit committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The Audit & Risk Committee takes the key risks from the Trusts Risk Register and maps out the controls in place to mitigate these risks. A schedule of work will then be designed to take place over the period that ensures that these controls are operating effectively. This will involve different levels of testing some of which will be via internal auditors, some via peer or trustee review and some via other appointed experts dependent on the area of testing required.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (continued)**

---


**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the 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 Strategic Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 17 December 2019 and signed on their behalf, by:



**Alan Price**  
**Chair of Trustees**



**Catherine Anwar**  
**Accounting Officer**



---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Summit Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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



**Catherine Anwar**  
**Accounting Officer**

Date: 17 December 2019

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 directors on 17 December 2019 and signed on its behalf by:



**Alan Price**  
Chair of Directors

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SUMMIT  
LEARNING TRUST**

---

**OPINION**

We have audited the financial statements of Summit Learning Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SUMMIT LEARNING TRUST**

---

**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), 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.

**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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic Report.

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

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

---

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

---

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SUMMIT  
LEARNING TRUST**

---

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Directors' responsibilities statement, the directors 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 Directors 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 Directors 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 Directors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**USE OF OUR REPORT**

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

  
Helen Drew (Senior Statutory Auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 18-12-19

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

In accordance with the terms of our engagement letter dated 4 May 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Summit Learning Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Summit 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 Summit 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 Summit Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SUMMIT LEARNING TRUST'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Summit Learning Trust's funding agreement with the Secretary of State for Education dated 30 April 2013, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**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 year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Crowe U.K. LLP*  
Crowe U.K. LLP

Reporting Accountant

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 18-17-19

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	14	-	1,780	1,794	1,396
Charitable activities:	5					
Funding for the academy trust's educational operations		1,253	42,407	-	43,660	42,802
Teaching schools	30	369	40	-	409	194
Other trading activities	3	312	-	-	312	256
Investments	4	133	-	-	133	74
<b>TOTAL INCOME</b>		<b>2,081</b>	<b>42,447</b>	<b>1,780</b>	<b>46,308</b>	<b>44,722</b>
<b>EXPENDITURE ON:</b>						
Raising funds		207	-	-	207	125
Other charitable activities		231	45,355	2,339	47,925	46,735
Teaching schools	30	347	40	-	387	388
<b>TOTAL EXPENDITURE</b>	6	<b>785</b>	<b>45,395</b>	<b>2,339</b>	<b>48,519</b>	<b>47,248</b>
<b>NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	1,296	(2,948)	(559)	(2,211)	(2,526)
		-	765	(765)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		1,296	(2,183)	(1,324)	(2,211)	(2,526)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(3,363)	-	(3,363)	3,813
<b>NET MOVEMENT IN FUNDS</b>		<b>1,296</b>	<b>(5,546)</b>	<b>(1,324)</b>	<b>(5,574)</b>	<b>1,287</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		10,162	(14,242)	101,891	97,811	96,524
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>11,458</b>	<b>(19,788)</b>	<b>100,567</b>	<b>92,237</b>	<b>97,811</b>

The notes on pages 25 to 50 form part of these financial statements.



**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07348167

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>FIXED ASSETS</b>			
Intangible assets	12	31	12
Tangible assets	13	99,441	100,813
		99,472	100,825
<b>CURRENT ASSETS</b>			
Debtors	14	1,561	1,470
Investments	15	12,022	10,000
Cash at bank and in hand		6,286	6,714
		19,869	18,184
<b>CREDITORS: amounts falling due within one year</b>	16	(4,861)	(3,817)
<b>NET CURRENT ASSETS</b>		15,008	14,367
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		114,480	115,192
<b>CREDITORS: amounts falling due after more than one year</b>	17	(41)	(125)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>		114,439	115,067
Defined benefit pension scheme liability	25	(22,202)	(17,256)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		92,237	97,811
<b>FUNDS OF THE ACADEMY</b>			
Restricted income funds:			
Restricted income funds	19	2,414	3,014
Pension reserve	19	(22,202)	(17,256)
Restricted fixed asset funds	19	100,567	101,891
Total restricted income funds		80,779	87,649
Unrestricted income funds	19	11,458	10,162
<b>TOTAL FUNDS</b>		92,237	97,811

The financial statements on pages 22 to 50 were approved by the Directors, and authorised for issue, 17 December 2019 and are signed on their behalf, by:

**Alan Price**  
Chair of Trustees



The notes on pages 25 to 50 form part of these financial statements.

