

Learning for Life Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2020



Company Registration Number: 09690231
(England & Wales)

Learning for Life Trust

Contents	Page
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	10
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16
Independent Reporting Accountant's Report on Regularity	19
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	24
Other Notes to the Financial Statements	30

Reference and Administrative Details

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2020.

	Appointed	Resigned
Members		
	Mr A J McCarthy	
	Ms E L Kidd	
	Mr J Cowan	07/02/2020
	Mrs S Spencer	
Trustees		
	Mr O Nicols (Chair - until 31/08/2020)	
	Mrs V Bennett (Chair from 01/09/2020)	
	Mr C Smith	
	Mr C Steele (Headteacher and Accounting Officer from 01/09/2017)	
	Mr A Cooney	
Company Secretary	Mrs C Parker	
Senior Management Team		
• Headteacher	Mr C Steele	
• Deputy Headteacher	Mrs J Sutton	31/05/2020
• Deputy Headteacher	Mr J Gale	01/06/2020
Company Name	Learning for Life Trust	
Principal and Registered Office	Gallowbarrow Cockermouth CA13 0DX	
Company Registration Number	09690231 (England & Wales)	
Independent Auditor	Saint and Co The Old Police Station Church Street Ambleside Cumbria LA22 0BT	
Bankers	Lloyds Bank Plc Keswick Branch PO Box 1000 Andover BX1 1LT	
Solicitors	Burnetts 6 Victoria Place Carlisle Cumbria CA1 1ES	

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company, Learning for Life Trust, for the period 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Trust operates one primary academy for pupils aged 3 to 11 in Cockermouth with 399 pupils during the year to 31 August 2020.

Structure, Governance and Management

Constitution

The Trust was incorporated on 16 July 2015. The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Learning for Life Trust are also the directors for the purposes of company law. Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the Trust 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 they cease to be a member.

Trustee and governor's Indemnities

In respect of the trustee and governors, the Trust holds professional indemnity insurance via the Department of Education's risk protection arrangements.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed for a four year period, except that this time limit does not apply to the Executive leader of the Trust. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. Any Trustee seeking re-appointment or re-election submits a justification for the Board's consideration. When appointing new Trustees, the Board will 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 development and expansion of the Trust. The Board has engaged in a Government development programme to strengthen its capacity to support MAT expansion. To further support this development the Board shall be recruiting additional Trustees. A thorough interview is conducted by the Chair of Trustees and Executive leader of the Trust before appointment.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees receive rigorous induction training to detail their legal obligations under Charity and Company Law and the content of the Articles of Association. They receive an induction pack which includes copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Trustees. They have meetings with the Chair of Trustees to provide support as required. All Trustees are given the opportunity to sit training courses through multiple sources and throughout the year are kept up to date on relevant issues and changes in legislation.

Trustees' Report (continued)

Organisational Structure

The members of Learning for Life Trust are the subscribers to the memorandum of association. They have the power to appoint and remove trustees.

The Trustees are either appointed by the members or co-opted by the Board of Trustees. The Trustees are responsible for the three core strategic governance functions:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding the executive leader to account for the educational performance of the academy and its pupils, and the performance management of staff;
- Overseeing the financial performance of the academies and making sure it is money well spent.

The Trustees are responsible for ensuring that the charitable company achieves its objectives as well as compliance with charity and company law and the Trust's funding agreement.

The Trust delegates specific finance and audit responsibilities to the Trust's Audit & Risk Committee.

Governance functions are delegated to the Local Governing Body ("LGB") in accordance with the Trust's Scheme of Delegation. The Trustees appoint the Chair of the LGB who submits information on Key Performance Indicators to the Trustee Board in accordance with governance reporting procedures.

The Trustees appoint the executive leader and the Headteacher. The Headteacher is responsible for managing the school on a daily basis supported by the appointed Senior Leadership Team.

Arrangements for setting pay and remuneration of key management personnel

The Chair of Trustees and the Chair of Governors, in conjunction with an external adviser, set challenging and aspirational objectives for the executive leader of the Trust who is also the Headteacher of Fairfield Primary School. These are monitored during the performance review cycle and assessed by an external evaluation. Pay recommendations are put to the Board of Trustees for their consideration.

Pay and remuneration of the academies other key management personnel is set by a subcommittee of the Trustees and reviewed annually. Pay scales are taken from the School Teachers Pay and Conditions document for teaching staff or from the Cumbria County Council job families pay and grading structure for support staff. Objectives are set according to the priorities set out in the strategic plan.

Trade union facility time

The academy trust has no relevant union officials.

Related Parties and other Connected Charities and Organisations

Learning for Life Trust is made up of the following schools:

- Fairfield Primary School

There are no other connected organisations however the Trust works very closely with a group of schools sharing good practice and undertaking Peer to Peer reviews with each school.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Trust is passionate about ensuring each and every one of its pupils achieves their full potential and places them at the heart of its system. In doing so, the Trust fulfils its charitable objective of providing education for the public benefit in the United Kingdom, and promoting a broad and balanced curriculum for all students.

As a relatively new Trust, its focus for the previous years was on developing strategies and practices to ensure all the pupils at Fairfield Primary School received the very best education through strong leadership, innovative and energetic teaching provided by staff who are happy to be at school. Whilst always seeking to develop and improve, this strategy has been very successful as is demonstrated later in the attainment section of this report. It is a high performing school in all areas and has had local and national recognition for its successes. In a position of strength academically and financially, the Trust is now seeking to attract new schools to collaborate in further strengthening the provision of educational excellence to a wider field of pupils.

In order to achieve this, the Trust has developed its Vision, Mission and Values as follows:

Vision: Our vision is to create a partnership of schools collaborating to bring out the very best in each other to ensure each and every pupil within the Trust reaches their full potential

Mission: Our ambition is to be recognised as a Trust whose schools deliver creative and exciting education practices that allow our pupils to exceed their expectations in a happy, supportive and safe environment.

Values:

- Individuality – We recognise that in order to develop a strong, inclusive whole, our schools need to retain their own distinct identity
- Ambitious – Always striving to offer the best possible education.
- Creative – Always developing traditional and new educational practices in an innovative way that will embed in pupils a love for learning.
- Supportive – Always supporting our peers, colleagues and pupils so that we can all reach our full potential.
- Nurturing – Nurturing our pupils, creating a safe, supportive environment for them to feel empowered and become life-long learners.
- Inspiring – Inspiring everyone in our Trust to be the very best they can be.

