

Registered number: 07538467

The Learning Alliance

Trustees' Report and Financial Statements

For the Year Ended 31 August 2021



**The Learning Alliance
(A Company Limited by Guarantee)**

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Reference and Administrative Details

Members

D Watson
P Bowers
V Coxson
R Hinckley
S Hodgkinson
P Martin (appointed 1 September 2020)
W Stratford (appointed 1 September 2020)
R Armstrong (appointed 1 September 2020)
P Bland (appointed 1 September 2020)

Trustees

D Wootton, Chair of Trustees
A Pear
J Millward
S Dempsey
A Greenstein (appointed 1 September 2020)
C Thomson (appointed 1 September 2020)
M Ashcroft (appointed 1 September 2020)
R Armstrong (appointed 1 September 2020)
R McCluney (appointed 1 September 2020)
D Sinclair (resigned 31 August 2021)

Company registered number

07538467

Company name

The Learning Alliance

Principal and registered office

Box Lane, Congleton, Congleton, Cheshire, CW12 4NS

Company secretary

D Twambley

Chief executive officer

M Cladingbowl

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Reference and Administrative Details (continued)
For the Year Ended 31 August 2021

Senior management team

M Cladingbowl, Chief Executive Officer and Accounting Officer
D Twambley, Chief Operations Officer and Chief Financial Officer
D Hermitt, Chief Executive Officer (until December 2020)

Independent auditors

Dains LLP, Suite 2 Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke-on-Trent, ST1 5RQ

Bankers

Barclays Bank plc, 31 High Street, Congleton, CW12 1BQ

Solicitors

Eversheds, Eversheds House, 70-76 Great Bridgewater Street, Manchester, M1 5ES

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Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The academy trust operates 3 primary schools and 4 secondary schools, a studio school and a university technical college in Cheshire East and North Staffordshire. Its academies have a combined pupil capacity of 6,382 and had a roll of 4,626 in the school census in October 2021.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Learning Alliance are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Learning Alliance.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The cost of this insurance is included in the total insurance cost reported by the Company. The Trust has joined the Government's risk protection arrangements (RPA). This provides cover up to £10,000,000 in any one membership year in respect of Directors' and Governors' liability and provides unlimited cover in respect of actual alleged breaches of professional duty.

d. Method of recruitment and appointment or election of Trustees

Members of the Company are independent from the charitable Trustees and Company Directors. Directors are appointed by a resolution of Directors. The Academy Trust Board has standing Committees in each Academy known as Local Governing Boards (LGBs). These operate under a Scheme of Delegation which is reviewed and approved by the Board. Local governors are appointed in accordance with the Scheme of Delegation to be responsible for the affairs of each school or college and the management of these under the terms of the Scheme of Delegation along with senior staff.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

When a new Trustee is appointed the Chair of the Trust carries out induction training. As part of this training a selection of key papers are reviewed as well as a briefing on the current business and issues of major importance. All Trustees are able to take part in training activities. The academy trust is a member of the National Governance Association (NGA) which provides training opportunities. Trust Board Away Days are held to develop strategy and additional Governance training is arranged where necessary.

f. Organisational structure

The Board of Trustees is the regulatory authority of the Trust and as such is responsible for setting the strategic direction, operational priorities and policy at a corporate level across the Trust. The Trustees approve a Scheme of Delegation, which covers key functions and levels of responsibility for Trustees and Local Governors in terms of Governance and levels of responsibility for senior staff in terms of Leadership and management. The remit of the Board is to ensure effective leadership and management across the Trust. It is therefore responsible for allocating resources by approving an annual budget plan, monitoring the use of these resources and making decisions about the use of capital and revenue by setting the general strategy and direction of travel for the Trust.

Local Governing Boards are responsible for advising and assisting in the formulation of general policies concerned with the standards of high quality teaching; review and report on the curriculum offered at the respective schools with reference to national and local requirements; monitor and review the progress of students in terms of academic achievements, welfare, attendance, punctuality and behaviour benchmarked against national and local performance and to prepare written documents reporting the above while considering recommendations made by the Headteacher and Senior Leadership Team of that school; to actively promote the work of their school within the community; and responding to external feedback from national and local bodies to continuously improve the welfare and educational offering of the school and its Trust.

The Chief Executive is authorised to incur expenditure within the approved budget and the appointment of staff without further authorisation from the Board. The management structure within each school consists of a senior leadership team, which is led by the Headteacher and usually includes Deputies and Assistants. The Senior Leadership Team (SLT) is responsible for the day-to-day operation of each school, in particular organising the teaching staff, curriculum, facilities and welfare and behaviour of students.

