

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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**MIDDLESEX LEARNING PARTNERSHIP**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members** I Comfort (appointed 19 September 2018)  
J Major  
T St Catherine (appointed December 2018)  
V Olisa (appointed 1 April 2019)

**Trustees** T Hemming, CEO  
T St Catherine (resigned December 2018)  
S Arnold, Vice Chair  
P Gorania (resigned 19 December 2018)  
A Akintola  
I Comfort, Chair of Trustees  
A Singer (appointed 1 April 2019)  
R Middleton  
J Smith  
J Day (resigned 30 April 2019)

**Company registered number** 07719016

**Company name** Middlesex Learning Partnership

**Registered and principal office** Yeading Lane  
Hayes  
Middlesex  
UB4 9LE

**Company secretary** T Hemming

**Chief Executive Officer** T Hemming

**Senior Leadership Team** T Hemming, CEO  
J Jones, Head of School  
P Bateman, Head of School  
S Roberts, Head of School  
S Flick-Smith, CFO (appointed 1 May 2019)  
J Day, CFO (resigned 30 April 2019)  
R Inniss, Trust Primary Achievement

**Independent Auditors** Price Bailey LLP  
Chartered Accountants  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

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

**Bankers**

Lloyds Bank  
PO Box 1000  
Andover  
BX1 1LT

**MIDDLESEX LEARNING PARTNERSHIP**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Middlesex Learning Partnership (the Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustee's Report, and a Directors' Report under company law.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Trust is an exempt charity incorporated in England as a company limited by guarantee on 3 December 2012. The Trust includes 3 academy schools as at 31 August 2019, Barnhill Community High School, Belmore Primary and William Byrd Primary (The Academies or the Schools). Barnhill became an Academy on 26 July 2011, Belmore on the 1 December 2012 and William Byrd on 1 September 2017. The Trust's Articles of Association (the Articles) is its primary governing document.

### **Member's Liability**

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

### **Trustees Indemnities**

The Trust's combined policy insurance was in place for 2018/19. All-risk insurance including specific Trustee third party insurance was in place for 2018/19 for all Academies, through Zurich for Barnhill Community High and through the Department for Education's (DfE) Risk Protection Arrangement (RPA) for Belmore and William Byrd.

### **Methods, policies and procedures for recruitment, appointment, induction and training of new Trustees**

In this Report the term Director or Trustee refers to a member of Trustees Board (the Board). The term Governor relates to a member of a Local Governing Body (LGB).

Trustees are appointed for a fixed term. Three Trustees are ex-officio positions, the Chair of the Barnhill LGB, the Chair of the Belmore Primary LGB and the Executive Head Teacher (EHT). The Members may appoint up to three Trustees nominated by the LGBs. The Board, may co-opt up to three additional Trustees.

New Trustees are required to attend a training programme. The induction programme includes a tour of the Schools, meetings with pupils/students and staff and provisions of policy and procedure documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work they will undertake.

This year the Trust revised its Articles to reflect changes implemented by the DfE and the current status of the organisation.

### **Employee Consultation and Disabled Employees.**

The Trust has policies in place to support its commitment to equality, diversity and inclusion. These include:

- Safer Recruitment Policy
- Accessibility & Equality Policy
- Absence Management Policy

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

The following was action taken during the year to introduce, maintain or develop arrangements to provide information and consult employees on matters affecting them:

- Staff Surveys - Staff Wellbeing Committee
- Communications Group
- Individual/Group Consultation (including Change Management Policy)

**Trustees Day-to-Day Management**

The Trustees delegate the day to day management of the Trust to the EHT and her Senior Leadership Team. Throughout the 2018/19 financial year, the Senior Leadership Team comprised the Head of School for Barnhill Community High, John Jones, the Head of School for Belmore Primary, Paul Bateman, and the Head of School for William Byrd Primary, Sarah Roberts. This team is supported by a Chief Financial Officer.

**Methods of Recruiting and Appointing New Trustees**

Any vacancies or additions to the Board are completed through a recruitment process which involves three potential sources; candidates who have come through the Academy Ambassadors programme; any member of a Local Governing Body who may wish to take a wider role; and the use of more informal networks. Regardless of the source of the potential Trustees, all are taken through a rigorous recruitment process to ensure their suitability and commitment to the role.

The training and induction of each new Trustee reflects their existing experience. As appropriate the induction process includes education, charity, legal and financial matters. All Trustees are provided with access to the documentation needed to fulfil their roles, for example, meeting minutes, policies, procedures etc. This information is held on the secure and accessible "Trust" website.

**External Body/Person Entitled to Appoint Trustees**

Currently the Articles provide that the Secretary of State may appoint additional Trustees if the Trust fails to comply with a Secretary of State warning notice. This provision is being removed in the revised Articles.

**Arrangements for setting pay and remuneration of key management personnel**

The pay and remuneration of the Trust executive staff is set by the Remunerations Committee. Head Teachers' pay is set in line with the School Teachers Pay and Conditions Document. The Remunerations Committee has commission external benchmarking in order to set pay levels which are aligned to the market but that allow the Trust to attract and retain key talent. The external benchmarking takes account of:

1. Relevant external positioning i.e. size of Trust
2. Internal positioning and parity
3. The individual's experience and contribution to the Trust

The Remunerations Committee has committed to undertaking this benchmarking as required and at least every three years.

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

**TRADE UNION REPRESENTATIVE**

Trade union representatives and full-time equivalents

Trade union representatives: 3

FTE trade union representatives: 3

Percentage of working hours spent on facility time

0% of working hours: 0 representatives

1 to 50% of working hours: 3 representatives

51 to 99% of working hours: 0 representative

100% of working hours: 0 representatives

Total pay bill and facility time costs

Total pay bill: £8,753,014

Total cost of facility time: £33,605

Percentage of pay spent on facility time: 0.38%

Paid trade union activities

Hours spent on paid facility time: 708.5

Hours spent on paid trade union activities: 15

Percentage of total paid facility time hours spent on paid trade union activities: 2.12%

**Organisational Structure**

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

The Leadership Group at Barnhill consists of the Head of School, 2 Deputy Head Teachers and 4 Assistant Heads. At Belmore, it consists of a Head of School, a Deputy Head/Trust Director of Achievement, 2 Acting Deputy Heads, 1 Assistant Head and 2 Associate Assistant Heads. William Byrd has a Head of School, a Deputy Head, an acting Deputy Head and 2 Assistant Heads. The Trust lead for SEND is also based at William Byrd. The teams control each Academy at an executive level implementing policies and reporting to the LGBs. The Heads report to and are monitored by the EHT.

The Leadership Group is responsible for the day to day operation of each Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

There are two Trust Senior Leadership roles, the Executive Head Teacher who leads the Trust and the Chief Financial Officer. On the 1 September 2018, the Operations Director role was replaced with a financially qualified Chief Financial Officer. The EHT is the Principal Accounting Officer and the CFO reports to the EHT.