Trustees' Report (continued)

Objectives, Strategies and Activities

With such stability and strength in the Trust, the platform is in place to allow it to move towards achieving its vision. A clear improvement plan and road map which sets out the key activities and targets for the Trust is in place. Achievement of these strategic objectives will allow the Trust to develop, including developing capacity for growth, ensuring strong leadership and governance across the Trust, alongside always seeking to improve the educational provision within.

The key strategic objectives for the Trust are :

- 1 Continually improve quality of provision from all schools within the Trust
- 2 Support excellent standard of teaching and learning
- 3 Ensure strong leadership and governance across the Trust
- 4 Ensure MAT stability and develop future growth through new partnerships
- 5 To build a strong infrastructure which will ensure a financially viable and sustainable MAT

These strategic objectives are cascaded down to the school to implement in accordance with its own School Improvement Plan which is created by its Senior Leadership Team and Local Governing Body. This Plan provides for the school's key priorities over the next 3 years.

Despite the year presenting its challenges, the Trust and School have continued to pursue these objectives, working together to ensure pupils continued to receive excellent teaching and learning. With a commitment to the continuous professional development and wellbeing of all staff, along with a flexible governance support structure, the Trust was able to support the school in maintaining an exceptional performance.

The Trust was particularly proud that under its executive's strong leadership, Fairfield Primary School became the local hub, ensuring the continuation of education to the children of local key workers; when the schools welcomed the return of additional pupils, Fairfield Primary School continued to support the other local schools throughout the year. This has nurtured a stronger relationship with local schools which may provide the foundations for future MAT growth.

Seeing and experiencing the benefits of collaborative working during the year, the Trust remains committed to growing a partnership of schools. In preparation for this, the Trust has strengthened its governance structures and procedures; it is also commencing a recruitment campaign to attract additional Trustees to enhance the existing skill set and expand Trustee capacity.

The Trust has already in place a strong and robust infrastructure which will ensure a financially viable and sustainable Trust. The oversight of the finances has been enhanced by establishing an Audit & Risk Committee, a subcommittee of the Trustee Board; this committee meets to review trust funds, budgeting and spends as well as reviewing and managing trust risks.

Public Benefit

The Trustees have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education. The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Trust's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential.

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Strategic objective 1 - Quality of provision

Key Academic Performance Indicators - FAIRFIELD PRIMARY SCHOOL

The Trust has supported the school through a challenging year of unprecedented national issues. Despite the compulsory closure to schools, Fairfield was able to not only provide an effective home learning provision, but encouraged the returning of children to the classroom as soon it was allowed to do so. Due to this approach and support, pupil outcomes remain high. All formal assessments for the 2019/20 academic year were cancelled but teacher assessments are provided in their absence.

	Pupils Achieving Expected		Pupils Achieving Higher	
	School KS1 Result (TA)	School KS2 Result (TA)	School KS1 Result (TA)	School KS2 Result (TA)
Reading	83.0%	97%	28%	63%
Writing	83.0%	100%	23%	48%
Spelling, Punctuation and Grammar	-	100%	-	63%
Mathematics	83.0%	97%	28%	49%
Reading, Writing and Mathematics combined	83.0%	95%	17%	37%

Year 1 Phonics Screening Results 2020	Pupils meeting the expected standard
School results (TA)	89%

EARLY YEARS DATA

	% of pupils
Listening & Communication	84
Understanding	82
Speaking	80
Reading	84
Writing	82
Number	86
Space, Shape & Measure	86
Moving & Handling	88
Health & Self-Care	88
Self-Confidence & Awareness	84
Managing Feelings & Behaviours	84
Making Relationships	84
People & communities	88
The World	86
Technology	90
Exploring and using media and materials	86
Being Imaginative	86

Trustees' Report (continued)

Strategic objective 2 - Support of excellent standard of teaching and learning

To ensure that standards are continually assessed, the Trust requires its schools to operate a rigorous programme of monitoring activities. It also encourages schools and LGBs to reflect upon their performances and develop SMART development plans.

In Fairfield Primary School, these activities are undertaken by the Headteacher and other members of the senior leadership team and middle leaders. Despite the disruption to the 2019/20 academic year, many successful monitoring and moderation activities took place and the school's self-evaluation remains at 'good' or 'outstanding' in all areas. The school has continued to strive towards achieving its vision through successful delivery of its school improvement aims.

Fairfield Primary school responded swiftly and effectively to the challenges of compulsory closure and transitioned effectively into an online learning provision, providing effective training to all staff. With the support of the Trust, the school continues to develop ways to adapt their teaching and learning provision to work effectively through either a physical or virtual medium.

Strategic objective 3 - Ensure strong leadership and governance

During 2020, the executive lead of the Trust, established Fairfield as the local hub for the children of primary and secondary key workers; when schools re-opened to additional pupils, Fairfield continued to provide support to local schools. Through strong and effective leadership the pupils within Fairfield continued to receive an excellent education from staff who reported on feeling secure and appreciated. The Trust provided the leadership team with support during this time, adapting governance practices to remain dynamic and responsive to the changing environment.

To further strengthen governance and prepare for future expansion, the Trust board has implemented a clear separation between trustees and the LGB developing a reporting structure which is supportive but retains oversight of governance. In order to make the work of the LGB more effective and adaptable, the committee functions have also been removed ensuring all governors are kept fully abreast of governing business.

To prepare for future expansion, the Trust board has also established a Audit & Risk committee to ensure robust oversight of financial procedures, policy and protocols along with the management of risk.

Both the Trust board and LGB have engaged in NGA training in order to strengthen and develop performance.

Strategic objective 4 - MAT stability and growth

In line with its renewed vision and strategy, the Trust has recently engaged in productive meetings with local schools to explore growth options. Whilst the growth of the Trust has been inhibited by recent restrictions on school/trust operations the Trust board has a clear growth plan for 2020/21. As the Trust Board continues to strengthen its capacity and capability, along with refining its policies and procedures, it continues the strategy of supporting Fairfield Primary School to provide educational excellence in order that it can in turn support other academies and schools further strengthening local relationships.

Strategic objective 5 - Ensuring financially viable and sustainable trust

The Trust remains in a strong financial position and has had a long track record of secure and stable finances. The Trust continues to work towards developing and monitoring a 5-year strategic financial plan with a financial structure allowing for sustainable growth. Plans also include wider financial areas including estates management and maintenance, ICT improvements and staff wellbeing. The Trust was successful in its application to the 2019/20 Condition Improvement Fund (CIF) for one of two applications made. Works to replace a Victorian ceiling and roof will commence at Fairfield Primary school within the 2020/21 academic year. The Trust has further plans to submit bids in relation to high priority works within Fairfield Primary School.