The Directors met 7 times between 1 September 2020 and 31 August 2021 and received reports on finance and strategic and operational matters.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

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

The performance management of all senior staff is based on agreed objectives and is conducted by Trustees with the aid of consultants. Remuneration decisions are made in line with pay policies.

The School Teachers' Pay and Conditions Document outlines the performance management process and remuneration for the CEO, headteachers and teachers. The provisions in the Support Staff Pay Policy are applicable to the Chief Operations Officer with benchmarking against local and national norms.

The CEO's pay is determined by the Pay Review Panel (Chair and Vice-Chair) and assigned to this purpose by the Trust. The Pay Review Panel will ensure that the process of determining the remuneration of the CEO is fair and transparent.

All pay has been benchmarked against similar sized organisations and is kept under review to match local recruitment and retention requirements.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	-
Total pay bill	21,186
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Trust works with a range of local soft federations of schools, at both a primary and secondary level, as well as with other multi-academy trusts, charities, and the local authorities in which the Trust's schools are situated.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

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

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

- Health & safety policy

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

k. Engagement with suppliers, customers and others in a business relationship with the academy trust

Whilst having due regard to value for money, the Trust endeavours to support local businesses, allowing schools to select local suppliers of goods and services, building positive relationships with these businesses and supporting the local economy. The vast majority of suppliers are paid within payment terms, and small businesses and sole traders are frequently paid more quickly than this.

The majority of the Trust's customers are parents, taking advantage of catering, leisure facilities, wrap around care and nursery care. The Trust's schools offer competitive rates for these services.

The Trust is actively engaged with a range of local community and business groups, and these groups are actively involved in supporting the Trust's schools through careers fairs, work placements, and other community engagement activities.

Objectives and activities

a. Objects and aims

To advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum, or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

In accordance with the Articles of Association, the Company has adopted a scheme of delegation. This scheme, amongst other things, specifies the basis for admitting students to each school location.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust believes in allowing each school to retain its distinctive and successful ethos whilst also being able to support the ambition of individual schools, help children to reach their potential and benefit from the greater resources that partnership within the trust brings.

Our key vision and values are:

- We are ambitious for all children
- Our schools serve their communities
- Together we can achieve more

These vision and value statements inform the Trust's strategic and operational planning and direction.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The key achievements of the year relate to the effective integration of the two predecessor trusts into a cohesive and unified trust post-merger. This has been accomplished through a top down approach, focusing on the development, through consultation with a wide range of stakeholders, of a core set of values which all schools can subscribe to. From this a series of concrete strategic objectives were developed against which both the trust's central team and individual schools are able to judge their progress.

In the area of governance, by 31 August 2021, a new scheme of delegation has been developed, trust committees and LGBs had been formed and had met regularly, and following skills audits a programme of targeted training had been developed and delivered.

In school improvement, all schools received a two day quality assurance visit, annual safeguarding review, and supplementary reviews where required. The Trust developed a series of subject networks to promote consistently high standards in core subjects, and this has since expanded further. A Trust approach to pedagogy has also been established, based on the latest research and consistent with the practises promoted within the DfE's Early Careers Framework and new National Professional Qualification training modules.

Operationally, all schools moved to a common web-based finance, HR, and payroll platform, abiding by a consistent scheme of financial delegation and adhering to a newly establish suite of trust-wide policies and processes.

All of the above has been accomplished whilst the trust has continued to support schools facing the considerable challenges and disruptions arising from the ongoing COVID-19 pandemic, including sourcing PPE and other protective materials, providing guidance, support, and emergency capacity, and working with school leaders to develop robust COVID catch-up strategies.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The Trustees have evaluated the financial health of the Trust on a regular basis via the Board and Finance and Staffing Sub Committee reports. The CEO reports on school and Trust performance to each Trust Board meeting.

The principal key performances indicators used in a financial context are net current assets and net operational surplus/(deficit) (i.e. excluding statutory adjustments for LGPS pension charge adjustments, capital grants and fixed assets charge (depreciation)).