**Related Parties**

Owing to the nature of the Trust's operations and the composition of the Board being drawn from local public and private organisations, it is possible that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any resulting commercial transactions are reported separately in the financial statements.

There were no related party transactions during the reporting period.

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

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

As set out in its Articles, the Trust's objectives are: to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the London Borough of Hillingdon and the surrounding area; the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason for their youth, age, infirmity or disablement, financial hardship or social and economic circumstances; or for the public at large in the interests of social welfare and with the objective of improving the condition of life of the said inhabitants.

The Trustees confirm they have referred to the Charity Commission's guidance on public benefit. The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**STRATEGIC REPORT**

**Achievements and Performance**

Progress continues to be made across all three Academies:

In 2019 Belmore continued to maintain its high outcomes.

The end-of-KS1 outcomes are all significantly above national across all three subject area (Reading, Writing and Maths).

In KS2 there were exceptional gains made at Greater Depth in writing at 38% and 40% at greater depth for maths. Progress scores were equally impressive with +1.23 Reading; +2.6 Writing and +2.4 Maths.

These results will place Belmore at the top of the league table in Hillingdon and well within the top 10% nationally.

William Byrd was sponsored by the Trust in September 2017 when it became an enforced academy with an Ofsted inadequate (special measures) judgement.

2018/19 outcomes have dropped in KS2, as a result of legacy issues and significant gaps in pupil's knowledge. However, the Academy achieved above national averages in all expected measures in KS1, where the Academy has had control upon the diet of pupils throughout the majority of their early education.

Leadership and management at the School is strong and following a robust improvement plan, outcomes are expected to improve at KS2 this year, the pupils having had a more consistent educational diet.

Barnhill Community High School's Key Stage 4 results in 2018 and now 2019 are among the highest in the Borough and the country. Performance Measure indicated by the Progress 8 Score of +0.61 place the School in at least top 5% of Schools nationally. Barnhill has achieved particularly well in maths and is the 62nd highest achieving school in England. At 5+ performance in the English remained stable at 65%, whilst Maths improved for a third year running and was up 5% on the previous year to 62%. The gap between both the attainment and progress of disadvantaged and other students has closed dramatically across both years as a result of the work undertaken through the interventions programme. For the third year running, Barnhill's pupil premium students have outperformed the national average for non-pupil premium students.

Key Stage 5 progress has improved substantially to an overall grade of 3 on the ALPs scale. This is welcome after a focussed improvement plan was put in place to achieve better outcomes.

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

All academies are fully staffed and the improved reputation of the Trust has resulted in a good quality of candidates applying for roles, particularly in leadership positions.

### **Governance reviews**

The Trust has had a full review of its Articles of Association in line with latest guidance from the DfE and has adopted a new scheme of delegation, which is fit for the MAT's purposes.

The master funding agreement has been reviewed by Stone King Solicitors.

A new easily accessible electronic governance tool has been populated with new skills audits and governance information.

### **Going Concern**

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

### **Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it received from the Education and Skills Funding Agency (ESFA). For the period ending 31 August 2019, the Trust received £15,765,620 in GAG and other funding (excluding capital grants). A high percentage of this funding is spent on salaries and support costs to deliver the Trust's primary objective of the provision of education.

The Trust received over £840,216 for Pupil Premium funding during the year. This allows for targeted extra funding to support disadvantaged pupils across the Schools.

In addition, the Trust also incurs the cost of the PFI agreement which at present is in the region of £1.9 million per annum at the Barnhill Academy.

### **Principal Risks and uncertainty**

The Trust maintains a Risk Register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. This Register is approved and was monitored by the Operations Committee (now the Finance, Audit and Risk Committee). The principal risks facing the Trust at a contextual level are outlined below in the Principal Risks and Uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The Trustees have assessed the principal risks and uncertainties to the Trust as follows:

- Continuing reduction in real term income impacts on provision.
- Statutory pay increases for staff are out of line with real term income movements.
- Teachers and LGPS Pension scheme contribution increases are also out of line with real term income movements (overall pension contributions are forecast to be c. 25% of salary).
- Attraction and retention of key staff, particularly teachers, becomes even more difficult, leading to disruption in the curriculum and additional costs.
- Falling roll – the two primary academies, Belmore and William Byrd, have experienced falling rolls.

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

**Reserves policy**

The Trustees regularly review the cash reserves of the Trust. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees had previously approved a reserves policy which gave a requirement to hold at least one month's salary costs for the Trust as a cash surplus. This equated to around £1m and was met as at August 2017. As a result of the investment in the Trust in the 2017/18 financial year, this was not met at 31 August 2018. This year current level of reserves (total funds less the amount held in fixed asset funds and pension fund deficit) is £799,689 which is showing a move toward rebuilding reserves in line with the policy.

Due to the accounting rules for Local Government Pension Scheme under FRS17, the Trust is recognising a significant pension fund deficit of £7,233,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employee contributions over a number of years. The Trust is currently making payments towards the deficit and it is envisaged that should the deficit increase it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Trust.

**Investment policy**

The Trust's investment policy will continue to be reviewed during 2019/20.

**Fundraising**

The Trust only held small fundraising events during the year. These small events in each of the Schools mainly were raising money for third party charities such as Children in Need. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Plans for future periods**

The Trust has progressed in terms of school improvement in all its Schools. Although they are at different points of their journeys there is considerable cross-Trust collaboration. Processes have been implemented for this to become more systematic and for all staff to feel allegiance to the Trust as well as their individual Schools. Trust communication has been improved and events and opportunities to share practice and work across the Schools are built into development plans.

The aspirational aim for the Trust is that all its Schools become Outstanding in Ofsted grading. This powers the Trust's relentless drive for school improvement and all Schools have achieved progress measures which are fall into the well above average category of national performance.

The Trust has a policy of measured and sustainable growth for the future and would expect to add two schools per year as a minimum and would welcome schools that have a good Ofsted rating. However, the Trust recognises that the likelihood of good or better schools becoming academies has decreased now that the DfE have rescinded the directive for all schools to become academies by 2022.

The Trust has a well-considered growth plan which outlines the opportunities and risks involved in expansion. Many of the key ingredients for successful growth including strong leadership and governance have been put in place over the last three years. The offer from the Trust is well defined and effective, particularly for the school improvement strategies leading to rapidly improved outcomes.

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

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustee's Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the Trust's Auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Trust's Auditors in connection with preparing their Report and to establish that the Trust's Auditors are aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by The Board of Trustees, on 13 December 2019 and signed on its behalf by:

I Comfort  
Chair of Trustees

**MIDDLESEX LEARNING PARTNERSHIP**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

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

| Trustee                                 | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| T Hemming, CEO                          | 5                 | 5                 |
| T St Catherine (resigned December 2018) | 1                 | 2                 |
| S Arnold, Vice Chair                    | 3                 | 5                 |
| P Gorania                               | 1                 | 2                 |
| A Akintola                              | 4                 | 5                 |
| I Comfort, Chair of Trustees            | 4                 | 5                 |
| A Singer                                | 2                 | 2                 |
| R Middleton                             | 3                 | 5                 |
| J Smith                                 | 2                 | 4                 |
| J Day                                   | 5                 | 5                 |

During the year there have been no key changes in composition of the Board of Trustees. The Board of Trustees has carried out an assessment of its own effectiveness through a skills audit, this has been used to identify future development points.