Going Concern

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

Trustees' Report (continued)

Financial Review

Financial Review

The Academy Trust's accounting period is 01 September 2019 to 31 August 2020.

During the period under review, the majority of the Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Trust's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the Trust received total revenue funding for Charitable activities of £1,715,293, of which £1,244,590 was from the DfE in the form of GAG funding (73%).

Revenue expenditure was £1,888,773, of which staffing is the main area of cost at £1,469,234 (78%).

Reserves Policy

At the end of the period the trustees were holding £102,775 in restricted general funds (GAG £94,394) and £264,816 in unrestricted funds, which are within DfE guidelines. The trustees review the level of reserves annually as part of its budget planning cycle, and aims to carry forward a prudent level of resources from General Annual Grant as a contingency for future unforeseen circumstances, and as contributions towards future capital improvement programmes.

Funds in Deficit

The Trust holds a deficit on the local government pension scheme of £1,338,000. In the event of the closure of Fairfield Primary School, this deficit would be met by the DfE.

Investment Policy

In a period of financial uncertainty and historically low interest rates, the Trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

Principal Risks and Uncertainties

The Trust is operating in a period of considerable financial uncertainty with regard to public funding and global issues and is managing this risk through long term financial planning, appropriate governance and robust financial management and monitoring.

Financial and Risk Management Objectives and Policies

The Trustees are responsible for the management of the risks the Trust is exposed, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Trust's Risk Register, with appropriate mitigation measures. The Audit & Risk committee monitor progress on a termly basis.

Principal Funding Sources

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

Trustees' Report (continued)

Fundraising

The Trust does not engage with professional fundraisers to undertake any fundraising activities on its behalf. The Trust from time to time carries out minor level fundraising activity to raise funds for the Trust whereby students seek voluntary donations from parents and the local community.

Plans for Future Periods

The educational landscape is changing at an unprecedented pace, however, the Trust will be unwavering in the pursuit of its vision to ensure every child reaches their full potential. The Trust passionately believes that strong local collaboration between schools will enhance the educational provision to all children and plans are in place to pursue this attracting high quality leaders, teachers and support staff to support to deliver this vision.

We will continue to develop and form relationships with local schools in line with our growth plans ensuring that our vision and values remain at the heart of decisions.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the members of the board of trustees and signed on its behalf by:



Mrs V Bennett
Chair of Trustees

15/01/21 Date

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Learning for Life Trust has an effective and appropriate systems 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. This information has been shared with all layers of governance and it informs the planning, recruitment and decision making processes within the Trust.

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher of Fairfield Primary School, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Learning for Life Trust and the Secretary of State for Education.

Governors are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities.

The Board of Trustees formally met seven times during the year with three additional meetings and one Annual General Meeting. This allowed Trustees to maintain a strong financial and performance oversight of the Trust whilst working on development plans. Each trustee meeting is preceded by a meeting of the newly established Finance and Audit Committee.

Attendance during the year at meetings of the **Trustee body** was as follows:

Trustee	Meetings attended	Out of a possible
Mrs V Bennett	7	7
Mr O Nicols	7	7
Mr A Cooney	6	7
Mr C Smith	6	7
Mr C Steele	7	7

Attendance during the year at meetings of the **Schools' Local Governing Body Meetings** was as follows:

School	% Attendance
Fairfield Primary School	88

Governance Statement (continued)

Governance Review

- The Trust board members now sit solely on the Trust board to give clear separation in the layers of governance.
- New chairs have been appointed to both the Trust board and the Local Governing Body.
- Along with a review of the vision and mission, the Trust have reviewed key policy and procedures within the Trust as part of its improvement plans.
- The board use high-quality performance data passed from the school via a clear communication channel to assess the effectiveness of Trust performance.
- The trust board have engaged in an National Governance Association (NGA) training programme to review performance, capacity and capability. This programme is ongoing.
- The Trust has engaged in self evaluation activities and the newly appointed chair is undertaking the chair's development programme provided by the NGA.
- The Trust has identified that in order to support Trust expansion, greater Trustee capacity is required. The Trust is now therefore embarking on a targetted recruitment campaign to ensure all areas highlighted in the competency framework are covered.
- The LGB have removed the committee structure to focus on linked school governors leading to improvements in coverage, support and accountability.

Review of Value for Money

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

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

- As a high proportion of the schools revenue expenditure is spent on staff, the school undertakes an annual review of its curriculum offer and its staffing requirements to ensure it is appropriate for the size of school.
- Condition Improvement Fund Contracts are tendered via Day Cummins with specialist knowledge for the CIF projects. The tender process complies with the Trusts finance policy and public procurement regulations.
- All school Service level agreements reviewed annually to ensure best value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning for Life Trust for the period 01 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 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 Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 01 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 Trustees.

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Internal Scrutiny

The Trust has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

For the year ended 31 August 2020 a peer review was performed by the headteacher from another Trust. The peer reviewer was independent of the Trust and looked at the risk management procedures and other controls. In addition, the Trust have appointed Saint and Co the external auditor, to perform an additional programme of works on the internal financial controls.

The Trust are aware of the revised FRC Ethical Standard for auditors which states that a firm providing external audit to an entity shall not also provide internal audit services to it. The internal scrutiny function is currently being reviewed for next year to allow for a compliant arrangement to be put in place.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The external auditor has delivered their schedule of works as planned and any recommendations have been considered.

Governance Statement (continued)

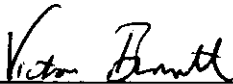
Review of Effectiveness

As accounting officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

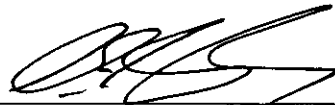
- the work of the internal auditor / reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trustee Body and signed on its behalf by:



Mrs V Bennett
Chair of Trustees



Mr C Steele
Accounting Officer

15/01/21


Date

Statement on Regularity, Propriety and Compliance

As accounting officer of Learning for Life Trust I have considered my responsibility to notify the Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



Mr C Steele
Accounting Officer

15/1/21 Date

Statement of Trustees' Responsibilities

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

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


- select suitable accounting policies and then apply them consistently
- observe the methods and principles in 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:



Mrs V Bennett
Chair of Trustees
15/01/21 _____ Date

Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust**Opinion**

We have audited the financial statements of Learning for Life Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and 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.

Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion.


Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Independent Auditor's Report on the Financial Statements to the Members of the Learning for Life Trust
(continued)**

Use of our report

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



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

15 January 2021 Date

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

In accordance with the terms of our engagement letter dated 15/08/2018 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 Learning for Life Trust during the period 01 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.