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that The Learning Alliance (TLA) has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Promoting the success of the company

Trustees recognise the need to act in a way most likely to promote the success of the company, and in doing so have due regard to the following:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

Financial review

The Learning Alliance has generated an operational surplus in year of £1,913k. Operational surplus excludes capital income, depreciation charge and FRS102 pension adjustments. The table below shows the impact on the financial statements following statutory adjustments for LGPS pension charge adjustments, capital grants and fixed assets charge (depreciation). In 2021, the statutory adjustments also take into account the value of KMAT assets transferred into the trust from 1 September 2020::

	Operational £'000	Statutory Adjustments £'000	2021 £'000
Income	26,304	30,457	56,761
Expenditure	(24,347)	(2,541)	(26,888)
Net Income/(expenditure)	1,957	27,916	29,873
Transfer to capital	(44)	44	-
Actuarial Gain/(loss) on LGPS		(2,876)	(2,876)
Net movement in funds for the year	1,913	25,084	26,997

The Trust's financial position at the end of the academic year, split by school, is outlined below. This reflects the net current asset position of the trust (excluding capital funding debtors), and excludes fixed assets and pension deficits, as these are less relevant to the routine financial management of the trust:

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

School	Reserves as at 31 August 2021 £'000
Black Firs Primary	227
Castle Primary	60
Cheshire Studio School	127
Congleton High School	607
Egerton Primary School	107
Knutsford Academy	1,044
Sir William Stanier School	275
The Oaks Academy	403
Central Services	<u>84</u>
Total	2,934

The most significant events in the year contributing to the trust's financial position and performance have been the merger of Congleton and Knutsford Multi-Academy Trusts to form The Learning Alliance, and the ongoing impact of COVID-19 on all schools within the trust. The merger has resulted in a significant increase in the funds of the trust, as the former Knutsford schools joined on 1 September, whilst COVID-19 has resulted in distortions to typical patterns of income and expenditure, due to additional funding and differing spending profiles to meet the needs of remote working and other contingency planning arrangements.

The Trust's principal risk and uncertainty, and thus the factor most likely to affect the Trust's financial performance and position moving forward, is linked to a potential stabilisation or contraction in pupil numbers, given the trust has several undersubscribed schools.

The Trust seeks to manage this risk through the preparation and monitoring of medium to long term pupil number projections, pro-active student recruitment, and reviews of staffing profiles and efficiency to ensure school structures align to existing pupil numbers whilst allowing for future growth or contraction. The Trust also seeks to ensure a healthy reserves position to insulate schools against any short term fall in pupil numbers.

At the balance sheet date all schools had a strong reserves position, with each holding at least 5% of annual GAG income in reserve, and in some cases a much higher percentage. Where this is the case, the accumulation of reserves has been done for a specific short to medium term strategic purpose, linked to reinvestment in school sites. For example, there are planned building projects at Black Firs Primary, Congleton High School, and Knutsford Academy, as well as an extensive refurbishment programme at The Oaks Academy.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

a. Reserves policy

The Trust has a policy to maintain sufficient reserves to enable it to operate effectively. The levels of reserves are reviewed by trustees regularly. The reserves policy provides a framework for future strategic planning and decision-making.

Reserves held in excess of the target will be reviewed by The Learning Alliance on a regular basis and an appropriate range of options will be considered which might include releasing the funds into the revenue budget in furtherance of the TLA's objectives, assigning funds to appropriate designated reserves as may be determined by TLA, or investing the funds to generate further income to allow expansion of TLA's work.

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of TLA, or the appropriate sub-committee where delegated authority has been provided by the Board of Directors, subject to the restrictions which will remain attached to restricted funds (revenue and capital) and their use. The movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds.

b. Investment policy

The investment policy governs the investment strategy of the academy trust. The management of charitable funds and investments comply with regulations in force and the Charity Commission. The trustee of charitable funds is the trust which is managed by its Board of Directors and Local Governing Bodies. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments. The investment objectives are to:

- Ensure that funds which the trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.
- Achieve a long-term real rate of return to provide a source of capital to meet beneficiary and operational needs
- Provide an income to the trust to help maintain its operational effectiveness in the short term.

c. Principal risks and uncertainties

The principal risk identified is the potential for a reduction in future income. The academy trust aims to increase reserves so as to mitigate this risk.

The key uncertainty is the impact of changes to Government Policy on the funding of Academies in the current economic climate. The lagged funding mechanism creates risks due to the increasing student numbers within the Trust.

The Trust's Audit and Risk Committee meets three times a year. At each meeting they review the most significant risks identified, any risks that have materialised and action to mitigate them.