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>746</u>	<u>(152)</u>
<b>Cash flows from investing activities:</b>			
Interest from investments		133	74
Purchase of fixed assets		(986)	(709)
Capital grants from DfE Group		1,780	1,395
Proceeds from sale of investments		10,000	-
Purchase of investments		<u>(12,022)</u>	<u>(3,750)</u>
<b>Net cash used in investing activities</b>		<u>(1,095)</u>	<u>(2,990)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>(79)</u>	<u>(90)</u>
<b>Net cash used in financing activities</b>		<u>(79)</u>	<u>(90)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(428)</b>	<b>(3,232)</b>
Cash and cash equivalents brought forward		<u>6,714</u>	<u>9,946</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>6,286</u></u>	<u><u>6,714</u></u>

The notes on pages 25 to 50 form part of these financial statements.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Summit Learning Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

The academy trust is a company limited by guarantee. The academy trust is incorporated in England & Wales, registered number 07348167. The registered office is Hartfield Crescent, Birmingham, B27 7QG. The members of the company are named on page 1. In the event of the academy trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy trust.

**1.3 Going concern**

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Directors 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

**1.4 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 Directors.

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.

Where the academy purchases capital items from the General Annual Grant (GAG) during the period, this is represented by a transfer from the restricted general fund to the restricted fixed asset fund.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 Income**

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.6 Expenditure**

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

Expenditure on raising funds 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.

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

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.7 Intangible fixed assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

For assets transferred on conversion, where a professional valuation for land and buildings transferred into the Trust is not readily available, the Trust has determined a reasonable estimate of the current value using insurance valuations and other information available from other schools within the Trust.

Assets transferred on business combinations are valued at fair value at the date of transfer.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	50 years
Freehold Property	-	50 years
Freehold major refurbishments	-	10 years
Plant and machinery	-	4 years - 10 years
Fixtures, fittings and equipment	-	10 years
ICT equipment	-	3 years - 4 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 incorporating Income and Expenditure Account.

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.9 Operating leases - as lessor and lessee**

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

**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 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.

**1.12 Cash at Bank and in hand**

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

**1.13 Liabilities and provisions**

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

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

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.14 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 as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

**1.15 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 note 25, 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.



---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. ACCOUNTING POLICIES (continued)**

**1.16 Agency arrangements**

The academy trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 18.

**1.17 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.



**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2018</i> <i>£000</i>
Donations	14	-	-	14	9
Capital grants	-	-	1,780	1,780	1,387
	<u>14</u>	<u>-</u>	<u>1,780</u>	<u>1,794</u>	<u>1,396</u>
<i>Total 2018</i>	<u>9</u>	<u>-</u>	<u>1,387</u>	<u>1,396</u>	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total</i> <i>funds</i> <i>2018</i> <i>£000</i>
Lettings income	134	134	150
Other income	178	178	106
	<u>312</u>	<u>312</u>	<u>256</u>
<i>Total 2018</i>	<u>256</u>	<u>256</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total</i> <i>funds</i> <i>2018</i> <i>£000</i>
Investment income	133	133	74
<i>Total 2018</i>	<u>74</u>	<u>74</u>	

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	38,323	38,323	38,087
Start Up Grant	-	19	19	19
Other DfE/ESFA grants	-	3,442	3,442	3,137
	-	41,784	41,784	41,243
<b>Other government grants</b>				
Local Authority Grants	-	623	623	570
	-	623	623	570
<b>Other funding</b>				
Catering Income	929	-	929	565
Other Incoming Resources	324	-	324	424
	1,253	-	1,253	989
	1,253	42,407	43,660	42,802
<i>Total 2018</i>	989	41,813	42,802	

