
THE LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE LEARNING TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jean Charlton Hems de Winter Andrew Evans (appointed 1 January 2020) Lisa Green (appointed 1 January 2020) Philip Hamilton (appointed 1 January 2020) Paul Heath Bank of America Merrill Lynch (Corporate)
Trustees	Euan Imrie, Chair of Trustees Paul Carter (appointed 24 September 2019) Jean Charlton Nick Crowther, Vice Chair Paul Heath Vicky Higham Kayte Parlevliet
Company registered number	07523884
Company name	The Learning Trust
Principal and registered office	Christleton High School Village Road Christleton Chester CH3 7AD
Chief executive officer	Nigel Folloos
Senior management team	Nigel Folloos, Chief Executive Officer Damian Stenhouse, Education Improvement Partner Lesley Carding, Chief Financial Officer Darran Jones, Headteacher (CHS) Lyndsay Watterson, Headteacher (QPHS) Katrina Brown, Principal (CIS)
Independent auditor	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
Bankers	Lloyds Bank PLC 8 Foregate Street Chester CH1 1XP

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

During the year The Learning Trust ("the trust") operated three secondary academies in Chester. Its academies have a combined pupil capacity of 2,580 and had a roll of 2,034 in the school census in October 2019. Each school has its own defined admissions policy to reflect individual school characteristics.

Principal Activities

The principal activity is to advance education for the public benefit by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum for students of different abilities up to the age of 19.

As at 31 August 2020, those schools were Christleton High School (CHS), Queen's Park High School (QPHS) and Chester International School (CIS). There were no other schools in the Trust during the year.

Structure, governance and management

a. Constitution

The Multi Academy Trust (MAT) is a charitable company limited by guarantee and an exempt charity. The Memorandum and Articles of Association, dated 9 February 2011 and revised on 3 September 2016, are the primary governing documents of the MAT.

During the year, the MAT had seven individuals, who acted as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Trust. The Trustees are normally appointed on a four year rolling basis.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

To provide greater separation between Members and Trustees, a further three Members were appointed during the year. The Trust now has seven Members five of which are not also Trustees.

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on the Trust's business.

The limit of this indemnity is £10,000,000 maximum aggregate in any one membership year.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

On 1 September 2016 the members appointed six Trustees, five of whom had served the predecessor academy school (CHS), as Trustees of the newly formed MAT. These Trustees were initially appointed on a four year term of office, to provide initial stability.

It was agreed at the time that, on expiry of the initial term, future appointments would be of varying terms, to ensure a staggered re appointment or replacement process. That has partly taken place during 2019/20 with the re-appointment of Paul Heath but the impact of COVID-19 and the associated lockdown meant that it was not completed for all the appropriate Trustees for whom their initial term was due to expire.

As a result, the Members have extended the terms of Jean Charlton, Euan Imrie and Nick Crowther by a further year and will carry out the reviews during 2020/21 to determine whether to further extend and stagger terms of appointment.

On 1 June 2017, following QPHS joining the MAT, a further Trustee was appointed. A further Trustee, Mick Dempsey, resigned on 17 October 2018 and was replaced in September 2019 with the appointment of Paul Carter. Paul has vast education experience, most latterly as Chief Executive Officer of a Multi Academy Trust and has already provided valuable expertise to the Trustee Board.

When appointing new Trustees, the Members give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. This approach has been successfully used within recent recruitment processes.

All Trustees annually complete a Skills audit and Training Needs Analysis. All Trustees submit a comprehensive curriculum vitae and skills audit, which are used as a key part of the appointment process and to determine future training needs.

All Members and Trustees have signed an appointment letter outlining the role, expectations and responsibilities. Trustees have a rolling programme of performance reviews.

e. Policies and procedures adopted for the induction and training of Trustees

There is a comprehensive Trustee Induction Programme, which has been managed by the Chief Executive Officer throughout the year, tailored to the individual and includes briefings by senior staff, tours of the schools to meet staff and students as well as being provided with papers necessary for the fulfilment of the role. Members also undergo a detailed Induction Programme, albeit the induction of our most recent Members has been severely curtailed by Coronavirus restrictions.

All Members and Trustees have signed relevant appointment letters and their roles and responsibilities are set out in Code of Governance Guidelines, previously adopted by Members and Trustees. These are consistent with the guidance contained within Academies' Financial Handbook.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

f. Organisational structure

Organisational Structure – Trust level

The Trustees formally meet a minimum of three times per year although typically there are additional meetings to cover particular topics. They have established an overall framework for the governance of the Trust and determine membership, terms of reference and procedures of Committees and other groups, which are reviewed whenever deemed necessary or annually as a minimum.

They receive reports including policies from its Committees and reports from the Executive team for review and approval and monitor the activities of the Committees through the minutes of their meetings. The Trustee Board may from time to time establish working groups to perform specific tasks over a limited timescale.

Normally, there are two sub committees, meeting termly, both of which are responsible for Trust policy, practice and performance and to monitor aspects of their work by discussion/ review/ challenge:

- Audit and Finance Committee - financial management, compliance with reporting and regulatory requirements, receiving reports from the Auditors and drafting the annual budget.
- Staffing Committee - performance management, staffing levels, strategic appointments, salaries, CPD, work-life balance and personnel policies.

During the year, to enhance the governance of the MAT during Covid-19 lockdown, the number of full Business meetings were increased and that sub-committee agenda items discussed in the additional Business meetings. Therefore, during the year, six Business meetings, one Audit and Finance meeting and one Annual General Meeting were held. Due to the COVID-19 lockdown, most latterly these meetings were held as either via conference calls or digital platforms. In addition, specific topic meetings were held during the year as required.

The following decisions are reserved for the Members:

- Amending Trust's Articles of Association
- Appointing and removing Members
- Appointing and removing Trustees
- Directing Trustees
- Appointing and removing Auditors

The following decisions are reserved for the Trustees:

- To consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive Officer (CEO) and Clerk to the Trustees and to approve the Trust Strategic Development Plans and budget.
- The Trustees are responsible for the overall performance of the Trust, setting general policy, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, its schools, capital expenditure and staff appointments.

The Trustees devolved responsibility for day to day management of the MAT to the CEO, Headteachers of the schools and the Education Improvement Partner.

During the year, the CEO was the Accounting Officer and the Chief Financial Officer was the Financial Officer.

Organisational structures - Schools level

Each school within the Trust has a leadership structure, which consists of a Local Governing Body (LGB) of elected and appointed Governors and a Senior Leadership Team (SLT). The aim of the leadership structure is to

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

devolve responsibility and encourage involvement in decision making at all levels.

The SLT's within each school, normally consist of a Headteacher or Principal, Deputy Headteacher / Principal, Support Operations/Business Manager, Assistant Headteachers / Principals and Senior Teachers. The exact numbers and make up at each school varies with the specific needs of that school.

The SLT controls the school at an executive level, implementing the policies laid down by the Trustees and Governors and reporting back to them. The Headteacher and the LGB Resources Committees are responsible for the authorisation of spending within agreed budgets.

Departmental spending control is devolved to budget holders. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts may often include a Governor.

Each Scheme of Delegation (Terms of Engagement) between the Trust and the LGB outlines that each LGB, in carrying out its role, shall:

- Initiate all measures necessary to promote high standards and aim to ensure that students are attending a successful school which provides them with a good education and supports their well being, helping them to achieve outstanding performance, including excellent personal achievement and attainment;
- Be responsible to the Trustees for its actions and follow the expectations of Governors as laid down by the Trustees;
- Aim to establish that it is competent, accountable, always working in the best interests of its students and working in co operation with other schools within the Trust and one that promotes best practice in governance, within the context set by the Trust;
- Aim to ensure that its Governors promote and uphold high standards of conduct, probity and ethics;

and that the Trustees shall support the work of the LGB by:

- Setting a clear strategic vision to allow the LGB to set and achieve its own aims and objectives within such vision
- Ensuring that systems are put in place to allow the Governors to be presented with timely and good data to allow the LGB to analyse school performance in order to support and challenge the Principal/Headteacher and the SLT of the school

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Structure, governance and management (continued)

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

A Performance Review Committee has been set up to monitor performance and remuneration for key Trust personnel. Performance targets and salaries for key Trust personnel are agreed annually by the committee. Remuneration for key management personnel is reviewed as roles change. Similar arrangements exist at each school level.

The Trustees consider the CEO and the Senior Management Team as comprising the key management personnel of the MAT in charge of directing and controlling the charity and running and operating the charity on a day to day basis. The Performance Management of the Headteachers/Principal and SLTs are delegated by Trustees to LGBs via the Terms of Engagement.