Fundraising

The trust undertakes fundraising to support its charitable activities. All fundraising is in accordance with Charity Commission guidance and the restrictions on charging for services applicable to the education sector. The trust does not engage in any form of "cold calling" or unduly intrusive or persistence fundraising approaches, nor does the trust apply any pressure on potential donors in order to secure donations.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption for the year are:

GAS (Scope 1)		CHS	TOA	BFP	CPS	KA	SWS	EPS	Total	Metric Ton
Kwh		1,151,576	664,137	153,756	190,744	1,196,476	2,792,194	167,995	6,316,877	
kWh (Gross CV) - natural gas										
kg CO2e	0.18316	210,923	121,643	28,162	34,937	219,146	511,418	30,770	1,156,999	1,157.00
kg CO2	0.18282	210,531	121,417	28,110	34,872	218,740	510,469	30,713	1,154,852	1,154.85
kg CH4	0.00025	288	166	38	48	299	698	42	1,579	1.58
kg N2O	0.00010	115	66	15	19	120	279	17	632	0.63

GAS OIL (Scope 1)										
Litres						49,972			49,972	
kg CO2e	2.7586					137,851			137,851	137.85
kg CO2	2.7242					136,132			136,132	136.13
kg CH4	0.0028					140			140	0.14
kg N2O	0.0316					1,579			1,579	1.58

ELECTRICITY (Scope 2)		CHS	TOA	BFP	CPS	KA	SWS	EPS	Total	Metric Ton
Kwh		395,053	205,436	58,551	32,886	427,705	857,294	47,867	2,024,793	
kg CO2e	0.21233	83,882	43,620	12,432	6,983	90,815	182,029	10,164	429,924	429.92
kg CO2	0.21016	83,024	43,174	12,305	6,911	89,887	180,169	10,060	425,530	425.53
kg CH4	0.00080	316	164	47	26	342	686	38	1,620	1.62
kg N2O	0.00137	541	281	80	45	586	1,174	66	2,774	2.77

Business Miles (Scope 3)											Total	Metric Ton
Miles											5,560	
Business travel - land (lower medium car)												
Unknown												
kg CO2e	0.27197										1,512	1.51
kg CO2	0.26936										1,498	1.50
kg CH4	0.00011										1	0.00
kg N2O	0.00250										14	0.01
Total Metric Tonnes CO2e												1,726.29
Pupils												4246
Tonnes CO ² e per pupil												0.41

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Plans for future periods

On 1 September 2021, The Learning Alliance welcomed Crewe Engineering & Design UTC into the trust. The trust will now work closely with the college's principal, senior leadership team, and newly formed local governing board, to ensure the UTC is fully integrated into the trust to support its long term sustainability, whilst safeguarding its unique employer led curriculum.

In addition to this, the Multi-Academy Trust will continue to strive for high academic standards and build upon the successes of the previous year, providing targeted support to individual schools based on their particular requirements.

Funds held as custodian on behalf of others

No funds are held as Custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on its behalf by:



D Wootton
Chair of Trustees

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Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
D Wootton, Chair of Trustees	7	7
A Pear	7	7
J Millward	5	7
S Dempsey	7	7
A Greenstein	3	7
C Thomson	7	7
M Ashcroft	6	7
R Armstrong	7	7
R McCluney	7	7
D Sinclair	7	7

In its first year of operation as a merged entity, the trust prepared a scheme of delegation in consultation with key governance and leadership stakeholders, and formed a series of sub-committees, including one devoted to Governance and Search. This committee undertook an ongoing review of the effectiveness of governance during the year. A year end self-assessment was also completed, considering the trust's structures against the MAT capacity framework provided by the DfE. A formal external review of governance is planned for later in the 2021-22 year, which will be commissioned from another trust.

The Audit and Risk Committee is also a sub committee of the main Board of Trustees. Its purpose is to oversee internal and external scrutiny work, and to consider risk management within the trust to ensure the trust's internal control environment is operating effectively and key risks to the organisation are identified and mitigated.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Ashcroft	3	3
S Dempsey (Chair)	3	3
A Pear	3	3

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Governance Statement (continued)

Review of value for money

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

The accounting officer considers how the academy 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 academy trust has delivered improved value for money during the year by:

- Consolidating finance systems, processes and staffing following the merger on 1 September;
- Consolidating Human Resources systems, processes and staffing following the merger on 1 September;
- Reducing the number of senior executive leaders by 1 FTE during the year;
- Negotiating trust-wide contracts on a range of goods and services;
- Establishing a robust scheme of financial delegation and procurement arrangements to ensure good value is achieved on larger contracts and orders;

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 The Learning Alliance for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Staffing 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
- identification and management of risks

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Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees has decided to employ TIAA as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included performance monitoring, catering, business planning, fraud and payments, business continuity and ICT disaster recovery, and risk management.