**6. EXPENDITURE**

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading	37	-	170	207	125
Funding for the Academy's educational operations:					
Direct costs	25,099	2,339	2,540	29,978	29,304
Support costs	9,242	3,759	4,946	17,947	17,431
Teaching schools	202	-	185	387	388
	34,580	6,098	7,841	48,519	47,248
<i>Total 2018</i>	34,084	6,134	7,030	47,248	

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**7. SUPPORT COSTS**

	<b>Funding for the Academy's educational operations £000</b>	<b>Total 2019 £000</b>	<i>Total 2018 £000</i>
Technology costs	558	558	256
Premises costs (including PFI charge)	3,759	3,759	3,683
Other support costs	4,287	4,287	3,445
Auditor's remuneration	23	23	22
Other audit costs	19	19	12
Professional fees	59	59	17
Wages and salaries	9,242	9,242	9,996
	<u>17,947</u>	<u>17,947</u>	<u>17,431</u>
<i>Total 2018</i>	<u>17,431</u>	<u>17,431</u>	

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2019 £000</b>	<i>2018 £000</i>
Depreciation of tangible fixed assets:		
- owned by the academy	2,331	2,451
Amortisation of intangible fixed assets	8	-
Operating lease rentals:		
- PFI charges	1,381	1,178
- Other operating leases	113	263
Fees payable to auditor for:		
- audit	23	22
- other services	19	12
Loan interest paid	13	18
	<u>          </u>	<u>          </u>

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	24,680	23,708
Social security costs	2,510	2,424
Operating costs of defined benefit pension schemes	6,042	6,452
	<u>33,232</u>	<u>32,584</u>
Agency staff costs	1,283	1,147
Staff restructuring costs	65	353
	<u>34,580</u>	<u>34,084</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	17	278
Severance payments	48	75
	<u>65</u>	<u>353</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £47,593 (2018: £75,308). Individually the payments were £7,919, £4,000, £3,484, £3,500, £18,690 and £10,000.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	401	419
Administration and support	469	442
Management	38	42
	<u>908</u>	<u>903</u>

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**9. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>12</b>	<b>17</b>
In the band £70,001 - £80,000	<b>4</b>	<b>1</b>
In the band £80,001 - £90,000	<b>1</b>	<b>0</b>
In the band £90,001 - £100,000	<b>3</b>	<b>4</b>
In the band £100,001 - £110,000	<b>1</b>	<b>1</b>
In the band £120,001 - £130,000	<b>1</b>	<b>0</b>
In the band £130,001 - £140,000	<b>1</b>	<b>1</b>

**e. Key management personnel**

The key management personnel of the academy trust comprise the directors 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 £729,719 (2018: £624,471).

**10. RELATED PARTY TRANSACTIONS - DIRECTORS' REMUNERATION AND EXPENSES**

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

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
Catherine Anwar	Remuneration	<b>130-135</b>	<b>130-135</b>
	Pension contributions paid	<b>20-25</b>	<b>20-25</b>

During the year, no Directors received any benefits in kind (2018 - £NIL).

During the year ended 31 August 2019, Directors received reimbursement of expenses totalling £1,761 (2018 - £848).

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**11. CENTRAL SERVICES**

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

- Leadership, Finance and Administrative Support
- IT Consultancy
- Governance costs
- Literacy and numeracy support
- CPD for staff and trust officials
- Student support services (i.e. Speech and Language Therapy)

The academy trust charges for these services on the following basis:

A flat rate of 5.5% of the GAG income of each school

The actual amounts charged during the year were as follows:

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Ninestiles School	452	320
Erdington Hall Primary School	102	73
The Oaklands Primary School	105	72
Pegasus Primary School	56	41
Yarnfield Primary School	143	107
Lyndon School	296	219
Cockshut Hill School	367	272
Solihull Sixth Form College	537	383
	<u>2,058</u>	<u>1,487</u>
<b>Total</b>	<u><u>2,058</u></u>	<u><u>1,487</u></u>