All Trustees give of their time freely and no Trustee remuneration was paid in the year for their role as Trustees. Details of related party transactions are disclosed in note 28 to the accounts.

Trustees are required to disclose all relevant interests on an annual basis and as a standing agenda item at all board meetings, then in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

i. Connected organisations, including related party relationships

Brio Leisure (a Community Interest Company) manages the leisure facilities, which are owned by Cheshire West and Chester Borough Council (CWAC) and there is a shared use agreement between CWAC and Christleton High School, which initially took effect on 1st September 2014. This contract is delivering the anticipated benefits to the school and has subsequently been renewed.

The MAT has strong collaborative links with its feeder primary schools, three other high schools in the area, Tarporley, Neston and Bishop Heber as part of the REAP group and with the University of Chester.

The MAT has active parent teacher associations the Christleton High School Association which actively supports the work of CHS, Queen's Park Parents Association supporting the work of QPHS and The Friends of CIS.

At the time of transfer of QPHS to The Learning Trust, the boathouse was decrepit with a proposed investment from local community groups grants and local authority support for a rebuild costing circa £3m. In amicable discussions, supported with legal advice to all parties (DFE acting for the MAT), it was decided to exclude the land transfer of the boathouse site to support the projects continuation. The future funding of the development are uncertain and The Trust is involved in discussions to secure the future use of the premises. The MAT currently has access to the facilities for students and collects the lettings income from community groups for its use, in return for caretaking the site.

Queen's Park High School Rowing Club is a sports club set up for the benefit of QPHS students and is run by a separate committee with its own constitution. There are strong links with the school and transactions have taken place with them and the school as well as subsidising the activities.

Bank of America Merrill Lynch are connected with The Learning Trust as a registered Corporate member. No financial transactions took place between the Trust and BAML.

There are no other related parties, which either control or significantly influence the decisions and operations of the school. There are no sponsors.

Objectives and activities

a. Objects and aims

The object of the MAT is to enable, manage, improve, develop and grow its current and future schools in offering a broad and balanced curriculum to allow its students to be the best they can be.

The MAT is an inclusive and nurturing trust that seeks to create opportunity through inspiring an ambition for limitless excellence, which provides students with high quality learning to give them the best possible life chances.

We aim to get the best for, and from, each student, so that they can "Be the best they can be". We intend to enable each student to realise his or her full academic, creative and physical potential, and to develop positive social and moral values.

These objectives are encapsulated in the Trust's strapline of "Nurturing, Ambition, Excellence". We also see our core values as critical elements in helping to both drive the Trust forward and to also measure behaviours and expectations.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

- **Students are always first** - the prime consideration in all decisions will be the best interests and educational outcomes of current and prospective students.
- **Mutual benefit** - the interests of the Trust will always be combined with the interests of individual schools, seeking the very best and co operating to share resources and success.
- **Inclusivity** - the Trust will welcome students of all backgrounds and abilities.
- **Fairness** - all students and staff will be treated with fairness and parity whilst encouraging diversity and identity.
- **Excellence and learning** - every student will be supported and challenged to achieve their potential. All adults employed by and associated with the Trust will have and exhibit a 'learning mindset'.
- **Partnership** - the Trust will continually seek to work in partnership to achieve better outcomes for current and prospective students, and to improve education in the area.
- **Freedom to innovate and make decisions** - optimum delegation to Local Governing Bodies and individual schools commensurate with the Trust's statutory responsibilities and efficiency.
- **Integrity** - all those associated with the Trust will act with kindness, courtesy and integrity, in accordance with both school and Trust ideals and values.

Our MAT is a community in which students, staff and parents are all a part of this nurturing and caring environment.

We currently have three schools with strong, purposeful leadership determined to pursue excellence, to challenge existing norms and to be even more ambitious in our aspirations for the schools and their students. Our primary focus is to ensure all of our students make significant progress, achieve high degrees of success in their examinations and develop as young adults.

We are continuing to work through and deliver the objectives laid out in each school's Strategic Development Plan to ensure that teaching and learning is of the highest standard so that our students receive a truly comprehensive education and achieve the very best they can.

We remain committed to growing the number of schools in our Trust to allow more students to benefit from the core values of the Trust, which we believe can help improve educational standards for all.

Any potential schools joining the Trust must be of strategic benefit to both the Trust and the school itself. Given its current experience and expertise, the Trust will initially consider other secondary schools that can bring synergistic benefits to its existing schools or will consider partnering with those primary schools for which a partnership can provide tangible benefits for both parties in terms of either providing a future flow of students or in allowing the greater continuity in curriculum to improve students' future outcomes or both.

Any schools offered to or wishing to join the Trust will be subject to effective financial due diligence, detailed operational reviews and to its tried and tested Schools' Improvement process. Any decisions to allow any school to join the Trust will be made solely within those frameworks.

Capital work and grants

At both sites, we continue to upgrade our buildings and enhance the learning environment for our students on an on going basis.

During the 2019-20 financial year, CHS completed the work to improve the overall security of the site following the previous year's award of a Condition Improvement Funding Grant of £183k. In addition, QPHS, which was awarded two Condition Improvement Funding Grants totalling £1,452k in 2018/19, completed the works on the boilers and roof of the site.

In addition, despite applying for three further CIF grants in 2019/20, only two bids were successful. CHS' bid was to improve the site's kitchen facilities was worth £148k but was only made in June 2020 due to the impact of the

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Objectives and activities (continued)

COVID-19 pandemic and the work, given the need to maintain an operational kitchen, will not be completed until next summer. QPHS were successful with its re-fenestration bid, worth £499k, with work on-going during 2020/21.

An appeal has been lodged against the other unsuccessful QPHS bid for roof repairs and further bids for both of the sites at Christleton and Queen's Park will be made during the 2020/21 bidding process.

As student numbers have increased, the previously refurbished buildings, used as a temporary home for CIS before it moved into its new build in 2018/19, have been utilised by QPHS within the Academic year.

However, to help generate further income, the future use of the Trust assets on the Handbridge site will be reviewed and potential rental opportunities will be examined, albeit no opportunities will be entered into that would hamstring the sites ability to cater for expected future student number growth.

In addition, the opportunities for increased collaboration, particularly in regard to post 16, between QPHS and CIS, designed to both improve student outcomes and enhance the financial position of the schools will be reviewed and implemented where appropriate.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

b. Achievements and Performance

As a general target, the trust's primary aim is to ensure that all of our students reach their maximum potential and are given a wide range of opportunities to ensure that they are able to progress to the next level of their education or career.

At a school level, whilst accepting that every year group is different, the Trust also hopes to improve progress overall on the previous year's outcomes. Each school has its own specific improvement objectives. These generally involve GCSE and Post 16 results, Progress 8 and Ofsted ratings.

However the COVID-19 crisis, together with the associated school lockdowns and revised Examinations protocols, has meant that this year's results are more difficult to interpret given that students were awarded the better grade of either the Centre's Assessment Grade (CAG) or the standardised grade as defined by Exam bodies based on both historic performance of schools and their relative performance to others.

This could potentially have impacted on both improving schools and specific student groups, as well as potentially devaluing student achievements in the eyes of others. Therefore, we believe that whilst some of the results awarded fully reflect the true performance of the year groups involved, and that they fully acknowledge and reflect the strong improvement steps that our schools, particularly QPHS and CIS, have taken in recent years, we acknowledge that it would have been better for students to achieve these results via a round of formal examinations.

Impact of Coronavirus Lockdown

The decision of Central Government to close schools nationally to all pupils except for the most vulnerable and for those of key workers from 23 March 2020 was an unprecedented event in recent times and will, we believe, have profound and lasting effects for a generation of students.

The loss of in-school Teaching and Learning for the majority has demanded a new way of working for our staff and students alike. Despite a steep learning curve for all in the initial set up, the move to digital lessons, whether they be live or recorded, became the norm and we would like to thank and praise both our teachers for their commitment to preparing the work and our students for adapting to a 'new norm' and completing the work set in the positive ways that they have.

The loss of an exams season for our year 11 and 13 students was particularly disappointing for both our students and for our schools. For those students, who have worked hard and diligently over a number of years, to not have the closure of sitting their exams, of not being able to say their goodbyes to their classmates and not being able to enjoy and celebrate their successes could all be damaging to their mental health and that is something about which we remain concerned.

In truth, those concerns about mental health and general wellbeing apply to all year groups. As we return to a more normal school environment, the challenge to re-integrate all students both pastorally and educationally so that they can resume their education in a safe and comfortable environment to best optimise their future outcomes will be challenging and long lasting.