On a termly basis, the internal auditor reports to the Board of Trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor delivered their schedule of work as planned during the year. The 6 areas reviewed gave rise to 1 assessment of substantial, 4 of reasonable, and 1 of limited assurance. The review providing limited assurance related to business continuity and ICT disaster recovery, and urgent action is being taken to ensure all schools and the trust as a whole robust business continuity and ICT disaster recovery arrangements in place, in line with the internal auditor's recommendations.

Review of effectiveness

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

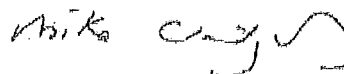
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit and risk 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 Board of Trustees on 13 December 2021 and signed on their behalf by:



D Wootton
Chair of Trustees



M Cladingbowl
Accounting Officer

The Learning Alliance

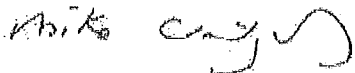
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Learning Alliance I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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.



M Cladingbowl
Accounting Officer
Date: 13 December 2021

The Learning Alliance

(A Company Limited by Guarantee)

Statement of Trustees' responsibilities For the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 on 13 December 2021 and signed on its behalf by:



D Wootton
Chair of Trustees

The Learning Alliance
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Learning Alliance

Opinion

We have audited the financial statements of The Learning Alliance (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

The Learning Alliance
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Learning Alliance
(continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

The Learning Alliance
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Learning Alliance
(continued)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy trust, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

The Learning Alliance
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Learning Alliance
(continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

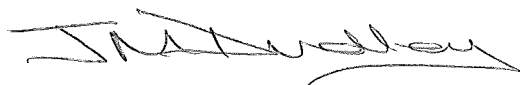
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the academy trust's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

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



Jonathan Dudley (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2 Albion House
2 Etruria Office Village
Forge Lane, Etruria
Stoke-on-Trent
ST1 5RQ

13 December 2021

The Learning Alliance
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Learning Alliance and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Learning Alliance during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Learning Alliance's funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

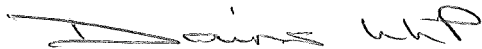
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The Learning Alliance
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Learning Alliance and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Suite 2 Albion House
2 Etruria Office Village
Forge Lane, Etruria
Stoke-on-Trent
ST1 5RQ

Date: 13 December 2021

The Learning Alliance
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Transfer from existing MAT		749	(6,949)	35,583	29,383	1,311
Other donations and capital grants		52	-	1,851	1,903	972
Other trading activities	5	297	-	-	297	208
Investments		-	1	-	1	-
Charitable activities	4	-	25,057	-	25,057	11,346
Teaching schools	27	-	120	-	120	-
Total income		1,098	18,229	37,434	56,761	13,837
Expenditure on:						
Raising funds	6	181	-	-	181	160
Charitable activities	7	-	25,312	1,346	26,658	11,580
Teaching schools	27	-	49	-	49	-
Total expenditure		181	25,361	1,346	26,888	11,740
Net income/ (expenditure)		917	(7,132)	36,088	29,873	2,097
Transfers between funds	18	-	(44)	44	-	-
Net movement in funds before other recognised gains/(losses)		917	(7,176)	36,132	29,873	2,097
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(2,876)	-	(2,876)	169
Net movement in funds		917	(10,052)	36,132	26,997	2,266

The Learning Alliance
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2021

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed assets funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Reconciliation of funds:					
Total funds brought forward	422	(3,764)	17,799	14,457	12,191
Net movement in funds	917	(10,052)	36,132	26,997	2,266
Total funds carried forward	<u>1,339</u>	<u>(13,816)</u>	<u>53,931</u>	<u>41,454</u>	<u>14,457</u>

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

The notes on pages 29 to 60 form part of these financial statements.