The PFI contract for Barnhill continues to present challenges and precludes opportunities to achieve value for money in many areas of service.

The Board met fewer than six times during the year. The Board is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of such sub-committees are noted below.

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial and other matters.

Attendance during the year at meetings was as follows:

| Trustee     | Meetings attended | Out of a possible |
|-------------|-------------------|-------------------|
| S Arnold    | 0                 | 4                 |
| A Singer    | 1                 | 2                 |
| A Akintola  | 4                 | 4                 |
| P Gorania   | 1                 | 1                 |
| R Middleton | 3                 | 4                 |
| J Smith     | 1                 | 3                 |
| T Hemming   | 4                 | 4                 |

**MIDDLESEX LEARNING PARTNERSHIP**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

As Accounting Officer, the CEO 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Reduction of central team to key essential personnel.
- Purchasing across the Trust to maximise economies of scale – photocopiers; paper; cleaning contracts where possible; accounting software.
- Curriculum delivery on collaborative learning flow pattern principles.
- Outsourcing of IT.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Middlesex Learning Partnership 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 Trustees 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 Trustees 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 Trustees.

**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 Trustees;
- regular reviews by the Finance, Audit and Risk 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; and
- identification and management of risks.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

**Internal Scrutiny/Audit**

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey as Internal Auditor.

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:

- Income
- Cash handling and banking
- Ordering
- Purchasing and payment
- Credit card payments
- Suppliers
- Access controls & reconciliations

On bi-annual basis, the Internal Auditor reports to the Board of Trustees through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

**Review of effectiveness**

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- 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 Finance, Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 13 December 2019 and signed on their behalf by:

I Comfort  
Chair of Trustees

T Hemming  
Accounting Officer

**MIDDLESEX LEARNING PARTNERSHIP**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Middlesex Learning Partnership I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

T Hemming  
Accounting Officer  
Date: 13 December 2019

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 13 December 2019 and signed on its behalf by:

I Comfort  
Chair of Trustees

**MIDDLESEX LEARNING PARTNERSHIP**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MIDDLESEX LEARNING PARTNERSHIP**

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

**Responsibilities of Trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

Mr Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

17 December 2019

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 31 January 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Middlesex Learning Partnership 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 Middlesex Learning Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Middlesex Learning Partnership and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Middlesex Learning Partnership and ESFA, for our work, for this Report, or for the conclusion we have formed.

**Respective responsibilities of Middlesex Learning Partnership's Accounting Officer and the Reporting Accountant**

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

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**Price Bailey LLP**

Date: 17 December 2019

**MIDDLESEX LEARNING PARTNERSHIP**  
(A Company Limited by Guarantee)

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

|   | Note | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Restricted<br>fixed asset<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |                             |
| Donations and capital grants  | 2    | 46,439                             | 144,062                          | 280,245   | 470,746                     | 11,396,364                  |
| Charitable activities   | 3    | 89,050                             | 15,676,570                       | -   | 15,765,620                  | 15,527,930                  |
| Other trading activities  | 4    | 94,493                             | 99,525                           | -   | 194,018                     | 246,629                     |
| Investments   | 5    | 755                                | -                                | -   | 755                         | 890                         |
| <b>Total income</b>   |      | <u>230,737</u>                     | <u>15,920,157</u>                | <u>280,245</u>                                  | <u>16,431,139</u>           | <u>27,171,813</u>           |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |                             |
| Charitable activities   |      | 82,010                             | 16,212,841                       | 547,962   | 16,842,813                  | 18,106,755                  |
| <b>Total expenditure</b>  | 6    | <u>82,010</u>                      | <u>16,212,841</u>                | <u>547,962</u>                                  | <u>16,842,813</u>           | <u>18,106,755</u>           |
| <b>Net income<br/>/(expenditure)</b>  |      | <u>148,727</u>                     | <u>(292,684)</u>                 | <u>(267,717)</u>                                | <u>(411,674)</u>            | <u>9,065,058</u>            |
| Transfers between funds   | 16   | -                                  | (29,154)                         | 29,154  | -                           | -                           |
| <b>Net movement in<br/>funds before other<br/>recognised<br/>gains/(losses)</b> |      | <u>148,727</u>                     | <u>(321,838)</u>                 | <u>(238,563)</u>                                | <u>(411,674)</u>            | <u>9,065,058</u>            |
| <b>Other recognised<br/>gains/(losses):</b>                                     |      |                                    |                                  |   |                             |                             |
| Actuarial losses on defined benefit pension schemes                             | 21   | -                                  | (2,062,000)                      | -   | (2,062,000)                 | 1,205,000                   |
| <b>Net movement in<br/>funds</b>  |      | <u>148,727</u>                     | <u>(2,383,838)</u>               | <u>(238,563)</u>                                | <u>(2,473,674)</u>          | <u>10,270,058</u>           |
| <b>Reconciliation of<br/>funds:</b>   |      |                                    |                                  |   |                             |                             |
| Total funds brought forward   |      | 268,285                            | (4,466,485)                      | 25,283,999                                      | 21,085,799                  | 10,815,741                  |
| Net movement in funds   |      | 148,727                            | (2,383,838)                      | (238,563)                                       | (2,473,674)                 | 10,270,058                  |
| <b>Total funds carried<br/>forward</b>  |      | <u>417,012</u>                     | <u>(6,850,323)</u>               | <u>25,045,436</u>                               | <u>18,612,125</u>           | <u>21,085,799</u>           |

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

The notes on pages 23 to 47 form part of these financial statements.