We remain particularly concerned that the most disadvantaged of our students will have suffered most from the lockdown and know that we will have to work particularly hard to help them catch up as best as possible. Financially, the support offered by Central Government was both welcomed and needed, albeit smaller than hoped for and required.

The Trustees would like to place on record their thanks to all of the Trust's staff for their hard work and selflessness in continuing to provide on-going provision to our most vulnerable students and to those children of key workers, providing pastoral support to all students, delivering virtual teaching to all year

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

groups and most latterly providing limited face to face teaching with years 10 and 12.

We recognise that they had their own anxieties, fears and family concerns, which made their support and commitment all the more remarkable.

Christleton High School

Christleton High School has again achieved outstanding exam results, in this unprecedented school year, the first under the new headship of Darran Jones. Throughout the year, school forecasts indicated that the GCSE cohort, in particular, were destined for great outcomes, and we were delighted that the Centre Assessed Grade (CAGs) process was able to reflect the high expectations we had for our students.

Christleton prides itself on being a truly inclusive sixth Form and its A2 results for 119 students (2019: 147) were ahead of those of previous years, with 54 % (2019: 48 %) achieving A* B grades. The average grade was B- (2019: C+). These results have translated into an average 96 points per student, with the vast majority taking up or deferring places at universities or pursuing their preferred pathway.

GCSE results remained particularly strong this year. 89% (2019: 82%) of all students achieved 9 4 grades including English and Maths and, on the more difficult measure, 70% of all students achieved 9-5 including English and Maths (2019: 65%). 85% of students achieved a 9 5 pass in English, 72% in Maths and 74% in Science. These results placed CHS well ahead of the local and national average. Sadly, no formal school measures are being published but on the GCSE results key measure of progress, had it been published, the provisional Progress8 figure would have been improved, at a positive 0.41 (2019: 0.36).

These fantastic results, of which we are very proud, are, we believe, due in large part to the school's determination to develop independent and creative approaches to learning, together with the hard work of students, inspirational teachers and supportive parents.

Whilst we know our responsibilities in helping students in achieving the best possible educational outcomes, we are also acutely aware of our wider responsibilities to the personal development and growth of those entrusted in our care. Therefore, we believe that extra-curricular activities are vital in helping students' personal development and desire to be the best they can be.

In relation to Sports, boys and girls have continued to achieve success in local, regional and national competitions within football, rugby, netball, athletics basketball, table tennis and handball. The school also produced an excellent Senior school musical production, Sister Act, with over 80 students taking part. This event clearly demonstrates and showcases, year after year, the wealth of talent amongst our fantastic students. The school's Christmas Concert, for example, also involved over 110 students.

Sadly, and disappointingly for all involved, the Junior school production was cancelled due to the Coronavirus lockdown. Given the restrictions further imposed by the pandemic will last well into 2020/21, it is unlikely that any productions will be held in the coming year – this is the hidden impact that Covid-19 will have.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

The Duke of Edinburgh Award Scheme goes from strength to strength with another fantastically high number of 200 students participating during the year.

The Trustees have been incredibly impressed with the way in which Darran Jones has adapted to his role as headteacher, moulded a new Senior Leadership team and developed an updated Strategic Development Plan, all delivered in the most difficult and trying of circumstances. We are both lucky and pleased that the future direction of the school rests in safe hands.

Queen's Park High School

Led by Lyndsay Watterson, QPHS was the subject of a visit inspection from Ofsted during the year. Given that we were approaching the third anniversary of the school's academisation, this was expected and we were particularly pleased when the panel awarded the school a GOOD rating.

This outcome was testament to the hard work of Lyndsay and her team and is, we believe, wholly justified, given the continual focus on school improvement during its last three years within the trust.

We have seen increasing interest in the school, rising student numbers in excess of 12% per annum and improving student results. We expect that this Ofsted rating will provide further impetus for continued growth and success for the school. However, this student growth brings its own challenges.

Due to the nature of lagged student funding and that QPHS has not benefited from the National Fairer Funding Formula, we are continuously wrestling with the need to finance the new teaching resource required ahead of receiving the funding for those students. As we did not wish to become a victim of our own success, we requested interim support from the ESFA and were appreciative to receive a positive outcome. This will allow Trust resources to be best allocated to drive future improvement not only at QPHS but also across the Trust.

Given that both A Levels and GCSE results have been awarded on the basis of the better grade of either the Centre's Assessment Grade (CAG) or the standardised grade as defined by Exam bodies, with a small Sixth form, A level results at QPHS were relatively strong with 39% of the students achieving A* - B. The average grade was C+ (2019: C-) and average points per student were 83 and per entry, 33. The numbers entering the sixth form for 2020/21 are both encouraging and increasing, with almost one third of entrants now coming from other schools.

The GCSE results at QPHS improved significantly with 73% of all students achieving 9 4 grades including English and Maths (compared to 56.5% in 2019). On the harder measure of 9 5 passes in English and Maths, 56% achieved both (2019: 31%). 60% of all students received a 9-5 in English, 66% in Maths and 61% in Science.

Despite the nature of the awarding of grades this year, we do feel that these outcomes were fully justified and largely in line with our own expectations of the levels that this year group would have achieved had they actually taken their examinations. The school had always targeted achievement in line with FFT20 targets which is what was achieved.

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Objectives and activities (continued)

However, and despite not being published formally, it was particularly pleasing that the Progress 8 Results dramatically improved year on year, attaining 0.3, compared to - 0.21 in the previous year. This we believe is set to improve further with the forthcoming results of the current Year 11 cohort.

The school continues to be very active within its local community, working in partnership with StoryHouse, the University of Chester and Handbridge Community Association. Whether it be performing in this year's We Will Rock You musical, having students ranked in the Top 5 in the country for rowing in their age group, involving students in Duke of Edinburgh or STEM activities, QPHS has a number of programmes and activities designed to enrich its students during their time at the school. Again, sadly, we expect that these will be curtailed this year due to Covid-19 restrictions.

Chester International School (CIS)

Another of our schools, CIS also saw a new Principal for 2019/20. Following the departure of the founding Principal, Katrina Brown stepped up from her role as Vice Principal to firstly assume the role of Acting Principal and then formally being appointed to Principal.

Throughout the year and in all of her actions, she surpassed the Trust's expectations and the decision to confirm her in the role was both straightforward and deserved. Despite a challenging year and with less students joining the school at the start of the school year than we had hoped for, Katrina has provided more stable foundations for the school to grow and improve in the future.

As a result, CIS has performed in line with our expectations in both attracting new students to the School during the year and in retaining existing students through improved Teaching and Learning. It has been particularly pleasing to see the improvements being delivered.

This year should have seen the school enter its second round of GCSE and International Baccalaureate (IB) students taking examinations. These clearly were badly affected by Covid-19 restrictions. Despite that both IB and GCSE results have been awarded on the basis of the better grade of either the Centre's Assessment Grade (CAG) or the standardised grade as defined by Exam bodies, we were pleased with the results with 83% of IB students achieving the diploma a package of 6 subjects plus the full core with a global pass rate of 78%. Our average point score per student improved to 28.5 and average UCAS points improved to 147. Our IB career programme students all gained the full career programme, a rise on last year's outcome.

It was particularly heartening that these IB results, whether it be the Diploma or Career Programme, were strong enough to allow all students to progress to the next stage on their chosen pathway, with over half of all students moving to international universities.

Despite the process employed this year, GCSE results were also particularly encouraging with 71% achieving 9 4 grades including English and Maths (2019: 49%) and 40% achieving at 9 5 including English and Maths (2019: 26%). We expect that, as the school becomes more established and its teaching and learning more embedded, these results will improve further.

It is also pleasing to be able to report that a number of students have embraced the enrichment activities on offer including a Night at the Musicals production, the Duke of Edinburgh programme and a series of student elective

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

programmes, including First Aid, Driving Theory and Mindfulness.

The school is now becoming well established and the numbers attending for 2020/21 Academic year are extremely encouraging and well in line with our original expectations. It was particularly pleasing that CIS was able to quickly adapt to the lockdown caused by Coronavirus crisis, which led to many schools scrambling to introduce a digital teaching platform, by utilising the Canvas teaching platform upon which the school was originally conceived.

c. Public benefit

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

The Trustees met 6 times during the year in addition to the (at least) 4 Business meetings of each of the Governing Bodies of CHS, CIS and QPHS. In all their discussions and decision making, they were conscious of their use of public funds for the furtherance of student education and the betterment of their experience whether this be employing the best staff or using capital to create a welcoming environment. The respective Terms of Reference provide a framework for information and challenge.