The Learning Alliance
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	1	1
Tangible assets	14	52,326	16,834
		<u>52,327</u>	<u>16,835</u>
Current assets			
Stocks	15	-	2
Debtors	16	1,503	1,404
Cash at bank and in hand	22	5,046	1,308
		<u>6,549</u>	<u>2,714</u>
Creditors: amounts falling due within one year	17	(2,011)	(729)
		<u>4,538</u>	<u>1,985</u>
Net current assets		<u>4,538</u>	<u>1,985</u>
Total assets less current liabilities		<u>56,865</u>	<u>18,820</u>
Defined benefit pension scheme liability	25	(15,411)	(4,363)
Total net assets		<u><u>41,454</u></u>	<u><u>14,457</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	53,931	17,799
Restricted income funds	18	1,596	599
		<u>55,527</u>	<u>18,398</u>
Restricted funds excluding pension reserve	18	55,527	18,398
Pension reserve	18	(15,411)	(4,363)
		<u>40,116</u>	<u>14,035</u>
Total restricted funds	18	<u>40,116</u>	<u>14,035</u>
Unrestricted income funds	18	<u>1,338</u>	<u>422</u>
Total funds		<u><u>41,454</u></u>	<u><u>14,457</u></u>

Registered number: 07538467

The Learning Alliance

(A Company Limited by Guarantee)

Balance Sheet (continued)

As at 31 August 2021

The financial statements on pages 24 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



D Wootton

Chair of Trustees

Date: 13 December 2021

The notes on pages 29 to 60 form part of these financial statements.

The Learning Alliance
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021	2020
		£000	£000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	1,598	(257)
Cash flows from investing activities	21	2,140	1,010
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		3,738	753
Cash and cash equivalents at the beginning of the year		1,308	555
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22, 23	5,046	1,308
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 60 form part of these financial statements

The Learning Alliance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the academy 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.

1.5 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.

1. Accounting policies (continued)

1.6 Intangible assets

Intangible assets costing £1000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
-------------------	-----------

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold buildings	- 50 years straight line
Leasehold buildings	- 50 years straight line
Leasehold land	- 125 years straight line
Property improvement	- 20 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line

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

The Learning Alliance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. Accounting policies (continued)

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

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

1.10 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.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

1.12 Operating leases

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

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 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.

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

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

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

2. 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 and assumptions:

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

Local government pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Long term leasehold land and buildings

The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease. The leasehold land and buildings were valued using the local authority valuation. They are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, as management is not able to reliably measure open market rate.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations					
Transfer in from existing academy trust	749	(6,949)	36,547	30,347	1,311
Other donations	52	-	-	52	4
Donations subtotal	<u>801</u>	<u>(6,949)</u>	<u>36,547</u>	<u>30,399</u>	<u>1,315</u>
Capital grants	-	-	887	887	968
Total 2021	<u><u>801</u></u>	<u><u>(6,949)</u></u>	<u><u>37,434</u></u>	<u><u>31,286</u></u>	<u><u>2,283</u></u>
Total 2020	<u><u>92</u></u>	<u><u>(1,548)</u></u>	<u><u>3,739</u></u>	<u><u>2,283</u></u>	

The Learning Alliance
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

4. Funding for the academy trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 * £000
DfE/ESFA grants			
General Annual Grant (GAG)	21,135	21,135	9,241
Other DfE/ESFA grants			
Teachers pay and pension	1,054	1,054	502
Pupil premium	894	894	337
Universal Infant Free School Meals (UIFSM)	105	105	68
Other	133	133	454
	<u>23,321</u>	<u>23,321</u>	<u>10,602</u>
Other Government grants			
Special Educational Needs (SEN)	588	588	312
Summer school	56	56	-
Local authority grants	379	379	185
	<u>1,023</u>	<u>1,023</u>	<u>497</u>
Other income from the academy trust's educational operations	263	263	247
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	297	297	-
Other Covid-19 funding	13	13	-
	<u>310</u>	<u>310</u>	<u>-</u>
COVID-19 additional funding (non-DfE/ESFA)			
Mass testing	140	140	-
	<u>140</u>	<u>140</u>	<u>-</u>
Total 2021	<u><u>25,057</u></u>	<u><u>25,057</u></u>	<u><u>11,346</u></u>

* Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £297k of Covid catch-up premium and incurred £5k of costs in relation to this with the remaining £292k carried forward to be spent in 2021/22 as shown in note 18.