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07719016**

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

|  | Note | 2019<br>£   | 2018<br>£   |
|--|------|-------------|-------------|
| <b>Fixed assets</b>                            |      |             |             |
| Tangible assets                                | 13   | 25,045,436  | 25,091,975  |
|  |      | 25,045,436  | 25,091,975  |
| <b>Current assets</b>                          |      |             |             |
| Debtors  | 14   | 550,006     | 530,442     |
| Cash at bank and in hand                       | 20   | 914,433     | 611,354     |
|  |      | 1,464,439   | 1,141,796   |
| Creditors: amounts falling due within one year | 15   | (664,750)   | (465,972)   |
|  |      | 799,689     | 675,824     |
| <b>Net current assets</b>                      |      | 799,689     | 675,824     |
| <b>Total assets less current liabilities</b>   |      | 25,845,125  | 25,767,799  |
| <b>Net assets excluding pension liability</b>  |      | 25,845,125  | 25,767,799  |
| Defined benefit pension scheme liability       | 21   | (7,233,000) | (4,682,000) |
| <b>Total net assets</b>                        |      | 18,612,125  | 21,085,799  |
| <b>Funds of the Trust</b>                      |      |             |             |
| <b>Restricted funds:</b>                       |      |             |             |
| Fixed asset funds                              | 16   | 25,045,436  | 25,283,999  |
| Restricted income funds                        | 16   | 382,677     | 215,515     |
|  |      | 25,428,113  | 25,499,514  |
| Restricted funds excluding pension liability   | 16   | 25,428,113  | 25,499,514  |
| Pension reserve                                | 16   | (7,233,000) | (4,682,000) |
|  |      | 18,195,113  | 20,817,514  |
| <b>Total restricted funds</b>                  | 16   | 18,195,113  | 20,817,514  |
| <b>Unrestricted income funds</b>               | 16   | 417,012     | 268,285     |
|  |      | 18,612,125  | 21,085,799  |
| <b>Total funds</b>                             |      | 18,612,125  | 21,085,799  |

The financial statements on pages 20 to 47 were approved by the Board of Trustees on 13 December 2019 and signed on their behalf, by:

I Comfort  
Chair of Trustees

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

|   | Note | 2019<br>£      | As restated<br>2018<br>£ |
|---|------|----------------|--------------------------|
| <b>Cash flows from operating activities</b>             |      |                |                          |
| Net cash provided by/(used in) operating activities     | 18   | 200,427        | (1,037,421)              |
| <b>Cash flows from investing activities</b>             |      |                |                          |
|   | 19   | 102,652        | 371,428                  |
| <b>Change in cash and cash equivalents in the year</b>  |      |                |                          |
|   |      | 303,079        | (665,993)                |
| Cash and cash equivalents at the beginning of the year  |      | 611,354        | 1,277,347                |
| <b>Cash and cash equivalents at the end of the year</b> | 20   | <u>914,433</u> | <u>611,354</u>           |

The notes on pages 23 to 47 form part of these financial statements

**MIDDLESEX LEARNING PARTNERSHIP**  
**(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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Middlesex Learning Partnership meets the definition of a public benefit entity under FRS 102.

The Trust's presentational and functional currency is Pound Sterling.

**1.2 Company Status**

The Trust is a company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Trust's registered office is Yeading Lane, Hayes, Middlesex, UB4 9LE.

**1.3 Fund accounting**

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Income**

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

• **Grants**

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

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

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.4 Income (continued)**

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

- **Donations**

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

- **Other income**

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

**1.5 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

|                         |                           |
|-------------------------|---------------------------|
| Freehold property       | - 125 years straight line |
| Leasehold Property      | - 125 years straight line |
| Furniture and equipment | - 4 years straight line   |
| Computer equipment      | - 4 years straight line   |

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

**1.8 Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Operating leases**

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

**1.10 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.

**1.11 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.

**MIDDLESEX LEARNING PARTNERSHIP**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.12 Liabilities**

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

**1.13 Financial instruments**

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Pensions**

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

**MIDDLESEX LEARNING PARTNERSHIP**  
(A Company Limited by Guarantee)

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

**1. Accounting policies (continued)**

**1.15 Agency arrangements**

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The funds received and paid and any any balances held are disclosed in note 25.

**1.16 Critical accounting estimates and areas of judgement**

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. Income from donations and capital grants**

|                   | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations         | 46,439                             | 91,701                           | 138,140                     | 10,762,726                  |
| Other grants      | -                                  | 52,361                           | 52,361                      | 124,163                     |
| Capital grants    | -                                  | 280,245                          | 280,245                     | 509,475                     |
| <b>Total 2019</b> | <u>46,439</u>                      | <u>424,307</u>                   | <u>470,746</u>              | <u>11,396,364</u>           |
| Total 2018        | <u>192,805</u>                     | <u>11,203,559</u>                | <u>11,396,364</u>           |                             |

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**2. Income from donations and capital grants (continued)**

In 2018, income transferred on conversion was £10,628,802 of which £100,678 was unrestricted, £(1,345,000) restricted and £11,873,124 restricted fixed assets.

In 2018, income from donations was £133,924 of which £92,127 was unrestricted and £41,797 restricted.

In 2018, income from other grants was £124,163 of which all was unrestricted.

In 2019, capital grants of £280,245 (2018 - £509,475) were in relation to restricted fixed assets.

**3. Funding for the Trust's provision of education**

|                                | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>         |                                    |                                  |                             |                             |
| General Annual Grant (GAG)     | -                                  | 13,629,343                       | 13,629,343                  | 13,576,446                  |
| Other DfE/ESFA grants          | -                                  | 1,307,614                        | 1,307,614                   | 1,223,910                   |
|                                | -                                  | 14,936,957                       | 14,936,957                  | 14,800,356                  |
| <b>Other Government grants</b> |                                    |                                  |                             |                             |
| Local Authority grants         | -                                  | 715,813                          | 715,813                     | 639,267                     |
|                                | -                                  | 715,813                          | 715,813                     | 639,267                     |
| <b>Other funding</b>           |                                    |                                  |                             |                             |
| Catering income                | 89,050                             | -                                | 89,050                      | 88,307                      |
| Other grants                   | -                                  | 23,800                           | 23,800                      | -                           |
|                                | 89,050                             | 23,800                           | 112,850                     | 88,307                      |
| <b>Total 2019</b>              | 89,050                             | 15,676,570                       | 15,765,620                  | 15,527,930                  |
| Total 2018                     | 88,307                             | 15,439,623                       | 15,527,930                  |                             |

In 2018, income from DfE/ESFA grants was £14,800,356 of which all was restricted.

In 2018, income from other Government grants was £639,267 of which all was restricted.

In 2018, income from catering was £88,307 of which all was unrestricted.

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**4. Income from other trading activities**

|                   | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental income     | -                                  | -                                | -                           | 105                         |
| Other income      | 94,493                             | 99,525                           | 194,018                     | 246,524                     |
| <b>Total 2019</b> | <u>94,493</u>                      | <u>99,525</u>                    | <u>194,018</u>              | <u>246,629</u>              |
| Total 2018        | <u>144,701</u>                     | <u>101,928</u>                   | <u>246,629</u>              |                             |

In 2018, rental income was £105 of which all was unrestricted.

In 2018, other income was £246,524 of which £144,596 was unrestricted and £101,928 restricted.

**5. Investment income**

|                   | Unrestricted<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ | Total<br>funds<br>2018<br>£ |
|-------------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest     | 755                                | 755                         | 890                         |
| <b>Total 2019</b> | <u>755</u>                         | <u>755</u>                  | <u>890</u>                  |

In 2018, all investment income was in relation to unrestricted funds.