**12. INTANGIBLE FIXED ASSETS**

	<b>Computer Software £000</b>
<b>Cost</b>	
At 1 September 2018	12
Additions	27
At 31 August 2019	<u>39</u>
<b>Amortisation</b>	
Charge for the year	8
At 31 August 2019	<u>8</u>
<b>Carrying amount</b>	
At 31 August 2019	<u><u>31</u></u>
At 31 August 2018	<u><u>12</u></u>

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**13. TANGIBLE FIXED ASSETS**

	Leasehold Land and Buildings £000	Freehold Land and Buildings £000	Plant and machinery (including motor vehicles) £000	Furniture and Computer Equipment £000	Assets under construction £000	Total £000
<b>Cost</b>						
At 1 September 2018	55,015	51,537	629	3,444	-	110,625
Additions	5	-	55	540	359	959
At 31 August 2019	<u>55,020</u>	<u>51,537</u>	<u>684</u>	<u>3,984</u>	<u>359</u>	<u>111,584</u>
<b>Depreciation</b>						
At 1 September 2018	6,329	1,012	348	2,123	-	9,812
Charge for the year	1,099	637	67	528	-	2,331
At 31 August 2019	<u>7,428</u>	<u>1,649</u>	<u>415</u>	<u>2,651</u>	<u>-</u>	<u>12,143</u>
<b>Net book value</b>						
At 31 August 2019	<u>47,592</u>	<u>49,888</u>	<u>269</u>	<u>1,333</u>	<u>359</u>	<u>99,441</u>
At 31 August 2018	<u>48,686</u>	<u>50,525</u>	<u>281</u>	<u>1,321</u>	<u>-</u>	<u>100,813</u>

Included in freehold land and buildings is land valued at £19,664,000 (2018: £19,664,000) which is not depreciated.

The Academy Trust took out a 125 year leases over the schools' land and buildings at the dates of conversion of the constituent schools. The leasehold properties are owed by Birmingham City Council and Solihull Metropolitan Borough Council.

In 2016 the Trust granted a leasehold on land and buildings which will generate yearly rental income of £8,500 as disclosed in note 26.

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**14. DEBTORS**

	2019 £000	2018 £000
Trade debtors	30	9
Other debtors	524	519
Prepayments and accrued income	1,007	942
	<u>1,561</u>	<u>1,470</u>

**15. CURRENT ASSET INVESTMENTS**

	2019 £000	2018 £000
Cash at banks and building societies	<u>12,022</u>	<u>10,000</u>

**16. CREDITORS: Amounts falling due within one year**

	2019 £000	2018 £000
Other loans	99	94
Trade creditors	2,489	670
Other taxation and social security	600	213
Other creditors	224	1,151
Accruals and deferred income	1,449	1,689
	<u>4,861</u>	<u>3,817</u>
	2019 £000	2018 £000
<b>Deferred income</b>		
Deferred income at 1 September 2018	236	249
Resources deferred during the year	251	236
Amounts released from previous years	(236)	(249)
	<u>251</u>	<u>236</u>

Deferred income relates to free school meals funding and other income received in advance of the next academic year.



**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**17. CREDITORS: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Loan due to Birmingham City Council	26	125
Other creditors	15	-
	41	125
	41	125

Included within the above are amounts falling due as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Between one and two years</b>		
Loans due to Birmingham City Council	26	99
	26	99
<b>Between two and five years</b>		
Loans due to Birmingham City Council	-	26
	-	26

**18. AGENCY ARRANGEMENTS**

The academy distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £254,109 (2018: £243,934) and disbursed £243,609 (2018: £243,934) from the fund. As a result an amount of £17,644 (2018: £7,144) is included in other creditors relating to undistributed funds.

The academy distributes grants to students as an agent for the NCTL. In the accounting period ending 31 August 2019 the trust received £318,000 (2018: £71,000) and disbursed £320,500 (2018: £47,500) from the fund. A repayment of £21,000 (2018: £50,900) was made to the NCTL in respect of funds brought forward. An amount of £Nil (2018: £23,500) is included in other creditors relating to undistributed funds.