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Notes to the Financial Statements
For the Year Ended 31 August 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	83	83	66
Pre school or out of school club and other income	194	194	117
Sales income	20	20	25
Total 2021	<u>297</u>	<u>297</u>	<u>208</u>
Total 2020	<u>208</u>	<u>208</u>	

6. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading activities:					
Direct costs	98	83	-	181	160
Educational operations:					
Direct costs	18,296	1,345	1,477	21,118	9,364
Allocated support costs	2,760	1,278	1,502	5,540	2,216
Teaching school	32	-	17	49	-
	<u>21,186</u>	<u>2,706</u>	<u>2,996</u>	<u>26,888</u>	<u>11,740</u>
Total 2020	<u>9,535</u>	<u>879</u>	<u>1,326</u>	<u>11,740</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Educational operations	21,118	5,540	26,658	11,580
Total 2020	9,364	2,216	11,580	

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	198	198	75
Staff costs	2,760	2,760	1,168
Technology costs	108	108	50
Staff development and other staff costs	58	58	37
Maintenance of premises and special facilities	407	407	108
Cleaning and caretaking	71	71	38
Other premises costs	242	242	36
Energy	588	588	198
Insurance	80	80	40
Security	73	73	33
Catering	480	480	224
Other support costs	183	183	71
Legal and professional	140	140	80
Transport	19	19	17
Rates	133	133	41
	5,540	5,540	2,216

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Notes to the Financial Statements
For the Year Ended 31 August 2021

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	61	38
Operating lease sports pitch	83	70
Depreciation of tangible fixed assets	1,346	426
Fees paid to auditors for:		
- audit	18	14
- other services	3	-
	<u> </u>	<u> </u>

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	14,921	6,846
Social security costs	1,430	629
Pension costs	4,355	1,953
	<u> </u>	<u> </u>
	20,706	9,428
Supply staff costs	430	94
Apprenticeship levy	50	13
	<u> </u>	<u> </u>
	21,186	9,535
	<u> </u>	<u> </u>

Wages and salaries includes staff restructuring costs of:

	2021 £000	2020 £000
Severance payments	49	-
	<u> </u>	<u> </u>
	49	-
	<u> </u>	<u> </u>

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

9. Staff (continued)

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

Included in severance payments are non-contractual amounts totalling £17,026 paid to three employees. The three individual non-contractual amounts were: £7,266; £5,250; and £4,510.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	231	109
Administration and support	292	184
Management	33	18
	<u>556</u>	<u>311</u>

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	-
In the band £110,001 - £120,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £325,731 (2020 - £614,000).

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

10. Central services

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

- Chief Executive Officer
- Financial services
- Management information systems
- Payroll services
- Professional services
- Other as arising

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

5% of GAG income

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Congleton High School	302	330
Black Firs Primary School	55	55
Castle Primary School	20	21
The Oaks Academy	130	100
Knutsford Academy	266	-
Cheshire Studio School	34	-
Sir William Stanier School	200	-
Egerton Primary School	40	-
Total	1,047	506

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £1,773 to 3 Trustees).

12. Trustees' and Officers' insurance

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

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

13. Intangible assets

	Computer software £000
Cost	
At 1 September 2020	2
	<hr/>
At 31 August 2021	2
	<hr/>
Amortisation	
At 1 September 2020	1
	<hr/>
At 31 August 2021	1
	<hr/>
Net book value	
At 31 August 2021	1
	<hr/> <hr/>
At 31 August 2020	1
	<hr/> <hr/>

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Property improvements £000	Assets under constructio n £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 September 2020	14,576	2,728	1,698	48	519	348	19,917
Additions	-	-	1,043	72	74	66	1,255
Transfer from existing trust	-	35,123	-	-	360	100	35,583
At 31 August 2021	14,576	37,851	2,741	120	953	514	56,755
Depreciation							
At 1 September 2020	1,823	300	204	-	478	278	3,083
Charge for the year	246	685	105	-	230	80	1,346
At 31 August 2021	2,069	985	309	-	708	358	4,429
Net book value							
At 31 August 2021	12,507	36,866	2,432	120	245	156	52,326
At 31 August 2020	12,753	2,428	1,494	48	41	70	16,834

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

14. Tangible fixed assets (continued)

Included in Freehold Land and Buildings is a value of £2,315,000 (2020: £2,315,000) for the freehold land at Congleton High School and The Oaks Academy which is not depreciated.

15. Stocks

	2021 £000	2020 £000
Finished goods and goods for resale	-	2

16. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	116	48
Other debtors	144	62
Prepayments and accrued income	1,243	1,294
	<u>1,503</u>	<u>1,404</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2021

17. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	647	188
Other taxation and social security	356	156
Other creditors	467	176
Accruals and deferred income	541	209
	<u>2,011</u>	<u>729</u>
	2021 £000	2020 £000
Deferred income at 1 September 2020	82	119
Resources deferred during the year	191	82
Amounts released from previous periods	(82)	(119)
	<u>191</u>	<u>82</u>

Included with deferred income at the year end include UIFSM grant income, local authority income, and rates relief and other smaller amounts.