Respective Responsibilities of the Learning for Life Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirement of the Learning for Life Trust's funding agreement with the Secretary of State for Education dated 30 July 2015 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 period 01 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the AFH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors declaration of interests;
- where present obtaining the accounting officer's file.


Independent Reporting Accountant's Assurance Report on Regularity to the Learning for Life Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 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.

Use of our report

This report is made solely to Learning for Life Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning for Life 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 Learning for Life Trust and ESFA, for our work, for this report, or for the conclusion we have formed.



Darren Little (Reporting Accountant)
For and on behalf of

Saint & Co
Chartered Accountants & Statutory Auditors
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

15 January 2021 Date

Statement of Financial Activities for the Year Ended 31 August 2020

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	2	-	4,759	159,825	164,584	38,420
Transfer from local authority on conversion		-	-	-	-	-
Charitable activities						
Funding for the Academy's educational operations	3	84,681	1,630,612	-	1,715,293	1,643,167
Other trading activities	4	8,858	30,257	-	39,115	25,561
Investments	5	231	-	-	231	233
Total		93,770	1,665,628	159,825	1,919,223	1,707,381
Expenditure on:						
Charitable activities						
Academy trust educational operations	8	76,899	1,810,102	64,603	1,951,604	1,819,108
Other trading activities	7	1,772	-	-	1,772	1,570
Total	6	78,671	1,810,102	64,603	1,953,376	1,820,678
Net income / (expenditure)		15,099	(144,474)	95,222	(34,153)	(113,297)
Transfers between funds	11	(8,436)	451	7,985	-	-
Other recognised gains and (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	47,000	-	47,000	(443,000)
Net movement in funds		6,663	(97,023)	103,207	12,847	(556,297)
Reconciliation of funds						
Total funds brought forward	18	258,153	(1,138,202)	1,181,172	301,123	857,420
Total funds carried forward	18	264,816	(1,235,225)	1,284,379	313,970	301,123

All of the academy's activities derive from continuing operations during the above financial periods.

Balance Sheet as at 31 August 2020

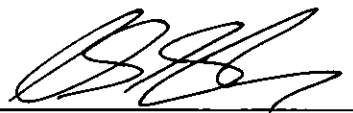
Company Number 09690231

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		1,139,996		1,179,833
Investments			-		-
			<u>1,139,996</u>		<u>1,179,833</u>
Current assets					
Stock	15	800		5,800	
Debtors	16	219,758		62,622	
Cash at bank and in hand		<u>420,818</u>		<u>420,150</u>	
		641,376		488,572	
Liabilities					
Creditors: Amount falling due within one year	17	<u>(129,402)</u>		<u>(117,282)</u>	
Net current assets			<u>511,974</u>		<u>371,290</u>
Total assets less current liabilities			1,651,970		1,551,123
Defined benefit pension scheme liability	23		(1,338,000)		(1,250,000)
Total net assets			<u><u>313,970</u></u>		<u><u>301,123</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	18	1,284,379		1,181,172	
General funds	18	102,775		111,798	
Pension reserve	18,23	<u>(1,338,000)</u>		<u>(1,250,000)</u>	
Total restricted funds	18		49,154		42,970
Unrestricted income funds					
General fund	18	<u>264,816</u>		<u>258,153</u>	
Total unrestricted funds			264,816		258,153
Total funds			<u><u>313,970</u></u>		<u><u>301,123</u></u>

The financial statements were approved by the trustees, and authorised for issue on
and signed on their behalf by:



Mrs V Bennett
Chair of Trustees



Mr C Steele
Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2020

	2020	2019			
Reconciliation of net income / (expenditure) to net cash flow from operating activities	£	£			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(34,153)	(113,297)			
<i>Adjusted for:</i>					
Depreciation	48,830	48,751			
Capital grants from DfE and other capital income	(159,825)	(22,421)			
Interest receivable	(231)	(233)			
Defined benefit pension scheme obligation inherited	-	-			
Defined benefit pension scheme costs less contributions payable	110,000	38,000			
Defined benefit pension scheme net pension finance costs	25,000	22,000			
Cash transferred on conversion to an academy trust	-	-			
Assets transferred from predecessor school	-	-			
Decrease/(Increase)Increase in stocks	5,000	85			
Decrease/(Increase) in debtors	(157,136)	21,599			
Increase/(Decrease) in creditors	12,120	32,804			
Net cash provided by / (used in) Operating Activities	(150,395)	27,288			
Cash flows from financing activities					
Repayments of borrowing	-	-			
Cash inflows from new borrowing	-	-			
Net cash provided by / (used in) financing activities	-	-			
Cash flows from investing activities					
Interest receivable	231	233			
Proceeds from sale of tangible fixed assets	-	-			
Purchase of tangible fixed assets	(8,993)	(11,156)			
Capital grants from DfE and other capital income	159,825	22,421			
Cash transferred on conversion to an academy trust	-	-			
Assets transferred from predecessor school	-	-			
Net cash provided by / (used in) investing activities	151,063	11,498			
Change in cash and cash equivalents in the reporting period	668	38,786			
Cash and cash equivalents at 1 September 2019	420,150	381,364			
Cash and cash equivalents at 31 August 2020	420,818	420,150			
Analysis of cash and cash equivalents	1 Sept 19	Cash flows	31 Aug 20		
	£	£	£		
Cash in hand and at bank	420,150	668	420,818		
Notice deposits (less than 3 months)	-	-	-		
Total cash and cash equivalents	420,150	668	420,818		
Analysis of changes in net debt	1 Sep 19	Cash flows	New	Other non-	31 Aug 20
	£	£	agreements	cash changes	£
Cash	420,150	668	-	-	420,818
Loans falling due within one year	-	-	-	-	-
Loans falling due after more than a year	-	-	-	-	-
Finance lease obligations	-	-	-	-	-
Total	420,150	668	-	-	420,818

Notes to the Financial Statements for the Year Ended 31 August 2020**1. Statement of Accounting Policies**

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

Basis of Preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

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

Income

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

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

- General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- 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, legacies and other forms of voluntary income are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)**

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

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

Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

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.

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Tangible Fixed Assets**

Tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The capitalisation policy of items as tangible fixed assets is single items costing £2,000 or more.

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.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Depreciation

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

- Leasehold land - straight line over remaining lease term
- Leasehold buildings - straight line over economic life (ranging from 25-30 years - updated in 2019 from 15-20 years)
- Information communications & technology equipment - 3 years straight line
- Furniture fittings & equipment - 5 years straight line
- Motor vehicles - 25% reducing balance

Assets are depreciated in full in the year of purchase.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Provisions**

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

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

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Stocks

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Pension Benefits**

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

Local Government Pension Scheme

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**1. Statement of Accounting Policies (Continued)****Fund Accounting**

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

School funds that are not otherwise restricted are designated within unrestricted funds.