In support of Trustee and Governing Body decisions, the School Leadership Groups have used data to support their actions and proposals as well as creating an atmosphere for new initiatives and opportunities and challenging standing procedures. There is a culture of celebration of student achievement.

Further information is contained in the sections on Objectives and Activities and Achievement and Performance.

Strategic report

Achievements and performance

a. Key performance indicators

A key financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, we give specific focus to the management of spending against General Annual Grant (GAG). It is the Trust's management policy that, in general terms, the income received in any one year is spent for the benefit of those students in the schools that year.

As funding is based on student numbers, this is also a key performance indicator. Student numbers at CHS for September 2019 were 1,075 in Years 7-11 and 296 in Sixth Form. It is anticipated that this number will marginally increase in Years 7-11 in future years, as the school has recently been oversubscribed, but Sixth Form numbers can vary and this is a matter discussed regularly by the Governors and SLT, bearing in mind the downward trend of Sixth Form funding. However, the new academic year sees an increase to Sixth Form numbers of 22 students.

As a result of us receiving in-year funding for 2020/21, Student numbers at QPHS for September 2020 were 486 in Years 7-11 and 106 in Sixth Form. This represents an increase of 68 students (13%). We have seen consistent and strong growth in student numbers at the school in the years since academisation within our Trust and we expect this trend to continue for the next few years. This however places an increasing strain on the school's ability to teach the extra children, given the lagged nature of funding. We were therefore both pleased and appreciative to receive DfE adjusted funding for 2020/21. This will remain in place for 2021/22 and 2022/23 years provided that we continue to see growth in our student numbers by at least 5% in each year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Given the in year nature of funding at CIS, student numbers at CIS at September 2020 were 122 in Key Stage 4 (Year 10 & 11) and 77 in Key stage 5 (Year 12 & 13). This is an increase of 60 students (42%) on the same time last year.

Therefore, total student numbers, generating funding for 2020/21, at CHS within the 2019 Autumn Term census totalled 1,371 and student numbers at QPHS & CIS within the Autumn Term census of 2020 totalled 792. Therefore, 2,163 Trust students qualified for funding.

Total student numbers, generating funding for 2021/22, at CHS within the 2020 Autumn Term census totalled 1,418. QPHS and CIS student numbers, qualifying for funding, will not be known until October 2021, but are expected to be an increase of at least 7% on this year.

The Trustees and Governors are kept aware of employee matters, with particular emphasis on staff development and well-being. One potential indicator of both is the number of staff leavers and the summer of 2020 saw a particularly small turnover in teaching staff across the Trust, attributable largely to contract expiry, promotions and retirements.

The Trust does, however, remain committed to recruiting, developing and retaining the very best staff available and to this end, it supplements competitive pay and conditions with a strong programme of continuing professional development and proactive succession planning. The Trust always replaces, wherever possible, with 'the best staff available' and are confident this year's new recruits will again prove to be so.

b. Going concern

After making appropriate enquiries, and given recent future funding and pay and pensions support announcements, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Changes during the year

Strategy

As we entered the financial year, the MAT comprised the three secondary schools, which is its current portfolio. Against this backdrop, the Trustees decided that the key Strategic focus in the year was four fold:

- School Improvement for CHS and QPHS to continue and further drive their school improvement activities to **improve outcomes for students**. For CIS to leverage from its new premises, run effectively in its third year of operation and achieve best outcomes for its students.
- Ensure the **financial** base of the Trust was secure and robust enough to create a balanced budget for 2019/20 against the uncertain background of National Fairer Funding and an increasing cost base over which the Trust had limited control.
- To further develop and improve the infrastructure and resources to **support** three or more schools effectively to allow the SLTs to focus on improving outcomes for students
- To seize future opportunities to **grow** both the number and type of schools within the growth platforms agreed.

These strategies remain current as we enter the new financial year.

d. Changes in Management Structure

During the financial year, a number of planned management changes were confirmed and implemented.

At Trust level, as reported in last year's Report, following the previous CEO and Accounting Officer departing his role on 31 August 2019, Nigel Follos took on the role of CEO and Accounting Officer on an acting basis for what was envisaged to be an initial period of six months. However, following a detailed strategic review, which allowed the Trustees to finalise the best structure to match future strategic developments for the Trust, Nigel was appointed to the role on a permanent basis. This role will focus on the financial, growth and support elements of the Trust's strategy.

Damian Stenhouse, who recently retired as Headteacher of CHS, after over 30 years of teaching, moved to the role of Education Improvement Partner at Trust level. This role supports all three schools and has the principle objective of enhancing processes to improve the educational outcomes for all students. Following an initial 12 month contract, Damian has agreed to extend it for a further 12 months, meaning that he will now remain in the role for 2020/21 academic year. Sarah Chesworth (Assistant Headteacher, CHS) was also seconded to the Trust one day per week to aid school improvement.

Lesley Carding has also been confirmed in her role as Chief Financial Officer, leading the Finance Team for the whole Trust.

The Trustees believe that the above appointments will correctly position the Trust to capitalise on the short and medium term opportunities presented and to best meet the ever changing needs and challenges. The Trustees will always be pragmatic in their approach to the optimum structure to best achieve strategic objectives and aim to be responsive to changing needs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

e. Energy and Emissions Reporting

In the year the Trust took the following energy efficiency actions: continued use of solar panels and LED lighting. Completion of conversion to energy efficient Gas fired boilers at Handbridge site.

The energy emissions and usage include the Trust's share of Sports facilities usage, this includes a swimming pool and sports centre.

Activities during the period April to August 2020 were reduced due to COVID19.

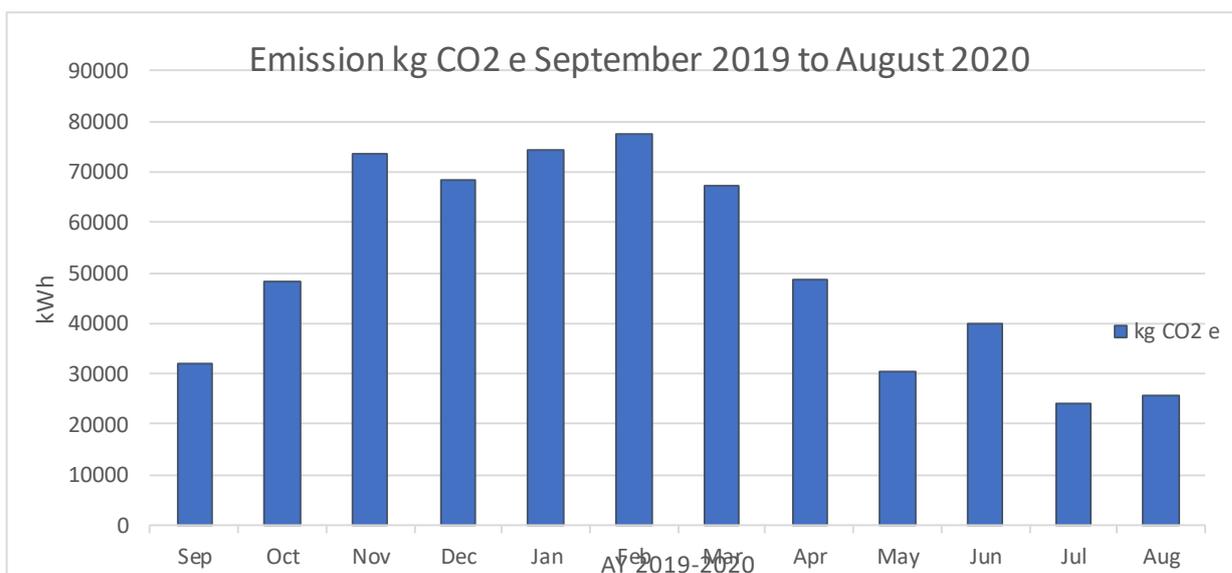
Energy use all activities across the Christleton and Handbridge sites:

	YE 2020
UK energy use kWh	2,840,810
Scope 1- Consumption of Gas (tCO2e)	431
Scope 2 – Purchased Electricity (tCO2e)	169
Scope 3 – Business travel (tCO2e)	-
Associated Greenhouse gas emissions	600
Intensity ratio Emissions (Tonnes CO2e per £1,000 income)	0.05

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)



Source of Information

<u>Activity</u>	<u>Source of Information</u>
Electricity	Supplier records
Natural Gas	Supplier records
Fuel used in staff travel	Mileage records

Financial review

a. Reserves policy

The Trustees review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust and its schools, the uncertainty over future income streams and other key risks (such as pupil numbers) identified during the risk review.