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**6. Expenditure**

|                         | Staff Costs<br>2019<br>£ | Premises<br>2019<br>£ | Other<br>2019<br>£ | Total<br>2019<br>£ | As restated<br>Total<br>2018<br>£ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|-----------------------------------|
| Provision of Education: |                          |                       |                    |                    |                                   |
| Direct costs            | 10,325,080               | -                     | 1,040,134          | 11,365,214         | 12,334,339                        |
| Support costs           | 1,870,478                | 2,492,679             | 1,114,442          | 5,477,599          | 5,772,416                         |
| <b>Total 2019</b>       | <u>12,195,558</u>        | <u>2,492,679</u>      | <u>2,154,576</u>   | <u>16,842,813</u>  | <u>18,106,755</u>                 |
| Total 2018 as restated  | <u>12,610,262</u>        | <u>2,588,255</u>      | <u>2,908,238</u>   | <u>18,106,755</u>  |                                   |

In 2019, of the total expenditure, £82,010 (2018 - £820,191) was from unrestricted funds, £16,212,841 (2018 - £16,376,783) was from restricted funds and £547,962 (2018 - £909,781) was from restricted fixed asset funds.

In 2018, direct expenditure consisted of £10,601,224 staff costs and £1,733,115 other costs.

In 2018, support expenditure consisted of £2,009,038 staff costs, £2,588,255 premises costs and £1,175,123 other costs.

**7. Charitable Activities**

|               | 2019<br>£         | As restated<br>2018<br>£ |
|---------------|-------------------|--------------------------|
| Direct costs  | 11,365,214        | 12,334,339               |
| Support costs | 5,477,599         | 5,772,416                |
| <b>Total</b>  | <u>16,842,813</u> | <u>18,106,755</u>        |

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|   | 2019<br>£         | As restated<br>2018<br>£ |
|---|-------------------|--------------------------|
| <b>Analysis of support costs:</b>               |                   |                          |
| Depreciation                                    | 224,887           | 316,587                  |
| Staff costs                                     | 1,870,478         | 2,009,038                |
| Technology                                      | 13,625            | 6,259                    |
| Premises  | 2,267,792         | 2,271,668                |
| Governance                                      | 23,095            | 22,495                   |
| Other   | 1,077,722         | 1,146,369                |
| <b>Total</b>                                    | <b>5,477,599</b>  | <b>5,772,416</b>         |
| <br>  |                   |                          |
| <b>8. Net income/(expenditure)</b>              |                   |                          |
| Net income/(expenditure) for the year includes: |                   |                          |
|   | 2019<br>£         | 2018<br>£                |
| Operating lease rentals                         | 1,835,421         | 1,857,671                |
| Depreciation of tangible fixed assets           | 224,887           | 316,587                  |
| Auditors remuneration - audit                   | 16,400            | 15,965                   |
| Auditors remuneration - other services          | 6,695             | 6,530                    |
|   | <b>1,885,403</b>  | <b>1,896,753</b>         |
| <br>  |                   |                          |
| <b>9. Staff costs</b>                           |                   |                          |
| <b>a. Staff costs</b>                           |                   |                          |
| Staff costs during the year were as follows:    |                   |                          |
|   | 2019<br>£         | As restated<br>2018<br>£ |
| Wages and salaries                              | 8,859,999         | 8,782,993                |
| Social security costs                           | 900,336           | 881,299                  |
| Pension costs                                   | 1,812,150         | 1,931,149                |
|   | <b>11,572,485</b> | <b>11,595,441</b>        |
| Agency staff costs                              | 468,680           | 977,947                  |
| Staff restructuring costs                       | 154,393           | 36,874                   |
|   | <b>12,195,558</b> | <b>12,610,262</b>        |

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**9. Staff costs (continued)**

**a. Staff costs (continued)**

Staff restructuring costs comprise:

|                     | 2019    | 2018   |
|---------------------|---------|--------|
|                     | £       | £      |
| Redundancy payments | 154,393 | 36,708 |
|                     | 154,393 | 36,708 |
|                     | 154,393 | 36,708 |

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £154,393 (2018 - £36,708). Individually, the payments were: £33,912, £27,823, £25,200, £19,373, £15,191, £12,764, £7,000, £5,380, £3,304, £3,024 and £1,422.

**c. Staff numbers**

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

|                            | 2019 | 2018 |
|----------------------------|------|------|
|                            | No.  | No.  |
| Teachers                   | 143  | 126  |
| Administration and support | 169  | 193  |
| Management                 | 7    | 8    |
|                            | 319  | 327  |
|                            | 319  | 327  |

**d. Higher paid staff**

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

|                                 | 2019 | 2018 |
|---------------------------------|------|------|
|                                 | No.  | No.  |
| In the band £60,001 - £70,000   | 5    | 6    |
| In the band £70,001 - £80,000   | 1    | 2    |
| In the band £80,001 - £90,000   | 1    | 1    |
| In the band £90,001 - £100,000  | 1    | 2    |
| In the band £130,001 - £140,000 | 1    | 1    |
|                                 | 10   | 12   |
|                                 | 10   | 12   |

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and Senior Management Team as listed on page 1. The total amount of employee benefits (including employer contributions) received by key management personnel for their services to the Trust was £644,784 (2018 - £642,390).

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**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Staff costs (continued)**

**e. Key management personnel (continued)**

Employer national insurance contributions included within key management personnel remuneration was £63,460 (2018 - £75,851)

Employer pension contributions included within key management personnel remuneration was £71,691 (2018 - £104,545)

**10. Central services**

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

- Finance
- Audit facilitation
- IT and Operational Support
- HR Management Information

The Trust charges for these services on an agreed charge, based upon size of each individual Academy.

The actual amounts charged during the year were as follows:

|                                | 2019<br>£ | 2018<br>£ |
|--------------------------------|-----------|-----------|
| Barnhill Community High School | 370,248   | 370,248   |
| Belmore Primary Academy        | 116,844   | 116,884   |
| William Byrd Primary Academy   | 107,652   | 107,646   |
| <b>Total</b>                   | 594,744   | 594,778   |

**11. Trustees' remuneration and expenses**

One Trustee has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Head Teacher only receives remuneration in respect of services they provide undertaking the role of Executive Head Teacher and a staff member under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

|                                   |                            | 2019<br>£            | 2018<br>£            |
|-----------------------------------|----------------------------|----------------------|----------------------|
| T Hemming, Executive Head Teacher | Remuneration               | 135,000 -<br>140,000 | 130,000 -<br>135,000 |
|                                   | Pension contributions paid | 20,000 -<br>25,000   | 20,000 -<br>25,000   |

During the year ended 31 August 2019, expenses totalling £273 were reimbursed or paid directly to 1 Trustee (2018 - £NIL). Expenses reimbursed were in relation to travel and subsistence.

**MIDDLESEX LEARNING PARTNERSHIP**  
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**12. Trustees' and Officers' insurance**

In respect of Barnhill Community High School, in accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2019 is included in the total insurance cost.