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

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education and Skills Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates, assumptions and judgements

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in notes, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
ESFA Capital grants	-	-	159,825	159,825	22,421
LA Capital grants	-	-	-	-	-
Donated fixed assets	-	-	-	-	-
Miscellaneous donations	-	4,759	-	4,759	15,999
	<u>-</u>	<u>4,759</u>	<u>159,825</u>	<u>164,584</u>	<u>38,420</u>
Previous year total	<u>-</u>	<u>5,999</u>	<u>32,421</u>	<u>38,420</u>	

3. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
DfE/ESFA Grants				
General Annual Grant (GAG)	-	1,244,590	1,244,590	1,191,832
Pupil premium	-	40,562	40,562	33,126
Universal infant free school meals (UIFSM)	-	58,567	58,567	54,197
Other DfE/ESFA grants	-	93,668	93,668	35,564
	<u>-</u>	<u>1,437,387</u>	<u>1,437,387</u>	<u>1,314,719</u>
Other Government Grants				
LA funded statements	-	11,920	11,920	4,882
Nursery income	-	138,499	138,499	102,472
Other government grants	-	-	-	6,638
	<u>-</u>	<u>150,419</u>	<u>150,419</u>	<u>113,992</u>
Exceptional government funding				
Coronavirus exceptional support	-	866	866	-
	<u>-</u>	<u>866</u>	<u>866</u>	<u>-</u>
Catering	36,353	-	36,353	54,785
Wraparound income	48,328	-	48,328	66,896
School fund income	-	-	-	-
School trips income	-	5,169	5,169	50,467
Other educational income	-	36,771	36,771	42,308
	<u>84,681</u>	<u>1,630,612</u>	<u>1,715,293</u>	<u>1,643,167</u>
Previous year total	<u>121,681</u>	<u>1,521,486</u>	<u>1,643,167</u>	

Exceptional government funding

The academy 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 cleaning costs. These costs are included in the expenditure note but not separately identified.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4. Other Trading Activities	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Hire of facilities	8,858	-	8,858	7,849
Catering Income	-	-	-	-
Receipts from staff insurance claims	-	1,980	1,980	2,004
Risk protection arrangement claims	-	26,405	26,405	-
Other income	-	1,872	1,872	15,708
	<u>8,858</u>	<u>30,257</u>	<u>39,115</u>	<u>25,561</u>
Previous year total	<u>23,557</u>	<u>2,004</u>	<u>25,561</u>	
5. Investment Income	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Bank interest receivable	231	-	231	233
Other interest receivable	-	-	-	-
	<u>231</u>	<u>-</u>	<u>231</u>	<u>233</u>
Previous year total	<u>233</u>	<u>-</u>	<u>233</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6. Expenditure	Staff	Non Pay Expenditure		Total	Total
	Costs	Premises	Other Costs	2020	2019
	£	£	£	£	£
Cost of other trading activities	-	1,772	-	1,772	1,570
Academy's educational operations					
Direct costs	1,291,195	16,277	67,802	1,375,274	1,227,785
Allocated support costs	178,039	176,490	221,801	576,330	591,323
	<u>1,469,234</u>	<u>192,767</u>	<u>289,603</u>	<u>1,951,604</u>	<u>1,819,108</u>
	<u>1,469,234</u>	<u>194,539</u>	<u>289,603</u>	<u>1,953,376</u>	<u>1,820,678</u>
Previous year total	<u>1,315,545</u>	<u>195,745</u>	<u>309,388</u>	<u>1,820,678</u>	

	2020	2019
	£	£
Net income/(expenditure for the period includes:		
Depreciation	48,830	48,751
Operating lease rentals	1,508	1,508
(Gain) / loss on disposal of fixed assets	-	-
Fees payable to current auditor		
- audit of the financial statements	4,625	4,595
- other assurance services	3,040	3,620
- other services	4,280	4,055

7. Cost of Other Trading activities	Unrestricted	Restricted	Total	Total
	Funds	Funds	2020	2019
	£	£	£	£
Trading activities costs	-	-	-	-
Heat and light	1,772	-	1,772	1,570
Maintenance of premises and equipment	-	-	-	-
	<u>1,772</u>	<u>-</u>	<u>1,772</u>	<u>1,570</u>
Previous year total	<u>1,570</u>	<u>-</u>	<u>1,570</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Direct Costs - educational operations				
Teaching and educational support staff costs	-	1,291,195	1,291,195	1,138,912
Depreciation	-	16,277	16,277	15,955
Educational supplies	2,746	37,890	40,636	40,569
Staff development	-	5,537	5,537	7,049
Staff insurance	-	12,091	12,091	14,902
Examination fees	-	-	-	-
Educational consultancy	-	9,538	9,538	10,398
Other direct costs	-	-	-	-
	<u>2,746</u>	<u>1,372,528</u>	<u>1,375,274</u>	<u>1,227,785</u>
Support Costs - educational operations				
Support staff costs	44,236	133,803	178,039	176,633
Depreciation	-	32,553	32,553	32,796
Staff development	-	-	-	-
Maintenance of premises and equipment	-	32,741	32,741	50,422
Maintenance of premises - CIF	-	7,262	7,262	-
Professional Fees	-	3,115	3,115	1,332
Cleaning	500	73,221	73,721	61,259
Rates and water	500	15,018	15,518	15,289
Heat and light	1,000	14,369	15,369	11,539
Insurance	-	6,588	6,588	6,915
Transport	-	2,050	2,050	2,192
Catering	27,917	61,491	89,408	103,525
Technology costs	-	31,523	31,523	16,520
School fund expenses	-	-	-	-
School trips & activities	-	29,967	29,967	46,114
Other support costs	-	21,031	21,031	31,017
	<u>74,153</u>	<u>464,732</u>	<u>538,885</u>	<u>555,553</u>
Support Costs - governance				
Audit fees	-	4,625	4,625	4,595
Accountancy and assurance fees	-	7,320	7,320	7,675
Trustees' training and expenses	-	-	-	-
Legal fees	-	-	-	-
Professional fees	-	500	500	1,500
Net finance costs in respect of defined benefit pension schemes	-	25,000	25,000	22,000
	<u>-</u>	<u>37,445</u>	<u>37,445</u>	<u>35,770</u>
Total direct and support costs	<u>76,899</u>	<u>1,874,705</u>	<u>1,951,604</u>	<u>1,819,108</u>
Previous year total	<u>96,784</u>	<u>1,722,324</u>	<u>1,819,108</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9. Staff

a. Staff costs

Staff costs during the period were:

	2020	2019
	£	£
Wages and salaries	1,028,891	1,005,836
Social security costs	85,756	82,277
Operating costs of defined benefit pension schemes	351,303	220,253
Apprenticeship levy	-	-
	<u>1,465,950</u>	<u>1,308,366</u>
Supply staff costs	3,284	7,179
Staff restructuring costs	-	-
Less: seconded out of the organisation	-	-
	<u>1,469,234</u>	<u>1,315,545</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>-</u>	<u>-</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £Nil)

c. Staff numbers

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

	2020	2019
	No	No
Charitable Activities		
Management	1	1
Teachers	17	17
Administration and support	36	37
	<u>54</u>	<u>55</u>

d. Higher paid staff

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

	2020	2019
	No	No
£50,000 to £59,999	-	-
£60,000 to £69,999	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 the employer's pension contributions in respect of this employee amounted to £15,908 (2019: £10,515).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £162,270 (2019: £147,526 updated).