In 2019/20, the Trustees maintained the minimum level of unrestricted reserves at approximately £440,000. The reason for this was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

However, they allowed a withdrawal from these reserves to offset the impact of lagged funding at QPHS and the need to educate increased pupil numbers. It is expected that DfE's adjusted funding mechanism for PHS should ensure that this is a one off draw down.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Total funds as at 31 August 2020 were £29,204k. Of these, £28,611k related to restricted funds, leaving £592k as free reserves. This is in excess of the agreed minimum of £440k.

Pupil numbers are increasing at all schools and there are uncertainties over the future funding. Therefore, the Trustees consider that the excess is likely to be utilised in the coming years and, as a result, successfully approached the ESFA and DfE for short term support.

A small fund for 2020/21 future school development has also been created and a number of projects have been highlighted within the strategic planning process.

b. Investment policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Due to the nature of funding, the MAT may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates, ensuring the institution has an appropriate credit rating.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Chief Financial Officer under approvals by the Board of Trustees.

c. Principal risks and uncertainties

Notwithstanding the fact that the COVID-19 crisis will have exposed risk registers across the world, the Trustees have assessed the major risks to which the Trust is normally exposed, in particular those relating to the proposed MAT developments to specific teaching, provision of facilities and other operational areas, and its finances.

The Trustees were, however, pleased at how robust the Trust's Risk Management processes and action plans proved to be in response to the unprecedented events surrounding the pandemic and subsequent national school lockdown.

The Trustees have implemented a system to assess risks to the MAT, especially in operational areas (e.g. in relation to teaching, health & safety, child protection and trips) and in relation to the control of finance. They have introduced systems, including operational and internal financial controls in order to minimise risk. Where significant financial risk still remain, they have ensured adequate insurance cover is in place and have remained within the Government's RPA Programme within the financial year. A number of smaller risks, not covered by the scheme, are insured via commercial organisations.

The MAT has a formal Risk Management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A MAT Risk Register is maintained and reviewed on a regular basis, and a formal end of year review within the Summer Term Business Meeting.

Specific school risks are delegated to the LGBs and are formally reviewed on a regular basis including an annual review. The management process is a mirror image of the Trust's Risk management process.

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

- Financial & Political - the MAT has considerable reliance on continued Government funding through the

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

ESFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms beyond the short term. The Trust mitigates these risks through careful financial planning and its policy on reserves.

- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the MAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the MAT is dependent on continuing to attract student applications insufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored, reviewed and celebrated both internally and externally.
- Safeguarding, Safety and child protection - the Trustees, via the LGBs, continue to ensure that the highest standards are maintained in the areas of selection, monitoring and training of staff, the operation of child protection policies and procedures, health & safety and discipline. Full risk assessments are being maintained and reviewed in respect of the Coronavirus pandemic.
- Staffing - the success of the MAT is reliant on the quality of its staff and so the Trustees and Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The MAT has appointed Auditors to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

d. Financial risk management objectives and policies

The MAT has agreed a Risk Management Policy incorporating a Risk Register. There are also business continuity plans in place, which were severely tested within the COVID-19 crisis. These have been discussed by Trustees and include the financial risks to the MAT. The register and plans are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover through the DfE RPA scheme.

GAG Funding - CHS

Despite a recent increase in the Published Admission Number at Year 7 to 224, CHS remains over subscribed at year 7. Therefore, risks to revenue funding from a falling roll are relatively small.

However, 6th Form numbers can vary and this is a matter discussed regularly by the Governors and the SLT, bearing in mind the continued real time reduction in post 16 funding levels and Raising the Participation Age (RPA). Entry level requirements to the 6th Form were again reviewed and some uneconomic courses did not run, whilst new courses were introduced to ensure that an inclusive 6th Form remained.

However, despite improvements in funding related to National Fairer Funding (NFF), recent significant changes in the ever increasing employment and premises costs mean that budgets for CHS will become increasingly tight in coming years, especially as the footprint of the school will not allow any further increases to the PAN.

GAG Funding - QPHS

QPHS's circumstances are significantly different with difficult and differing challenges resulting from pupil numbers across both the uniformed school and in the Sixth Form. The Trustees had previously recognised this risk and approved and resourced an effective Marketing Communications Plan designed to build the brand perceptions of QPHS and to generate greater pupil numbers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Whilst still below PAN in all year groups, the student numbers are increasing rapidly as larger Year 7 and Year 12 entry numbers more than offset the lower numbers leaving in Year 11 and Year 13. Year 7 entry numbers joining in September 2020 (107) and the high number of in year transfers were again encouraging indicators that the strategies are beginning to work.

However, although improved for 2020/21, Sixth Form entry will remain challenging in the future due to the legacy of lower numbers passing through the uniformed school and, whilst there is still plenty of work still to do in this area, progress to date is encouraging. Great credit is due to the team for their work in this area.

Therefore, the Trustees, whilst being well aware that optimising student numbers at QPHS will take time, are confident that with improving results, the GOOD Ofsted rating, more beneficial demographics and an enhanced brand reputation, longer term success in the numbers of student growth will be achieved.

However, this raised the challenge of cash flow management, as increasing student numbers with lagged funding need extra resource and costs to effectively teach them. The Trust uses its Reserves to fund the growth but consistent year on year growth in student numbers at QPHS, in excess of 10% per annum, placed an increasingly difficult burden on the Trust, which will be alleviated by the success of the Adjusted Funding proposal.

GAG Funding - CIS

Student enrolment at CIS remained largely in line with expectations and, pleasingly, student numbers remained largely consistent throughout the year. An effective admissions drive under its new Principal, the new building, completed in March 2019, together with initial examination results, have all provided the added impetus and springboard to accelerate student number growth further in 2020/21 and beyond.

Again, the Trustees are aware that optimising student numbers at CIS will take time but are confident that, given the encouraging start to its life in its new purpose built building, longer term success can be achieved, with continued focus and investment. Given that funding is currently made directly within the same year, the cost base can be flexed to match the income and pupil numbers.

Reporting

The Trustees financially review the MATs finances every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustee meetings. Monthly reports are sent to the CEO/Accounting Officer and Chair of Trustees by the Chief Financial Officer. Regular cash flow forecasts ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the MAT had no liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity. This is despite one of the Trust's major debtors going into administration in Summer 2020.

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

The balance of unrestricted reserves at the year end were £593k, maintaining the reserves above the minimum set level of £440k.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

e. Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities on page 35.

During the period ending 31 August 2020, total expenditure of £13,138k (2019: £12,106k) was covered by total income of £11,928k (2019: £17,789k)

Net assets on the balance sheet at 31 August 2020 were £29,204k (2019: £30,407k) after accounting for the local government scheme pension deficit of £2,719k (2019: £2,295k). The vast majority of the movement in the pension scheme liabilities is attributable to actuarial calculations – these have had no direct cash impact.

Net cash flow from operating activities was a surplus of £604k (2018: £345k) and cash balances have fallen in the year from £2,313k to £1,561k due to capital works.

The land, buildings and other assets at CHS were transferred to the School upon conversion in April 2011. Land and buildings were professionally valued at that time. Other assets were included in the financial statements at a best estimate at that date, taking into account purchase price and remaining useful lives. The Sports Centre Buildings at Christleton site were retained by the Local Authority.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of each School.

The premises at Queen's Park site were transferred to the Trust on 1 April 2017 on a 125 year lease in line with current academisation guidelines.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Trustees, CEO, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included (Allegations of Financial Impropriety, Retention of Records, Charges and Risk Management) as well as a review of Insurance needs. All financial and staff related policies were reviewed in line with the new MAT structure to ensure consistency across MAT schools.

Trustees appointed Hall Livesey Brown to undertake a programme of internal checks on financial controls to ensure compliance with the conditions of the revised Financial Handbook, and acted fully on the small number of low risk, low impact suggestions made.

Fundraising

The Trust had no fundraising activities requiring disclosure under the provision of the Charities (Protection and Social Investment) Act 2016.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Future developments

Our primary focus in 2020/201 is three fold.

- Firstly, in the immediate short term, given the disruption to Teaching and Learning from the COVID-19 lockdown, our key priority is to ensure that all of our students re-integrate back into the structure and discipline of attending school and re-engage with in-class learning. Given that Year 11s and Year 13s have critical examinations at the end of this year, they will be at the heart of our focus but all year groups will need our support. We are also well aware of the impact on students' wellbeing and mental health.
- Secondly, in the medium-term, we will be striving to ensure that our students can be the very best they can be and therefore make significant progress to both achieve high degrees of success in their examinations and personal development. The continual drive to further improve our schools remains a key platform in achieving this.
- Thirdly, given that two of our schools remain below optimum student capacity, the need to optimise students at each of the schools will also receive focus.