The academy distributes bursaries to students as a custodian of funds for the Flora Forster Investment Fund. In the accounting period ending 31 August 2019, the trust received £100,000 (2018: £Nil) and disbursed £48,000 (2018: £34,000) from the fund. An amount of £68,252 (2018: £16,252) is included in other creditors relating to undistributed funds.

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds	10,162	2,081	(785)	-	-	11,458
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,984	38,323	(39,687)	765	-	2,385
Start Up Grant	-	19	(19)	-	-	-
Other DfE/ESFA Grant	-	3,442	(3,442)	-	-	-
Local Authority Grants	-	623	(623)	-	-	-
Endowment funds	30	-	(1)	-	-	29
Teaching schools	-	40	(40)	-	-	-
Pension reserve	(17,256)	-	(1,583)	-	(3,363)	(22,202)
	<u>(14,242)</u>	<u>42,447</u>	<u>(45,395)</u>	<u>765</u>	<u>(3,363)</u>	<u>(19,788)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	1,066	1,780	-	(1,751)	-	1,095
Fixed Asset Fund	100,825	-	(2,339)	986	-	99,472
	<u>101,891</u>	<u>1,780</u>	<u>(2,339)</u>	<u>(765)</u>	<u>-</u>	<u>100,567</u>
Total restricted funds	<u>87,649</u>	<u>44,227</u>	<u>(47,734)</u>	<u>-</u>	<u>(3,363)</u>	<u>80,779</u>
Total of funds	<u>97,811</u>	<u>46,308</u>	<u>(48,519)</u>	<u>-</u>	<u>(3,363)</u>	<u>92,237</u>

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

The government capital funds are provided by the government for specific capital projects.

The restricted income fund is subject to specific expenditure within the charitable company's declared objectives. DfE grants relate to government funding for the provision of education by the charitable company. Funding is repayable if the charitable company does not meet all funding requirements.

Local authority grants relate to local authority funding for the provision of education by the charitable company.

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**19. STATEMENT OF FUNDS (continued)**

Within restricted funds are endowment funds transferred from The Sixth Form College, Solihull related to three specific funds:

**Heartfield/Wharam Memorial Fund**

A fund donated to support the furthering of musical education and training. The balance on this fund at the year end was £8,000.

**Roger Coombs memorial fund**

Award provided as grants to students of Modern Foreign Languages to enable them to visit Russia or a French-speaking country. The balance on this fund at the year end was £7,000.

**Terry Kitson memorial fund**

Awards provided as a bursary to reward and facilitate students involved in voluntary work within the wider community in the UK or overseas. The balance on this fund at the year end was £14,000.

Transfers from the restricted fixed asset fund represent expenditure incurred during the year on repairs and maintenance projects funded by capital grants accorded for this purpose.

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.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2019 were allocated as follows:

	<b>Total 2019 £000</b>	<i>Total 2018 £000</i>
Ninestiles School	1,778	2,319
Erdington Hall Primary School	283	(26)
The Oaklands Primary School	668	561
Pegasus Primary School	(99)	(82)
Yarnfield Primary School	600	309
Lyndon School	772	1,043
Solihull Sixth Form College	8,632	7,660
Cockshut Hill School	1,133	1,111
Trust	105	281
Total before fixed asset fund and pension reserve	<b>13,872</b>	13,176
Restricted fixed asset fund	<b>100,567</b>	101,891
Pension reserve	<b>(22,202)</b>	(17,256)
Total	<b>92,237</b>	97,811

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2019 £000</b>	<i>Total 2018 £000</i>
Ninestiles School	5,747	1,787	742	1,228	9,504	8,891
Erdington Hall Primary School	1,186	299	151	345	1,981	2,340
The Oaklands Primary School	1,475	304	122	300	2,201	2,130
Pegasus Primary School	710	198	77	247	1,232	1,341
Yarnfield Primary School	1,932	307	64	622	2,925	3,568
Lyndon School	3,840	982	261	1,114	6,197	6,224
Cockshut Hill School	3,947	1,549	334	2,224	8,054	7,590
Solihull Sixth Form College	5,789	1,364	451	1,340	8,944	8,485
Trust	712	2,452	9	1,969	5,142	4,228
	<u>25,338</u>	<u>9,242</u>	<u>2,211</u>	<u>9,389</u>	<u>46,180</u>	<u>44,797</u>