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10. Central Services

No central services were provided by the trust to its academies during the period and no central charges arose.

11. Transfers Between Funds

	2020
	£
Unrestricted funds	
Designated catering underspend moved to GAG to cover unallocated costs	(8,436)
Designated school fund to GAG to cover unallocated costs	(8,436)
	<u>(8,436)</u>
Restricted general funds	
School trips fund to GAG to cover unallocated costs	(1,607)
Other educational income - sports after school club - fixed asset purchases	(7,985)
UIFSM catering underspend moved to GAG to cover unallocated costs	(4,729)
General Annual Grant fund	
School trips fund to GAG to cover unallocated costs	1,607
UIFSM catering underspend moved to GAG to cover unallocated costs	4,729
Designated catering underspend moved to GAG to cover unallocated costs	8,436
	<u>14,772</u>
	<u>451</u>
Restricted fixed asset funds	
Fixed assets used for charitable purposes - purchases from funds per above	7,985
DfE/EFA formula grant to Fixed assets fund - purchases of fixed assets	-
Other capital grant to Fixed assets fund - purchases of fixed assets	1,007
	<u>8,992</u>
DfE/EFA formula grant to Fixed assets fund - purchases of fixed assets	-
Other capital grant to Fixed assets fund - purchases of fixed assets	(1,007)
	<u>7,985</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**12. Related Party Transactions – Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees.

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

Chris Steele (headteacher from 01/09/2017)

Remuneration	£65,000 to 69,999	(2019: £60,000 to 64,999)
Employer's pension contributions	£15,000 to £19,999	(2019: £10,000 to £14,999)

During the period ended 31 August 2020, there were no travel and subsistence expenses reimbursed or paid directly to trustees (2019: £Nil).

13. Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2020 provides cover up to £10,000,000 (2019: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14. Tangible Fixed Assets	Long Leasehold Land & Buildings	Motor Vehicles	Furniture Fittings & Equipment	ICT Equipment	Total
Cost	£	£	£	£	£
As at 01 September 2019	1,369,950	7,995	51,272	32,139	1,461,356
Assets on Conversion	-	-	-	-	-
Additions	-	-	8,993	-	8,993
Disposals	-	-	-	-	-
As at 31 August 2020	<u>1,369,950</u>	<u>7,995</u>	<u>60,265</u>	<u>32,139</u>	<u>1,470,349</u>
Depreciation					
As at 01 September 2019	216,994	5,536	29,046	29,947	281,523
Charge in year	35,107	615	11,637	1,471	48,830
Disposals	-	-	-	-	-
As at 31 August 2020	<u>252,101</u>	<u>6,151</u>	<u>40,683</u>	<u>31,418</u>	<u>330,353</u>
Net book values					
As at 31 August 2020	<u>1,117,849</u>	<u>1,844</u>	<u>19,582</u>	<u>721</u>	<u>1,139,996</u>
As at 01 September 2019	<u>1,152,956</u>	<u>2,459</u>	<u>22,226</u>	<u>2,192</u>	<u>1,179,833</u>

Valuation Details

The leasehold land and buildings were valued at £1,369,950 as at 01 August 2015 by Thornburn & Co Ltd RICS Registered Valuers, who is independent of the charitable company. The basis of valuation for the assets was Fair Value using a Depreciated Replacement Cost approach in accordance with FRS102.

Roof and ceiling replacement project

During the year the academy started a project to replace the roof and ceiling in one of the school buildings which was funded by an ESFA Condition Improvement Fund grant. The full cost of this project has been treated as resources expended in the Statement of Financial Activities and is included in maintenance of premises costs.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15. Stock	2020	2019
	£	£
Stationery	500	5,500
Cleaning	300	300
	<u>800</u>	<u>5,800</u>
16. Debtors	2020	2019
	£	£
Trade debtors	(6,045)	(1,436)
VAT recoverable	5,317	21,693
Prepayments	30,306	34,762
Accrued income	160,842	6,353
Other debtors	29,338	1,250
	<u>219,758</u>	<u>62,622</u>
17. Creditors: Amounts Falling due Within One Year	2020	2019
	£	£
Trade creditors	17,556	20,509
Taxation and social security	15,856	21,142
Sundry creditors	26,748	22,855
ESFA creditor	-	-
Accruals	18,911	15,546
Deferred income	50,331	37,230
	<u>129,402</u>	<u>117,282</u>
Deferred Income	2020	2019
	£	£
Accruals and deferred income includes:		
Deferred income at 1 September 2019	37,230	34,123
Resources deferred in the year	50,331	37,230
Amounts released from previous years	(37,230)	(34,123)
Deferred income at 31 August 2020	<u>50,331</u>	<u>37,230</u>
Deferred income comprises:		
EFA Rates Funding for 1 September 2019 to 31 March 2020	3,405	
EFA Universal Infants Free School Meals allocation for 2019/20	33,975	
High needs funding for 1 September 2019 to 31 March 2020	12,951	
School fund income for future trips	-	
	<u>50,331</u>	