In respect of Belmore Primary Academy and William Byrd School, the Academies have opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where the UK Government funds cover the losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000 (per School).

**13. Tangible fixed assets**

|                          | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£               |
|--------------------------|----------------------------|---------------------------------|----------------------------|--------------------------|
| <b>Cost or valuation</b> |                            |                                 |                            |                          |
| At 1 September 2018      | 25,591,419                 | 171,036                         | 808,968                    | 26,571,423               |
| Additions                | 76,534                     | -                               | 101,814                    | 178,348                  |
| At 31 August 2019        | <u>25,667,953</u>          | <u>171,036</u>                  | <u>910,782</u>             | <u>26,749,771</u>        |
| <b>Depreciation</b>      |                            |                                 |                            |                          |
| At 1 September 2018      | 702,913                    | 145,401                         | 631,134                    | 1,479,448                |
| Charge for the year      | 135,514                    | 10,106                          | 79,267                     | 224,887                  |
| At 31 August 2019        | <u>838,427</u>             | <u>155,507</u>                  | <u>710,401</u>             | <u>1,704,335</u>         |
| <b>Net book value</b>    |                            |                                 |                            |                          |
| At 31 August 2019        | <u><u>24,829,526</u></u>   | <u><u>15,529</u></u>            | <u><u>200,381</u></u>      | <u><u>25,045,436</u></u> |
| At 31 August 2018        | <u><u>24,888,506</u></u>   | <u><u>25,635</u></u>            | <u><u>177,834</u></u>      | <u><u>25,091,975</u></u> |

**MIDDLESEX LEARNING PARTNERSHIP**  
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**14. Debtors**

|                                | 2019<br>£ | 2018<br>£ |
|--------------------------------|-----------|-----------|
| <b>Due within one year</b>     |           |           |
| Trade debtors                  | 13,379    | 6,480     |
| VAT recoverable                | 52,381    | 133,835   |
| Prepayments and accrued income | 484,246   | 389,359   |
| Other debtors                  | -         | 768       |
|                                | 550,006   | 530,442   |
|                                | 550,006   | 530,442   |

**15. Creditors: Amounts falling due within one year**

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
| Trade creditors                        | 74,839    | -         |
| Other taxation and social security     | 219,355   | 220,229   |
| Accruals and deferred income           | 370,556   | 245,743   |
|  | 664,750   | 465,972   |
|  | 664,750   | 465,972   |
|  | 98,979    | 81,464    |
| Deferred income at 1 September 2018    | 98,979    | 81,464    |
| Resources deferred during the year     | 119,523   | 98,979    |
| Amounts released from previous periods | (98,979)  | (81,464)  |
|  | 119,523   | 98,979    |
|  | 119,523   | 98,979    |

Resources deferred in the year relate to contributions towards future educational visits, and ESFA funding received in advance for the 2019/20 academic year.

**MIDDLESEX LEARNING PARTNERSHIP**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Statement of funds**

|                                     | Balance at 1<br>September<br>2018<br>£ | Income<br>£              | Expenditure<br>£           | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£   | Balance at<br>31 August<br>2019<br>£ |
|-------------------------------------|--|--------------------------|----------------------------|--------------------------|---------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                          |                            |                          |                           |                                      |
| Unrestricted funds                  | 268,285                                | 230,737                  | (82,010)                   | -                        | -                         | 417,012                              |
| <b>Restricted general funds</b>     |  |                          |                            |                          |                           |                                      |
| GAG                                 | 200,627                                | 13,629,343               | (13,418,139)               | (29,154)                 | -                         | 382,677                              |
| Other DfE/ESFA grants               | -                                      | 440,921                  | (440,921)                  | -                        | -                         | -                                    |
| 16-19 Bursary                       | -                                      | 26,477                   | (26,477)                   | -                        | -                         | -                                    |
| Pupil premium                       | -                                      | 840,216                  | (840,216)                  | -                        | -                         | -                                    |
| Other government                    | -                                      | 715,813                  | (715,813)                  | -                        | -                         | -                                    |
| Restricted donations                | -                                      | 52,361                   | (52,361)                   | -                        | -                         | -                                    |
| Other restricted                    | 14,888                                 | 123,325                  | (138,213)                  | -                        | -                         | -                                    |
| Educational trips                   | -                                      | 91,701                   | (91,701)                   | -                        | -                         | -                                    |
| Pension reserve                     | (4,682,000)                            | -                        | (489,000)                  | -                        | (2,062,000)               | (7,233,000)                          |
|                                     | <u>(4,466,485)</u>                     | <u>15,920,157</u>        | <u>(16,212,841)</u>        | <u>(29,154)</u>          | <u>(2,062,000)</u>        | <u>(6,850,323)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                          |                            |                          |                           |                                      |
| DFC                                 | 82,733                                 | 168,499                  | (183,427)                  | (67,805)                 | -                         | -                                    |
| CIF                                 | 109,291                                | 30,357                   | (139,648)                  | -                        | -                         | -                                    |
| Other capital grants                | -                                      | 81,389                   | -                          | (81,389)                 | -                         | -                                    |
| Restricted fixed asset fund         | 25,091,975                             | -                        | (224,887)                  | 178,348                  | -                         | 25,045,436                           |
|                                     | <u>25,283,999</u>                      | <u>280,245</u>           | <u>(547,962)</u>           | <u>29,154</u>            | <u>-</u>                  | <u>25,045,436</u>                    |
| <b>Total Restricted funds</b>       | <u>20,817,514</u>                      | <u>16,200,402</u>        | <u>(16,760,803)</u>        | <u>-</u>                 | <u>(2,062,000)</u>        | <u>18,195,113</u>                    |
| <b>Total funds</b>                  | <u><u>21,085,799</u></u>               | <u><u>16,431,139</u></u> | <u><u>(16,842,813)</u></u> | <u><u>-</u></u>          | <u><u>(2,062,000)</u></u> | <u><u>18,612,125</u></u>             |

**MIDDLESEX LEARNING PARTNERSHIP**  
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**16. Statement of funds (continued)**

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

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

**Other DfE/ESFA grants**

This represents various grants from the DfE and ESFA for the provision of specific services to pupils of the Schools.

**16-19 Bursary**

This represents funding for students in further education to subsidise items such as clothing, books and other course equipment.

**Pupil Premium**

This represents funding to help raise achievement and improve outcomes for high needs pupils.

**Other Government grants**

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the Schools.

**Restricted donations**

This represents funding received for a teacher placement.

**Other restricted**

This represents funding received via the South Hillingdon Sports in Schools Network for the provision of sports clubs.

**Educational Trips**

This represents contributions made by parents to the running of educational visits for the pupils of the Trust, and the associated costs.

**Pension reserve**

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

**Devolved Formula Capital (DFC)**

This represents annual formula capital funding received during the year.

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**16. Statement of funds (continued)**

**Conditional Improvement Fund (CIF)**

This represents funding received from the ESFA for a roof replacement and fire compliance works.