The effective and efficient development of the smooth operational running of the MAT will continue to ensure that policies, terms of reference, accountabilities and responsibilities between the Trust and the LGB's will best allow future improvement and development. The Trustees have set clear objectives to ensure the Trust enables the schools to improve, whilst ensuring that the school development plans are effectively delivered.

As a subsidiary objective, it is also likely that the Trustees will continue to actively seek new opportunities for new schools to join the MAT but will review any and all opportunities on their merits in relation to the Trust's founding principles.

However, the Trustees will only look at further opportunities once they are assured the Trust can thrive and allow all of our current students to be the very best they can be.

Funds held as custodian on behalf of others

The financial statements include the results of the CHS Prize Fund, a registered charity (number 1031383) which is under the control of the Academy Trust. The objects of the Fund are to provide benefits of any kind to the CHS not normally provided by public funds. At 31 August 2020 the Trustees were Mrs J Charlton, Mr N Follos and Mr P Heath.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Employee involvement and employment of the disabled

The Trust fully understands the principles of the Act and the work needed to ensure that those with protected characteristics are not discriminated against and are given equal opportunities.

A protected characteristic, under the Act, is as follows:

- Age
- Disability
- Race, colour, nationality, ethnic or national origin
- Sex (including transgender people)
- Gender reassignment
- Maternity and pregnancy
- Religion and belief
- Sexual orientation
- Marriage and civil partnership (for employees).

Information relevant to employees is available via:

- Equality Policy
- Racial Equality Policy
- Staff Handbook
- Application forms for prospective employees
- Information pack for prospective employees

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

Auditor

Following a competitive tender in the previous financial year, Crowe UK were appointed as the Trust's Auditors and, having indicated their willingness to continue, Members have again re-appointed them as the Trust Auditors.

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 November 2020 and signed on its behalf by:


.....

Euan Imrie
(Chair of Trustees)

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. In addition to ad-hoc Strategic Topic meetings, the board of Trustees has formally met 6 times during the year. As a result of the Coronavirus crisis, 3 of these were held virtually by either conference call or Microsoft Teams.

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

Trustee	Meetings attended	Out of a possible
Euan Imrie, Chair of Trustees	6	6
Paul Carter	5	6
Jean Charlton	5	6
Nick Crowther, Vice Chair	6	6
Paul Heath	6	6
Vicky Higham	3	6
Kayte Parlevliet	6	6

The Audit and Finance Committee is a sub committee of the main board of Trustees. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings. This was included within an increased number of Business Meetings within 2019/20, but met once for presentation of the report of the Auditors.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the MAT 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 MAT'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.

Student Attainment and Welfare

Our focus here is demonstrated by the longer term trends in exam results, particularly as GCSE results for 2019/20 academic year were again relatively strong and improving across the MAT.

The MAT tracks attendance and behaviour of all students, these are significantly better than national and local averages and continue to improve. At QPHS, there were one permanent exclusions during the financial year 2019/20, at CHS, two permanent exclusions and no permanent exclusions at CIS.

At all schools, Pupil premium funds are utilised to try to narrow the educational attainment gap. Accountability is through direct reporting (including VFM reviews) by the relevant Assistant Headteachers to the Head and to the relevant governor committees. Pupil premium achievement outcomes are reported to full governors at least annually at each school.

Trustee challenge, awareness and oversight of MAT finances

The MAT benefits from the provision of a suitably qualified Audit Committee which reviews key financial policies, systems and procedures, including the use of tenders. Auditors present reports on compliance to the Finance and Audit Committees.

The Finance and Audit Committees and Local Governing Bodies receive termly budget monitoring and cashflow reports. The Accounting Officer and Chair of trustees receive monthly statements with full explanations of budget variances and has day to day access to all staff involved in purchasing.

The full Board of Trustees approves the budget each year and is mindful of the need to best balance expenditure against income to ensure a secure financial foundation for the MAT.

Before recommending approval to Members, the Board of Trustees also receives and approves the Annual Accounts and the External Auditors Management Report. The MAT benchmarks financial performance against other academy Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

Controls and Managing Risks

Monthly budget monitoring reports are produced and reviewed by the CEO, CFO and the relevant Headteacher and any necessary remedial actions taken to address any significant variances that may have an impact on the budget out turn. These are shared with Chair of Trustees.

The MAT ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential with recorded Trustee approval of the transaction.

The Leadership Groups within each school, review expenditure within each budget heading both on a quarterly

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

and annual basis. As a result, adjustments are made based on the effectiveness of strategies introduced in previous years, the curriculum offer and any new strategies identified in the School Development Plans.

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 The Learning Trust for the year 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 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 MAT'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 Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hall Livesey Brown, to carry out a programme of internal checks.

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

- Budgeting
- General ledger
- Account reconciliations
- Petty Cash

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Payroll processing
- Expenditure and Creditors
- Income and Debtors
- Fixed Assets

On an annual basis, the reviewer reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

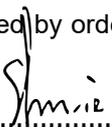
Review of effectiveness

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 reviewer;
- the work of the external auditor;
- 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 Hall Livesey Brown and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 26 November 2020 and signed on their behalf by:


.....
Euan Imrie
Chair of Trustees


.....
Nigel Follos
Chief Executive Officer

THE LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Learning Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2019.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2019.

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.



N Follos
Accounting Officer
Date: 26 November 2020

THE LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


.....

Euan Imrie
(Chair of Trustees)
Date: 26 November 2020

THE LEARNING TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of The Learning Trust (the 'academy') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST (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 Auditor's report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 academy 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.

THE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

THE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST (CONTINUED)**



Vicky Szulist (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 3rd December 2020

THE LEARNING TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 1 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Learning Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Learning Trust's funding agreement with the Secretary of State for Education dated 20 April 2017 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

THE LEARNING TRUST
(A company limited by guarantee)

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

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 3rd December 2020

THE LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	14	475	489	6,375
Charitable activities	4	-	11,195	-	11,195	10,890
Other trading activities	5	82	146	-	228	486
Investments	6	5	-	-	5	4
Total income		87	11,355	475	11,917	17,755
Less expenditure on:						
Raising funds		-	41	-	41	46
Charitable activities	8	255	12,119	712	13,086	12,026
Total expenditure	7	255	12,160	712	13,127	12,072
Net losses on investments		-	-	(5)	(5)	(1)
Net expenditure		(168)	(805)	(242)	(1,215)	5,682
Transfers between funds	19	24	-	(24)	-	-
Net movement in funds before other recognised gains/(losses)		(144)	(805)	(266)	(1,215)	5,682
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	12	-	12	(767)
Net movement in funds		(144)	(793)	(266)	(1,203)	4,915
Reconciliation of funds:						
Total funds brought forward		738	(1,914)	31,583	30,407	25,492
Net movement in funds		(144)	(793)	(266)	(1,203)	4,915

THE LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Total funds carried forward	594	(2,707)	31,317	29,204	<i>30,407</i>

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

The notes on pages 42 to 69 form part of these financial statements.

THE LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07523884

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	31,028	30,523
Investments	14	12	17
		<u>31,040</u>	<u>30,540</u>
Current assets			
Stocks	15	3	3
Debtors	16	800	1,344
Cash at bank and in hand		1,562	2,313
		<u>2,365</u>	<u>3,660</u>
Creditors: amounts falling due within one year	17	(1,366)	(1,384)
Net current assets		<u>999</u>	<u>2,276</u>
Total assets less current liabilities		<u>32,039</u>	<u>32,816</u>
Creditors: amounts falling due after more than one year	18	(116)	(114)
Net assets excluding pension liability		<u>31,923</u>	<u>32,702</u>
Defined benefit pension scheme liability	27	(2,719)	(2,295)
Total net assets		<u><u>29,204</u></u>	<u><u>30,407</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	31,317	31,583
Restricted income funds	19	13	381
		<u>31,330</u>	<u>31,964</u>
Restricted funds excluding pension asset	19	31,330	31,964
Pension reserve	19	(2,719)	(2,295)
Total restricted funds	19	<u>28,611</u>	<u>29,669</u>
Unrestricted income funds	19	<u>593</u>	<u>738</u>
Total funds		<u><u>29,204</u></u>	<u><u>30,407</u></u>

THE LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07523884

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 37 to 69 were approved by the Trustees, and authorised for issue on 26 November 2020 and are signed on their behalf, by:



.....
Euan Imrie
(Chair of Trustees)

The notes on pages 42 to 69 form part of these financial statements.