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Funds	Balance at 01-Sep 2019 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2020 £
Restricted General Funds					
General Annual Grant (GAG)	91,497	1,244,590	(1,256,465)	14,772	94,394
Pupil Premium	-	40,561	(40,561)	-	-
Universal infant free school meals (UIFSM)	-	58,567	(53,838)	(4,729)	-
Other DfE/ESFA grants	-	93,668	(85,287)	-	8,381
LA funded statements	-	11,920	(11,920)	-	-
Other government grants	-	-	-	-	-
Exceptional government funding	-	866	(866)	-	-
Nurse income	-	138,499	(138,499)	-	-
School trips fund	-	31,574	(29,967)	(1,607)	-
Other educational income	20,301	40,623	(52,939)	(7,985)	-
Other restricted general funds	-	4,760	(4,760)	-	-
	<u>111,798</u>	<u>1,665,628</u>	<u>(1,675,102)</u>	<u>451</u>	<u>102,775</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	1,179,833	-	(48,829)	8,992	1,139,996
DfE/ESFA formula capital	277	8,234	(8,511)	-	-
Other capital grants	1,007	-	-	(1,007)	-
ESFA condition improvement fund	-	151,591	(7,263)	-	144,328
Fencing & office safeguarding project	55	-	-	-	55
	<u>1,181,172</u>	<u>159,825</u>	<u>(64,603)</u>	<u>7,985</u>	<u>1,284,379</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(1,250,000)	-	(135,000)	47,000	(1,338,000)
Total Restricted Funds	<u>42,970</u>	<u>1,825,453</u>	<u>(1,874,705)</u>	<u>55,436</u>	<u>49,154</u>
Unrestricted Funds					
Unrestricted general funds	183,486	9,089	(1,772)	-	190,803
Unrestricted conversion surplus fund	27,207	-	-	-	27,207
Designated catering fund	-	36,353	(27,917)	(8,436)	-
Designated wraparound fund	47,460	48,328	(48,982)	-	46,806
Designated school fund	-	-	-	-	-
Total Unrestricted Funds	<u>258,153</u>	<u>93,770</u>	<u>(78,671)</u>	<u>(8,436)</u>	<u>264,816</u>
Total Funds	<u>301,123</u>	<u>1,919,223</u>	<u>(1,953,376)</u>	<u>47,000</u>	<u>313,970</u>

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

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

General Annual Grant (GAG) fund

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency (ESFA).

Pupil premium fund

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

Defined benefit pension scheme fund

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**Local authority funded statements**

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

Nursery income fund

This represents funding from the Local Authority to pay for a 30 place nursery for 3hrs every day.

Restricted school funds (including trips)

This relates to school trips and other activities.

Fixed assets used for charitable purposes

This represents the value and movements on Tangible Fixed Assets note.

DfE/ESFA formula capital fund

This represents funding from the ESFA to be used for capital projects.

ESFA condition improvement funds

This represents funding from the ESFA to be used for specific capital projects.

Designated catering

This fund relates to the provision of school meals and refreshments that are charged to pupils. The academy also receives Universal Income Free School Meals (UFSM) income which goes to this designated fund.

Designated wraparound fund

This fund relates to the provision of wraparound clubs that are charged to pupils.

Funds in Deficit

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £34,100 for 2020/21, £34,900 in 2021/22 and £35,700 in 2022/23.

Analysis of academies by fund balance

Fund balance at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Fairfield Primary School	367,591	369,951
Central Services	-	-
Total before fixed assets and pension reserve	<u>367,591</u>	<u>369,951</u>
Restricted fixed asset fund	1,284,379	1,181,172
Pension reserve fund	<u>(1,338,000)</u>	<u>(1,250,000)</u>
Total	<u>313,970</u>	<u>301,123</u>

Analysis of academies by cost

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding dep'n)	2020	2019
	£	£	£	£	£	£
Fairfield Primary School	1,291,195	178,039	40,636	394,676	1,904,546	1,771,927
Central Services	-	-	-	-	-	-
Academy Trust	<u>1,291,195</u>	<u>178,039</u>	<u>40,636</u>	<u>394,676</u>	<u>1,904,546</u>	<u>1,771,927</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

	Balance at 01-Sep 2018	Incoming resources	Resources expended	Gains, Losses and Transfers	Balance at 31-Aug 2019
	£	£	£	£	£
Restricted General Funds					
General Annual Grant (GAG)	160,991	1,191,832	(1,274,528)	13,202	91,497
Pupil Premium	-	33,126	(33,126)	-	-
Universal infant free school meals (UIFSM)	-	54,197	(54,197)	-	-
Other DfE/ESFA grants	-	35,564	(35,564)	-	-
LA funded statements	-	4,882	(4,882)	-	-
Other government grants	-	6,638	(6,638)	-	-
Nurse income	-	102,472	(102,472)	-	-
School trips fund	-	50,467	(46,114)	(4,353)	-
Other educational income	6,000	44,312	(30,011)	-	20,301
Other restricted general funds	-	5,999	(5,999)	-	-
	<u>166,991</u>	<u>1,529,489</u>	<u>(1,593,531)</u>	<u>8,849</u>	<u>111,798</u>
Restricted Fixed Asset Funds					
Fixed assets used for charitable purposes	1,217,428	-	(48,751)	11,156	1,179,833
DfE/ESFA formula capital	-	22,482	(20,042)	(2,163)	277
Other capital grants	-	10,000	-	(8,993)	1,007
ESFA condition improvement fund	-	(61)	-	61	-
Fencing & office safeguarding project	55	-	-	-	55
	<u>1,217,483</u>	<u>32,421</u>	<u>(68,793)</u>	<u>61</u>	<u>1,181,172</u>
Restricted Pension Reserve Funds					
Pension reserve fund	(747,000)	-	(60,000)	(443,000)	(1,250,000)
Total Restricted Funds	<u>637,474</u>	<u>1,561,910</u>	<u>(1,722,324)</u>	<u>(434,090)</u>	<u>42,970</u>
Unrestricted Funds					
Unrestricted general funds	161,266	23,790	(1,570)	-	183,486
Unrestricted conversion surplus fund	27,207	-	-	-	27,207
Designated catering fund	-	54,785	(45,875)	(8,910)	-
Designated wraparound fund	31,473	66,896	(50,909)	-	47,460
Designated school fund	-	-	-	-	-
Total Unrestricted Funds	<u>219,946</u>	<u>145,471</u>	<u>(98,354)</u>	<u>(8,910)</u>	<u>258,153</u>
Total Funds	<u>857,420</u>	<u>1,707,381</u>	<u>(1,820,678)</u>	<u>(443,000)</u>	<u>301,123</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19. Analysis of Net Assets Between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,139,996	1,139,996
Current assets	264,816	232,177	144,383	641,376
Current liabilities	-	(129,402)	-	(129,402)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,338,000)	-	(1,338,000)
Total Net Assets	264,816	(1,235,225)	1,284,379	313,970

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,179,833	1,179,833
Current assets	258,153	229,080	1,339	488,572
Current liabilities	-	(117,282)	-	(117,282)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,250,000)	-	(1,250,000)
Total Net Assets	258,153	(1,138,202)	1,181,172	301,123