**Other Capital Grants**

This fund represents income from the Local Authority to cover the difference between the Trust's contribution to the PFI contract and the actual agreed indexed costs, as per the Principal Agreement.

**Restricted fixed asset fund**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer between funds represents additions purchased through capital funding.

**Unrestricted funds**

This represents income received that does not have restrictions.

**Total funds analysis by Academy**

Fund balances at 31 August 2019 were allocated as follows:

|  | 2019<br>£         | 2018<br>£         |
|--|-------------------|-------------------|
| Barnhill Community High School                     | 638,512           | 242,318           |
| Belmore Primary Academy                            | 271,034           | 262,912           |
| William Byrd Primary Academy                       | (8,537)           | (21,430)          |
| Middlesex Learning Partnership                     | (101,320)         | -                 |
|  | <hr/>             | <hr/>             |
| Total before fixed asset funds and pension reserve | 799,689           | 483,800           |
| Restricted fixed asset fund                        | 25,045,436        | 25,283,999        |
| Pension reserve                                    | (7,233,000)       | (4,682,000)       |
|  | <hr/>             | <hr/>             |
| <b>Total</b>                                       | <b>18,612,125</b> | <b>21,085,799</b> |
|  | <hr/> <hr/>       | <hr/> <hr/>       |

**MIDDLESEX LEARNING PARTNERSHIP**  
(A Company Limited by Guarantee)

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

**16. Statement of funds (continued)**

**Total cost analysis by Academy**

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

|                                      | Teaching<br>and<br>educational<br>support staff<br>costs<br>£ | Other<br>support staff<br>costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Barnhill<br>Community<br>High School | 5,745,161   | 623,869                              | 53,354                       | 2,989,981                                     | 9,412,365          | 9,873,788          |
| Belmore Primary<br>Academy           | 2,288,853   | 477,621                              | 56,745                       | 435,733                                       | 3,258,952          | 4,151,639          |
| William Byrd<br>Primary<br>Academy   | 1,984,380   | 408,031                              | 135,159                      | 609,213                                       | 3,136,783          | 3,169,963          |
| Middlesex<br>Learning<br>Partnership | 306,686   | 360,957                              | -                            | 142,183                                       | 809,826            | 594,778            |
| <b>Trust</b>                         | <u>10,325,080</u>   | <u>1,870,478</u>                     | <u>245,258</u>               | <u>4,177,110</u>                              | <u>16,617,926</u>  | <u>17,790,168</u>  |

**MIDDLESEX LEARNING PARTNERSHIP**  
(A Company Limited by Guarantee)

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

**16. Statement of funds (continued)**

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

|                                     | Balance at<br>1 September<br>2017<br>£ | Income<br>£              | Expenditure<br>£           | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Balance at<br>31 August<br>2018<br>£ |
|-------------------------------------|--|--------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| <b>Unrestricted funds</b>           |  |                          |                            |                          |                         |                                      |
| Unrestricted funds                  | 661,773                                | 426,703                  | (820,191)                  | -                        | -                       | 268,285                              |
| <b>Restricted general funds</b>     |  |                          |                            |                          |                         |                                      |
| GAG                                 | 207,985                                | 13,771,358               | (13,768,111)               | (10,605)                 | -                       | 200,627                              |
| DfE/ESFA grants                     | -                                      | 102,514                  | (102,514)                  | -                        | -                       | -                                    |
| 16-19 Bursary                       | 35,166                                 | 31,339                   | (66,505)                   | -                        | -                       | -                                    |
| Pupil premium                       | 26,394                                 | 915,209                  | (941,603)                  | -                        | -                       | -                                    |
| Other government                    | -                                      | 843,834                  | (843,834)                  | -                        | -                       | -                                    |
| Other restricted                    | 68,847                                 | 1,460                    | (55,419)                   | -                        | -                       | 14,888                               |
| Educational trips                   | -                                      | 41,797                   | (41,797)                   | -                        | -                       | -                                    |
| Pension reserve                     | (3,985,000)                            | (1,345,000)              | (557,000)                  | -                        | 1,205,000               | (4,682,000)                          |
|                                     | <u>(3,646,608)</u>                     | <u>14,362,511</u>        | <u>(16,376,783)</u>        | <u>(10,605)</u>          | <u>1,205,000</u>        | <u>(4,466,485)</u>                   |
| <b>Restricted fixed asset funds</b> |  |                          |                            |                          |                         |                                      |
| DFC                                 | 154,520                                | 56,545                   | -                          | (128,332)                | -                       | 82,733                               |
| CIF                                 | 249,555                                | 452,930                  | (593,194)                  | -                        | -                       | 109,291                              |
| Fixed asset fund                    | 13,396,501                             | 11,873,124               | (316,587)                  | 138,937                  | -                       | 25,091,975                           |
|                                     | <u>13,800,576</u>                      | <u>12,382,599</u>        | <u>(909,781)</u>           | <u>10,605</u>            | <u>-</u>                | <u>25,283,999</u>                    |
| <b>Total Restricted funds</b>       | <u>10,153,968</u>                      | <u>26,745,110</u>        | <u>(17,286,564)</u>        | <u>-</u>                 | <u>1,205,000</u>        | <u>20,817,514</u>                    |
| <b>Total funds</b>                  | <u><u>10,815,741</u></u>               | <u><u>27,171,813</u></u> | <u><u>(18,106,755)</u></u> | <u><u>-</u></u>          | <u><u>1,205,000</u></u> | <u><u>21,085,799</u></u>             |

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | Unrestricted<br>funds<br>2019<br>£ | Restricted<br>funds<br>2019<br>£ | Restricted<br>fixed asset<br>funds<br>2019<br>£ | Total<br>funds<br>2019<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 25,045,436                                      | 25,045,436                  |
| Current assets                         | 417,012                            | 1,047,427                        | -   | 1,464,439                   |
| Creditors due within one year          | -                                  | (664,750)                        | -   | (664,750)                   |
| Provisions for liabilities and charges | -                                  | (7,233,000)                      | -   | (7,233,000)                 |
| <b>Total</b>                           | <u>417,012</u>                     | <u>(6,850,323)</u>               | <u>25,045,436</u>                               | <u>18,612,125</u>           |

**Analysis of net assets between funds - prior year**

|  | Unrestricted<br>funds<br>2018<br>£ | Restricted<br>funds<br>2018<br>£ | Restricted<br>fixed asset<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 25,091,975                                      | 25,091,975                  |
| Current assets                         | 268,285                            | 681,487                          | 192,024   | 1,141,796                   |
| Creditors due within one year          | -                                  | (465,972)                        | -   | (465,972)                   |
| Provisions for liabilities and charges | -                                  | (4,682,000)                      | -   | (4,682,000)                 |
| <b>Total</b>                           | <u>268,285</u>                     | <u>(4,466,485)</u>               | <u>25,283,999</u>                               | <u>21,085,799</u>           |