THE LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	<i>2019</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	21	604	345
Cash flows from investing activities	23	(1,330)	<i>(110)</i>
Cash flows from financing activities	22	(25)	<i>(20)</i>
Change in cash and cash equivalents in the year		(751)	<i>215</i>
Cash and cash equivalents at the beginning of the year		2,313	<i>2,098</i>
Cash and cash equivalents at the end of the year	24, 25	1,562	<i>2,313</i>

The notes on pages 42 to 69 form part of these financial statements

THE LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

In their assessment of going concern the Trustees have considered the current and developing impact on the business as a result of the COVID-19 virus. This has not had a significant, immediate impact on the Academy's operations, but the Trustees are aware that if the current situation becomes prolonged then this may change.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements

THE LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy 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.

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.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Leasehold land	- 0.8% straight line
Furniture and equipment	- 20-25% 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.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 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.

1.10 Cash at bank and in hand

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

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

THE LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

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

THE LEARNING TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	-	14	-	14
Capital Grants	-	-	690	690
Salix & CIF Loans	-	-	(215)	(215)
	<u>-</u>	<u>14</u>	<u>475</u>	<u>489</u>

£215k included in grants above relates to funding previously recognised as capital funding in the prior year but which has been identified by management as Salix and CIF loans funding causing a reduction in capital grant income in the year.

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3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Donations	58	4,500	4,558
Capital Grants	-	1,817	1,817
	<u>58</u>	<u>6,317</u>	<u>6,375</u>

The donation of £4.5m related to the transfer of the new CIS building into the Trust.

4. Funding for the academy's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants		
GAG	9,997	9,997
Start Up Grants	46	46
Other DfE Group grants	469	469
	<u>10,512</u>	<u>10,512</u>
Exceptional government funding		
Coronavirus exceptional support	38	38
	<u>38</u>	<u>38</u>
Other government grants		
Local Authority Grants	88	88
SEN Income	132	132
	<u>220</u>	<u>220</u>
Other funding		
Other incoming resources	113	113
School trip income	312	312
	<u>11,195</u>	<u>11,195</u>

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4. Funding for the academy's educational operations (continued)

The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £38k of premises, catering and cleaning costs. These costs are included in notes 7 and 8 below as appropriate.

	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
DfE/ESFA grants		
GAG	9,463	9,463
Start Up Grants	146	146
Other DfE Group grants	464	464
	<u>10,073</u>	<u>10,073</u>
Other government grants		
Local Authority Grants	168	168
SEN Income	113	113
	<u>281</u>	<u>281</u>
Other funding		
Other incoming resources	104	104
School trip income	432	432
	<u>10,890</u>	<u>10,890</u>

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	40	-	40
Sundry Sales	20	-	20
Other income	22	146	168
	<u>82</u>	<u>146</u>	<u>228</u>

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5. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Hire of facilities	14	-	14
Sundry Sales	16	-	16
Other income	135	321	456
	<u>165</u>	<u>321</u>	<u>486</u>

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Investment income	5	5
	<u>5</u>	<u>5</u>

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Investment income	4	4
	<u>4</u>	<u>4</u>

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7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	-	-	41	41
Educational Operations:				
Direct costs	7,671	710	947	9,328
Allocated support costs	2,438	594	726	3,758
	<u>10,109</u>	<u>1,304</u>	<u>1,714</u>	<u>13,127</u>

	<i>Staff Costs</i> <i>2019</i> <i>£000</i>	<i>Premises</i> <i>2019</i> <i>£000</i>	<i>Other</i> <i>2019</i> <i>£000</i>	<i>Total</i> <i>2019</i> <i>£000</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	46	46
Educational Operations:				
Direct costs	6,975	592	1,084	8,651
Allocated support costs	2,135	642	598	3,375
<i>Total 2019</i>	<u>9,110</u>	<u>1,234</u>	<u>1,728</u>	<u>12,072</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational Operations	<u>9,328</u>	<u>3,758</u>	<u>13,086</u>

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8. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £000</i>	<i>Support costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Educational Operations	8,651	3,375	12,026

Analysis of support costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	2,438	2,135
Catering	87	99
Governance	19	18
Professional	149	86
Legal	17	12
Other Support Costs	249	184
Premises Costs	656	706
Technology	143	135
	3,758	3,375

9. Net expenditure

Net expenditure for the year includes:

	2020 £000	<i>2019 £000</i>
Depreciation of tangible fixed assets owned by the charity	710	592
Auditor's remuneration - audit	15	15
Auditor's remuneration - other services	4	4
Operating lease rentals	27	19

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	7,184	6,929
Social security costs	702	661
Pension costs	2,042	1,390
	<u>9,928</u>	<u>8,980</u>
Agency staff costs	181	115
Staff restructuring costs	-	15
	<u>10,109</u>	<u>9,110</u>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Severance payments	-	15
	<u>-</u>	<u>15</u>

b. Staff numbers

The average number of persons, based on headcount, employed by the academy during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	115	123
Administration and support	191	180
Management	18	16
	<u>324</u>	<u>319</u>

c. Higher paid staff

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

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff (continued)

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	6	<i>2</i>
In the band £70,001 - £80,000	-	<i>2</i>
In the band £80,001 - £90,000	2	<i>1</i>
In the band £90,001 - £100,000	1	<i>1</i>
	10	<i>6</i>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £495k (2019 £619k).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Total £000
Cost or valuation					
At 1 September 2019	15,390	16,351	730	866	33,337
Additions	178	816	34	186	1,214
Transfers between classes	-	730	(730)	-	-
At 31 August 2020	15,568	17,897	34	1,052	34,551

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13. Tangible fixed assets (continued)

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Total £000
Less Depreciation					
At 1 September 2019	1,706	492	-	615	2,813
Charge for the year	309	316	-	85	710
At 31 August 2020	<u>2,015</u>	<u>808</u>	-	<u>700</u>	<u>3,523</u>
Net book value					
At 31 August 2020	<u><u>13,553</u></u>	<u><u>17,089</u></u>	<u><u>34</u></u>	<u><u>352</u></u>	<u><u>31,028</u></u>
At 31 August 2019	<u><u>13,684</u></u>	<u><u>15,859</u></u>	<u><u>730</u></u>	<u><u>251</u></u>	<u><u>30,524</u></u>

14. Fixed asset investments

	Listed investments £000
Cost or valuation	
At 1 September 2019	12
At 31 August 2020	<u>12</u>
Net book value	
At 31 August 2020	12
At 31 August 2019	<u>12</u>

15. Stocks

	2020 £000	2019 £000
Finished goods and goods for resale	<u>3</u>	<u>3</u>

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16. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	35	<i>21</i>
Other debtors	81	<i>328</i>
Prepayments and accrued income	684	<i>995</i>
	800	<i>1,344</i>
	800	<i>1,344</i>

17. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	116	<i>782</i>
Other taxation and social security	175	<i>168</i>
Other creditors	785	<i>346</i>
Accruals and deferred income	290	<i>88</i>
	1,366	<i>1,384</i>
	1,366	<i>1,384</i>

18. Creditors: Amounts falling due after more than one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Other creditors	116	<i>114</i>
	116	<i>114</i>

Other creditors consists of Salix and CIF loans totalling £329k (2019: £139k) which are repayable in instalments over the next 9 years. The total amount repayable after more than 5 years is £110k (2019: £26k).

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19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	738	86	(255)	24	-	593
Restricted general funds						
General Annual Grant (GAG)	381	9,996	(10,377)	-	-	-
Start up Grants	-	46	(46)	-	-	-
Other DfE/ESFA grants	-	541	(528)	-	-	13
Other restricted funds	-	553	(553)	-	-	-
Local Authority grants	-	88	(88)	-	-	-
SEN funding	-	132	(132)	-	-	-
Pension reserve	(2,295)	-	(436)	-	12	(2,719)
	<u>(1,914)</u>	<u>11,356</u>	<u>(12,160)</u>	<u>-</u>	<u>12</u>	<u>(2,706)</u>
Restricted fixed asset funds						
Transfer on conversion	18,275	-	(405)	-	-	17,870
DfE group capital grants	8,016	690	(180)	90	-	8,616
Capital expenditure from GAG	505	-	(12)	-	(5)	488
Football Foundation Grant	325	-	(8)	-	-	317
Donation from DfE	4,462	-	(107)	-	-	4,355
Salix Loan Funding	-	(215)	-	(114)	-	(329)
	<u>31,583</u>	<u>475</u>	<u>(712)</u>	<u>(24)</u>	<u>(5)</u>	<u>31,317</u>

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19. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total Restricted funds	29,669	11,831	(12,872)	(24)	7	28,611
Total funds	30,407	11,917	(13,127)	-	7	29,204

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

a) Restricted General Fund

The General Annual Grant (GAG) is core funding for the educational activities of the academy provided via the Education and Skills Funding Agency (ESFA).