20. Commitments under operating leases

Operating Leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Assets other than land & buildings		
Amounts due within one year	1,508	1,508
Amounts due between one and five years	2,342	3,854
Amounts due after five years	-	-
	<u>3,850</u>	<u>5,362</u>

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Cumbria County Council. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

21. Capital Commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	-	8,663
	<u>-</u>	<u>8,663</u>

22. 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 as stated in memorandum and articles of association for the debts and liabilities contracted before he/she ceases to be a member.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**23. Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2020	2019
	£	£
Teachers' Pension Scheme	18,147	12,693
Local Government Pension Scheme	6,772	8,769
	<u>24,919</u>	<u>21,462</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2020	2019
	£	£
Teachers' Pension Scheme	150,224	99,925
Local Government Pension Scheme	62,579	58,161
Local Government Pension Scheme deficit recovery	28,500	24,167
LGPS current service cost/contributions adjustment	<u>110,000</u>	<u>38,000</u>
	<u>351,303</u>	<u>220,253</u>

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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%

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**23. Pensions and Similar Obligations (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £150,224 (2019: £99,925).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2020	2019
	£	£
Employer's contributions	62,579	58,161
Lump sum deficit contributions	28,500	24,167
Employees' contributions	21,147	21,708
Total contributions	<u>112,226</u>	<u>104,036</u>

The agreed contribution rates for future years are 19.1% for employers, and 5.5% to 12.5% for employees depending on pay bands.

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

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £34,100 for 2020/21, £34,900 in 2021/22 and £35,700 in 2022/23.

Impact of McCloud judgement

In 2015, the government introduced reforms to public sector pensions, meaning many public sector workers were moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to members in these schemes amounted to unlawful discrimination. This case is known as McCloud.

The Supreme Court decision in June 2019 not to allow the government leave to appeal, means the difference in treatment needs to be remedied across all relevant schemes, including the Local Government Pension Scheme (LGPS).

The impact of McCloud was taken into account in the FRS102 actuarial valuation and included for disclosure in the trust's 2019/20 financial statements. The impact is included in the past service cost figure as disclosed below.

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.80%	3.50%
Rate of increase for pensions in payment / inflation	2.40%	2.10%
Discount rate for scheme liabilities	2.30%	1.80%
Inflation assumption (CPI)	2.00%	2.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.6	23.3
Females	25.2	25.9
<i>Retiring in 20 years</i>		
Males	24.2	25.6
Females	27.1	28.5

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	Deficit	At 31 August 2020 Change	Deficit	At 31 August 2019 Change
Discount rate + 0.1%	1,278,000	(60,000)	1,190,000	(60,000)
Discount rate - 0.1%	1,399,000	61,000	1,312,000	62,000
Mortality assumption - 1 year increase	1,410,000	72,000	1,290,000	40,000
Mortality assumption - 1 year decrease	1,268,000	(70,000)	1,211,000	(39,000)
CPI rate + 0.1%	1,400,000	62,000	1,312,000	62,000
CPI rate - 0.1%	1,277,000	(61,000)	1,190,000	(60,000)
Pay growth + 0.1%	1,351,000	13,000	1,266,000	16,000

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equity instruments		
Equities	425,000	512,000
Debt instruments		
Government bonds	238,000	191,000
Other bonds	2,000	65,000
Property	67,000	60,000
Cash/liquidity	119,000	49,000
Other	375,000	183,000
Total Market Value of Assets	<u>1,226,000</u>	<u>1,060,000</u>
Present value of scheme liabilities		
Funded	(2,564,000)	(2,310,000)
Unfunded	-	-
Surplus / (deficit) in the scheme	<u>(1,338,000)</u>	<u>(1,250,000)</u>

The actual return on the scheme assets in the year was £3,000 (2019: £75,000).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

Amounts recognised in the statement of financial activities	2020 £	2019 £
Current service cost (net of employee contributions)	(112,000)	(120,000)
Net interest cost	(23,000)	(20,000)
Administration expenses	(2,000)	(2,000)
Past service (cost)/gain	(91,000)	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
Total operating charge	<u>(228,000)</u>	<u>(142,000)</u>
Other recognised gains and (losses)	2020	2019
	£	£
Remeasurements (liabilities)	(9,000)	(490,000)
Remeasurements (assets)	56,000	47,000
Total amount recognised in the SOFA	<u>47,000</u>	<u>(443,000)</u>

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Changes in the deficit in the year:	2020	2019
	£	£
Deficit in scheme at beginning of period	1,250,000	747,000
Business combinations	-	-
Current service cost	112,000	120,000
Interest cost	43,000	47,000
Employer contributions	(93,000)	(82,000)
Past service (cost)/gain	91,000	-
Actuarial (gain)/loss - Remeasurements	(47,000)	443,000
Administration expenses	2,000	2,000
Interest income	(20,000)	(27,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
Deficit at 31 August 2020	1,338,000	1,250,000
Changes in the present value of defined benefit obligations were as follows:	2020	2019
	£	£
At beginning of period	(2,310,000)	(1,631,000)
Business combinations	-	-
Current service cost	(112,000)	(120,000)
Interest cost	(43,000)	(47,000)
Employee contributions	(22,000)	(22,000)
Past service (cost)/gain	* (91,000)	-
Actuarial gain/(loss) - Remeasurements	(9,000)	(490,000)
Benefits / transfers paid	23,000	-
Plan introductions, benefit changes, curtailments and settlements	-	-
Benefit obligation at 31 August 2020	(2,564,000)	(2,310,000)
Changes in the fair value of Academy's share of scheme assets:	2020	2019
	£	£
At beginning of period	1,060,000	884,000
Business combinations	-	-
Interest income	20,000	27,000
Administration expenses	(2,000)	(2,000)
Actuarial gain/(loss) - Remeasurements	56,000	47,000
Employer contributions	93,000	82,000
Employee contributions	22,000	22,000
Benefits / transfers paid	(23,000)	-
Plan introductions, benefit changes, curtailments and settlements	-	-
Scheme assets at 31 August 2020	1,226,000	1,060,000
* Past service cost includes:	McCloud impact	91,000
	GMP indexation	-
		91,000

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)**24. Related Party Transactions**

Owing to the nature of the academy trust 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 AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

The following related party transactions took place in the period of account:

Mr P Sutton, the husband of a governor, invoiced the academy for rugby coaching and painting during the year totalling £1,101 (2019: £4,359).

The academy trust employed family members of the governors.

- The trust undertook proper recruitment procedures where necessary.
- The salaries paid were appropriate to the individual's skills and experience and the salary rates paid in accordance with the academy's pay scales.
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2019

Related party transactions with staff governors are detailed in an earlier note.