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
General Funds	9,399	1,505	(742)	-	-	10,162
<b>Restricted funds</b>						
General Annual Grant (GAG)	3,064	38,087	(38,389)	222	-	2,984
Start Up Grant	-	19	(19)	-	-	-
Other DfE/ESFA Grant	-	3,137	(3,137)	-	-	-
Local Authority Grants	-	570	(570)	-	-	-
Endowment funds	33	-	(3)	-	-	30
Teaching schools	23	17	(40)	-	-	-
Pension reserve	(19,172)	-	(1,897)	-	3,813	(17,256)
	<u>(16,052)</u>	<u>41,830</u>	<u>(44,055)</u>	<u>222</u>	<u>3,813</u>	<u>(14,242)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	610	1,387	-	(931)	-	1,066
Fixed Asset Fund	102,567	-	(2,451)	709	-	100,825
Total restricted funds	<u>87,125</u>	<u>43,217</u>	<u>(46,506)</u>	<u>-</u>	<u>3,813</u>	<u>87,649</u>
Total of funds	<u><u>96,524</u></u>	<u><u>44,722</u></u>	<u><u>(47,248)</u></u>	<u><u>-</u></u>	<u><u>3,813</u></u>	<u><u>97,811</u></u>

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Intangible fixed assets	-	-	31	31
Tangible fixed assets	-	-	99,441	99,441
Current assets	11,458	7,317	1,095	19,870
Creditors due within one year	-	(4,862)	-	(4,862)
Creditors due in more than one year	-	(41)	-	(41)
Provisions for liabilities and charges	-	(22,202)	-	(22,202)
	<u>11,458</u>	<u>(19,788)</u>	<u>100,567</u>	<u>92,237</u>

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Intangible fixed assets	-	-	12	12
Tangible fixed assets	-	-	100,813	100,813
Current assets	10,162	6,957	1,066	18,185
Creditors due within one year	-	(3,818)	-	(3,818)
Creditors due in more than one year	-	(125)	-	(125)
Provisions for liabilities and charges	-	(17,256)	-	(17,256)
	<u>10,162</u>	<u>(14,242)</u>	<u>101,891</u>	<u>97,811</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the year (as per Statement of Financial Activities)	(2,211)	(2,526)
<b>Adjustment for:</b>		
Depreciation charges	2,339	2,451
Interest from investments	(133)	(74)
(Increase)/decrease in debtors	(91)	141
Increase/(decrease) in creditors	1,039	(646)
Capital grants from DfE and other capital income	(1,780)	(1,395)
Defined benefit pension scheme cost less contributions payable	1,151	1,419
Defined benefit pension scheme finance cost	432	478
<b>Net cash provided by/(used in) operating activities</b>	<u><b>746</b></u>	<u><b>(152)</b></u>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	6,286	6,316
Notice deposits (less than 3 months)	-	398
<b>Total</b>	<u><b>6,286</b></u>	<u><b>6,714</b></u>

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**23. CONTINGENT LIABILITIES**

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

**24. CAPITAL COMMITMENTS**

At 31 August 2019 the academy trust had capital commitments as follows:

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	626	-

**25. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

**Teachers' Pension Scheme**

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,562,000 (2018 - £2,572,000) and at the year-end nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**25. PENSION COMMITMENTS (continued)**

implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £2,419,000 (2018 - £1,990,000), of which employer's contributions totalled £1,956,000 (2018 - £1,535,000) and employees' contributions totalled £463,000 (2018 - £455,000). The agreed contribution rates for future years are 21% for employers and a range based on salary levels % for employees.