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**18. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

|  | 2019<br>£      | As restated<br>2018<br>£ |
|--|----------------|--------------------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (411,674)      | 9,065,058                |
| <b>Adjustments for:</b>  |                |                          |
| Depreciation   | 224,887        | 316,587                  |
| Capital grants from DfE and other capital income                                 | (280,245)      | (509,475)                |
| Interest receivable  | (755)          | (890)                    |
| Defined benefit pension scheme obligation inherited                              | -              | 1,345,000                |
| LGPS Pension adjustment  | 489,000        | 557,000                  |
| Assets and liabilities on conversion (excluding cash)                            | -              | (11,930,914)             |
| (Increase)/decrease in debtors   | (19,181)       | 45,986                   |
| Increase in creditors  | 198,395        | 74,227                   |
| <b>Net cash provided by/(used in) operating activities</b>                       | <b>200,427</b> | <b>(1,037,421)</b>       |

**19. Cash flows from investing activities**

|   | 2019<br>£      | As restated<br>2018<br>£ |
|---|----------------|--------------------------|
| Interest  | 755            | 890                      |
| Purchase of tangible fixed assets                     | (178,348)      | (138,937)                |
| Capital grants from DfE/ESFA and other capital income | 280,245        | 509,475                  |
| <b>Net cash provided by investing activities</b>      | <b>102,652</b> | <b>371,428</b>           |

**20. Analysis of cash and cash equivalents**

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Cash in hand                           | 914,433        | 611,354        |
| <b>Total cash and cash equivalents</b> | <b>914,433</b> | <b>611,354</b> |

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**21. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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**21. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £847,772 (2018 - £839,579).

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

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

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £768,000 (2018 - £846,000), of which employer's contributions totalled £617,000 (2018 - £677,000) and employees' contributions totalled £ 151,000 (2018 - £169,000). The agreed contribution rates for future years are 27.2 per cent for employers and 5.5-12.5 per cent for employees.

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

**Principal actuarial assumptions**

|  | 2019 | 2018 |
|--|------|------|
|  | %    | %    |
| Rate of increase in salaries                       | 2.7  | 2.7  |
| Rate of increase for pensions in payment/inflation | 2.3  | 2.3  |
| Discount rate for scheme liabilities               | 1.9  | 2.8  |
| Inflation assumption (CPI)                         | 2.3  | 2.3  |
| Inflation assumption (RPI)                         | 3.3  | 3.3  |

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**21. 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<br>Years | 2018<br>Years |
|-----------------------------|---------------|---------------|
| <i>Retiring today</i>       |               |               |
| Males                       | 21.7          | 22.6          |
| Females                     | 23.7          | 24.6          |
| <i>Retiring in 20 years</i> |               |               |
| Males                       | 22.4          | 24.0          |
| Females                     | 25.0          | 26.5          |

As at the 31 August 2019 the Trust had a pension liability of £7,233,000 (2018 - £4,682,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

**Sensitivity analysis**

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
| Discount rate +0.1%                    | (368,000) | (225,000) |
| Discount rate -0.1%                    | 368,000   | 225,000   |
| Mortality assumption - 1 year increase | 111,000   | 82,000    |
| Mortality assumption - 1 year decrease | (111,000) | (82,000)  |
| CPI rate +0.1%                         | 281,000   | 184,000   |
| CPI rate -0.1%                         | (281,000) | (184,000) |

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

|                                     | At 31 August<br>2019<br>£ | At 31 August<br>2018<br>£ |
|-------------------------------------|---------------------------|---------------------------|
| Equities                            | 3,130,000                 | 2,712,000                 |
| Bonds                               | 2,330,000                 | 1,549,000                 |
| Property                            | 732,000                   | 664,000                   |
| Cash and other liquid assets        | 467,000                   | 609,000                   |
| <b>Total market value of assets</b> | <b>6,659,000</b>          | <b>5,534,000</b>          |

The actual return on scheme assets was £397,000 (2018 - £195,000).

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**21. Pension commitments (continued)**

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

|   | 2019<br>£                 | 2018<br>£                 |
|---|---------------------------|---------------------------|
| Current service cost  | (864,000)                 | (1,095,000)               |
| Past service cost   | (108,000)                 | -                         |
| Interest income   | 165,000                   | 123,000                   |
| Interest cost   | (299,000)                 | (262,000)                 |
| <b>Total amount recognised in the Statement of Financial Activities</b> | <u><u>(1,106,000)</u></u> | <u><u>(1,234,000)</u></u> |

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

|  | 2019<br>£                | 2018<br>£                |
|--|--------------------------|--------------------------|
| <b>At 1 September</b>                                  | 10,216,000               | 8,139,000                |
| Transferred in on existing academies joining the Trust | -                        | 1,718,000                |
| Current service cost                                   | 864,000                  | 1,095,000                |
| Interest cost  | 299,000                  | 262,000                  |
| Employee contributions                                 | 151,000                  | 169,000                  |
| Actuarial losses/(gains)                               | 2,294,000                | (1,133,000)              |
| Benefits paid  | (40,000)                 | (34,000)                 |
| Past service cost                                      | 108,000                  | -                        |
| <b>At 31 August</b>                                    | <u><u>13,892,000</u></u> | <u><u>10,216,000</u></u> |

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

|  | 2019<br>£               | 2018<br>£               |
|--|-------------------------|-------------------------|
| <b>At 1 September</b>                                  | 5,534,000               | 4,154,000               |
| Transferred in on existing academies joining the Trust | -                       | 373,000                 |
| Interest income  | 165,000                 | 123,000                 |
| Actuarial gains  | 232,000                 | 72,000                  |
| Employer contributions                                 | 617,000                 | 677,000                 |
| Employee contributions                                 | 151,000                 | 169,000                 |
| Benefits paid  | (40,000)                | (34,000)                |
| <b>At 31 August</b>                                    | <u><u>6,659,000</u></u> | <u><u>5,534,000</u></u> |

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**22. Operating lease commitments**

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

|  | 2019<br>£         | 2018<br>£         |
|--|-------------------|-------------------|
| Not later than 1 year                        | 1,835,421         | 1,857,671         |
| Later than 1 year and not later than 5 years | 7,292,207         | 7,276,070         |
| Later than 5 years                           | 1,803,684         | 1,803,684         |
|  | <u>10,931,312</u> | <u>10,937,425</u> |

The annual payments made for the PFI contract are not fixed, instead they are uplifted each year depending on inflation. For the purposes of disclosure, the agreed cost for 2018/19 has been taken as the annual cost to the Trust, as inflationary charges are unknown.

**23. 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.

**24. Related party transactions**

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

During the current and prior year, there were no related party transactions. Except for certain Trustees' remuneration and expenses already disclosed in note 11

**25. Agency arrangements**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £26,477 (2018 - £31,339) and disbursed £26,477 (2018 - £66,505) from the fund.