Other ESFA grants are grants received from the ESFA which can only be utilised for the purpose intended. Other funds generated by the Academy include specific donations.

The Pension Reserve is the deficit in the Local Government Pension Scheme.

b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants, including capital grants from the Football Foundation for the all weather pitch, from the Academies Capital Maintenance Fund and Conditional Improvement Fund for the Renewal of External Curtain Walling, renewal of Crittle Steel Framed Windows, Roof Covering renewals and a Boiler replacement programme. Additional amounts in prior years include income in relation to new roof repairs work and safety compliance work. This has been continued in the current year.

Also included within this fund is the cost of the new CIS building which was donated by the DfE for £4.5m.

c) Unrestricted funds

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Chistleton High School	-	10
Queen's Park High School	-	5

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19. Statement of funds (continued)

	2020	<i>2019</i>
	£000	<i>£000</i>
Central Services	606	<i>1,104</i>
Total before fixed asset funds and pension reserve	606	<i>1,119</i>
Restricted fixed asset fund	31,317	<i>31,583</i>
Pension reserve	(2,719)	<i>(2,295)</i>
Total	29,204	<i>30,407</i>

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
Chittleton High School	4,836	1,244	148	1,253	7,481
Queen's Park High School	2,007	735	70	520	3,332
Chester International School	826	76	49	156	1,107
Central services	-	-	1	71	72
Academy	7,669	2,055	268	2,000	11,992

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000
Chittleton High School	4,379	1,020	124	1,365	6,888
Queen's Park High School	1,806	619	51	509	2,985
Chester International School	789	52	55	128	1,024
Central services	-	281	3	65	349

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19. Statement of funds (continued)

	<i>Teaching and educational support staff costs</i> £000	<i>Other support staff costs</i> £000	<i>Educational supplies</i> £000	<i>Other costs excluding depreciation</i> £000	Total 2019 £000
Academy	<u>6,974</u>	<u>1,972</u>	<u>233</u>	<u>2,067</u>	<u>11,246</u>

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds					
General Funds	574	227	(63)	-	738
Restricted general funds					
General Annual Grant (GAG)	-	9,464	(9,083)	-	381
Start up Grants	47	146	(193)	-	-
Other DfE/ESFA grants	-	561	(561)	-	-
Other restricted funds	307	682	(989)	-	-
Local Authority grants	-	168	(168)	-	-
Non government grants	-	77	(77)	-	-
SEN funding	-	113	(113)	-	-
Pension reserve	(1,295)	-	(233)	(767)	(2,295)
	(941)	11,211	(11,417)	(767)	(1,914)
Restricted fixed asset funds					
Transfer on conversion	18,644	-	(368)	(1)	18,275
DfE group capital grants	6,199	1,817	-	-	8,016
Capital expenditure from GAG	652	-	(147)	-	505
Football Foundation Grant	364	-	(39)	-	325
Donation from DfE	-	4,500	(38)	-	4,462
	25,859	6,317	(592)	(1)	31,583
Total Restricted funds	24,918	17,528	(12,009)	(768)	29,669
Total funds	25,492	17,755	(12,072)	(768)	30,407

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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	31,028	31,028
Fixed asset investments	-	-	12	12
Current assets	1,746	13	606	2,365
Creditors due within one year	(1,153)	-	(213)	(1,366)
Creditors due in more than one year	-	-	(116)	(116)
Provisions for liabilities and charges	-	(2,719)	-	(2,719)
Total	593	(2,706)	31,317	29,204

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	30,524	30,524
Fixed asset investments	-	-	17	17
Current assets	738	1,880	1,042	3,660
Creditors due within one year	-	(1,385)	-	(1,385)
Creditors due in more than one year	-	(114)	-	(114)
Provisions for liabilities and charges	-	(2,295)	-	(2,295)
Total	738	(1,914)	31,583	30,407

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,215)	<i>5,682</i>
Adjustments for:		
Depreciation charges	710	<i>592</i>
Loss on investment	4	<i>1</i>
Dividends, interest and rents from investments	(4)	<i>(4)</i>
(Increase)/decrease in debtors	544	<i>(137)</i>
Increase in creditors	8	<i>296</i>
Capital grants from DfE and other capital income	121	<i>(6,318)</i>
Defined benefit pension scheme cost less contributions payable	391	<i>195</i>
Defined benefit pension scheme finance cost	45	<i>38</i>
Net cash provided by operating activities	604	<i>345</i>

22. Cash flows from financing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Repayments of borrowing	(25)	<i>(20)</i>
Net cash used in financing activities	(25)	<i>(20)</i>

23. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	4	<i>4</i>
Purchase of tangible fixed assets	(1,213)	<i>(1,932)</i>
Capital grants from DfE Group	(121)	<i>1,818</i>
Net cash used in investing activities	(1,330)	<i>(110)</i>

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24. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash at bank and in hand	1,562	2,313
Total cash and cash equivalents	1,562	<i>2,313</i>

25. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	2,313	(751)	1,562
	2,313	(751)	1,562

26. Capital commitments

Contracted for but not provided in these financial statements

Whilst there were no capital commitments as at 31 August 2020, shortly after the year end a contract for capital works at Queens Park High School was signed to the value of £422k (2019: £1,251k).

27. Pension commitments

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

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

Contributions amounting to £178k were payable to the schemes at 31 August 2020 (2019 - £142k) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,275k (2019 - £851k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separately held funds administered by the Trustees of the Pension Scheme. The total contribution made for the year ended 31 August 2020 was £403k (2019 - £404k), of which employer's contributions totalled £314k (2019 - £323k) and employees' contributions totalled £89k (2019 - £81k). The agreed contribution rates for future years are 24.65% per cent for employers and a range for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Discount rate for scheme liabilities	1.70	1.80
Rate of increase in salaries	2.90	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	21.9	22.1
Females	25.0	25.0

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27. Pension commitments (continued)

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate -0.1%	198	<i>183</i>
CPI/pension increase rate +0.1%	171	<i>142</i>
Salary increase rate +0.1%	23	<i>36</i>
	=====	<i>=====</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Equities	2,449	<i>2,125</i>
Corporate bonds	2,177	<i>2,322</i>
Property	544	<i>395</i>
Cash and other liquid assets	273	<i>99</i>
	-----	<i>-----</i>
Total market value of assets	5,443	<i>4,941</i>
	=====	<i>=====</i>

The actual return on scheme assets was £294k (2019 - £217k).

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	681	<i>489</i>
Net interest cost	45	<i>38</i>
Past service cost	24	<i>29</i>
	-----	<i>-----</i>
Total amount recognised in the Statement of Financial Activities	750	<i>556</i>
	=====	<i>=====</i>

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

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

	2020 £000	2019 £000
At 1 September	7,236	5,462
Current service cost	681	489
Interest cost	137	160
Employee contributions	89	81
Actuarial losses	66	1,062
Benefits paid	(71)	(47)
Past service costs	24	29
At 31 August	8,162	7,236

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

	2020 £000	2019 £000
At 1 September	4,941	4,167
Interest income	92	122
Actuarial gains	78	295
Employee contributions	89	81
Benefits paid	(71)	(47)
Employer contributions	314	323
At 31 August	5,443	4,941

28. Operating lease commitments

At 31 August 2020 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	24	27
Later than 1 year and not later than 5 years	23	38
Later than 5 years	-	1
	47	66

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29. Members' liability

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

30. Related party transactions

Owing to the nature of the academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

31. Post balance sheet events

During the year, the Trust submitted a claim for exceptional costs incurred in relation to the impact on the Trust for COVID-19. In late October 2020, the DfE approved £38k of funding against a claim of £138k. It is not yet clear whether the remaining £99k will be approved therefore only the amount confirmed and received post year end has been accrued for in these financial statements.

32. Agency arrangements

The Academy administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £38k (2019: £35k) and disbursed £31k (2019: £33k) plus an administration fee of £2k (2019: £2k), therefore leaving an amount of £17k (2019: £12k) included in other creditors.