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

Principal actuarial assumptions:

	<b>2019</b>	<b>2018</b>
Discount rate for scheme liabilities	<b>1.85 %</b>	<b>2.65 %</b>
Rate of increase in salaries	<b>3.70 %</b>	<b>3.80 %</b>
Rate of increase for pensions in payment / inflation	<b>2.20 %</b>	<b>2.30 %</b>
Inflation assumption (CPI)	<b>2.20 %</b>	<b>2.30 %</b>



**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**25. PENSION COMMITMENTS (continued)**

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

	2019	2018
Retiring today		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.1	26.7

	At 31 August 2019 £000	At 31 August 2018 £000
<b>Sensitivity analysis on scheme liabilities</b>		
Discount rate +0.1%	47,991	39,465
Discount rate -0.1%	50,113	41,197
Mortality assumption - 1 year increase	50,906	41,698
Mortality assumption - 1 year decrease	47,243	38,994

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	16,135	14,595
Gilts	2,542	1,659
Corporate bonds	1,015	854
Property	2,191	1,872
Cash and other liquid assets	969	865
Other	3,986	3,220
<b>Total market value of assets</b>	<b>26,838</b>	<b>23,065</b>

The actual return on scheme assets was £1,579,000 (2018 - £258,000).

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**25. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2019 £000	2018 £000
Net interest expense	432	478
Admin expenses	12	9
Current service cost	3,095	2,945
	<u>3,539</u>	<u>3,432</u>
<b>Total</b>	<b><u>3,539</u></b>	<b><u>3,432</u></b>

Movements in the present value of the defined benefit obligation were as follows:

	2019 £000	2018 £000
Opening defined benefit obligation	40,321	40,254
Interest cost	1,072	1,049
Employee contributions	463	455
Actuarial losses/(gains)	4,302	(4,126)
Benefits paid	(213)	(256)
Past service costs, including curtailments	457	-
Current service cost	2,638	2,945
	<u>49,040</u>	<u>40,321</u>
<b>Closing defined benefit obligation</b>	<b><u>49,040</u></b>	<b><u>40,321</u></b>

Movements in the fair value of the academy trust's share of scheme assets:

	2019 £000	2018 £000
Opening fair value of scheme assets	23,065	21,082
Interest income	640	571
Actuarial losses/(gains)	939	(313)
Employer contributions	1,956	1,535
Contributions by Scheme participants and other employers	463	455
Benefits paid	(213)	(256)
Administration expenses	(12)	(9)
	<u>26,838</u>	<u>23,065</u>
<b>Closing fair value of scheme assets</b>	<b><u>26,838</u></b>	<b><u>23,065</u></b>

---

**SUMMIT LEARNING TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
<b>Amounts payable:</b>		
Within 1 year	1,496	1,494
Between 1 and 5 years	6,194	6,072
After more than 5 years	12,068	14,466
Total	<u>19,758</u>	<u>22,032</u>
<b>Amounts receivable:</b>		
Within 1 year	9	9
Between 1 and 5 years	7	16
Total	<u>16</u>	<u>25</u>

The Charitable Company is committed to funding payments under the PFI scheme for Yarnfield Primary School and Cockshut Hill School. Separate funding is received from the ESFA towards these costs for Cockshut Hill, with approximately 75% of the total cost being met under this agreement.

**27. 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 10.

**28. DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,996 (2018 - £1,705).

**29. 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.

**SUMMIT LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**30. TEACHING SCHOOL TRADING ACCOUNT**

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Other income	409		193	
<b>OTHER INCOME</b>				
Fundraising and other trading activities	-		1	
<b>TOTAL INCOME</b>		<b>409</b>		<b>194</b>
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	160		229	
Other direct costs	183		33	
<b>TOTAL DIRECT EXPENDITURE</b>	<b>343</b>		<b>262</b>	
<b>OTHER EXPENDITURE</b>				
Support staff costs	42		42	
Other support costs	2		84	
<b>TOTAL OTHER EXPENDITURE</b>	<b>44</b>		<b>126</b>	
<b>TOTAL EXPENDITURE</b>		<b>387</b>		<b>388</b>
<b>TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION</b>				
		(9)		-
<b>SURPLUS / (DEFICIT) FROM ALL SOURCES</b>		<b>13</b>		<b>(194)</b>
<b>TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2018</b>		<b>(13)</b>		<b>181</b>
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2019</b>		<b>-</b>		<b>(13)</b>

The Teaching School deficit has been met by unrestricted funds.