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Notes to the Financial Statements
For the Year Ended 31 August 2021

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	422	1,097	(181)	-	-	1,338
Restricted general funds						
General Annual Grant (GAG)	599	21,135	(20,457)	(44)	-	1,233
Teachers pay	-	1,054	(1,054)	-	-	-
Pupil premium	-	894	(894)	-	-	-
UIFSM	-	105	(105)	-	-	-
Other						
DfE/ESFA grants	-	133	(133)	-	-	-
SEN funding	-	588	(588)	-	-	-
Summer school	-	56	(56)	-	-	-
Local authority grants	-	380	(380)	-	-	-
Covid catch-up premium	-	297	(5)	-	-	292
Other restricted income	-	416	(416)	-	-	-
Transfer from existing MAT	-	28	(28)	-	-	-
Teaching school	-	120	(49)	-	-	71
Pension reserve	(4,363)	(6,977)	(1,195)	-	(2,876)	(15,411)
	(3,764)	18,229	(25,360)	(44)	(2,876)	(13,815)

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Notes to the Financial Statements
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18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Restricted fixed asset funds						
Transfer on conversion	1,800	-	(37)	-	-	1,763
Transfer from existing MAT	2,703	35,583	(960)	-	-	37,326
DfE/ESFA capital grants	12,759	1,851	(336)	-	-	14,274
Capital expenditure from GAG	537	-	(13)	44	-	568
	<u>17,799</u>	<u>37,434</u>	<u>(1,346)</u>	<u>44</u>	<u>-</u>	<u>53,931</u>
Total Restricted funds	<u>14,035</u>	<u>55,663</u>	<u>(26,706)</u>	<u>-</u>	<u>(2,876)</u>	<u>40,116</u>
Total funds	<u><u>14,457</u></u>	<u><u>56,760</u></u>	<u><u>(26,887)</u></u>	<u><u>-</u></u>	<u><u>(2,876)</u></u>	<u><u>41,454</u></u>

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

Unrestricted funds

This fund represents those resources which may be used towards meeting any of the charitable objects of the multi-academy trust at the discretion of the Trustees.

Restricted general funds

The restricted general funds represents grants received for the academy trust's operational activities and development, restricted trip income and other restricted income.

Pension reserve

The pension reserve represents the academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset fund

The restricted fixed asset fund relates to grant funding received from the ESFA to carry out works of a capital nature, capital expenditure from GAG, the donation of the assets from the local authority on conversion and the donation of assets from academies joining the trust from existing trusts.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

The Learning Alliance
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Notes to the Financial Statements
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18. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General funds	281	301	(160)	-	422
Restricted general funds					
General Annual Grant (GAG)	-	9,177	(8,578)	-	599
Other DfE/ESFA grants	-	1,361	(1,361)	-	-
Other grants and catering	-	744	(744)	-	-
Pension reserve	(2,576)	(1,485)	(471)	169	(4,363)
	<u>(2,576)</u>	<u>9,797</u>	<u>(11,154)</u>	<u>169</u>	<u>(3,764)</u>
Restricted fixed asset funds					
Transfer on conversion	1,837	-	(37)	-	1,800
Transfer into Academy Trust	-	2,771	(68)	-	2,703
DfE/ESFA capital grants	12,094	968	(303)	-	12,759
Capital expenditure from GAG	555	-	(18)	-	537
	<u>14,486</u>	<u>3,739</u>	<u>(426)</u>	<u>-</u>	<u>17,799</u>
Total Restricted funds	<u>11,910</u>	<u>13,536</u>	<u>(11,580)</u>	<u>169</u>	<u>14,035</u>
Total funds	<u><u>12,191</u></u>	<u><u>13,837</u></u>	<u><u>(11,740)</u></u>	<u><u>169</u></u>	<u><u>14,457</u></u>

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Notes to the Financial Statements
For the Year Ended 31 August 2021

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Black Firs Primary School	227	194
Castle Primary School	60	84
Cheshire Studio School	127	-
Congleton High School	607	285
Egerton Primary School	107	-
Knutsford Academy	1,044	-
Sir William Stanier School	275	-
The Oaks Academy	403	408
Central services	84	50
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,934	1,021
Restricted fixed asset fund	53,931	17,799
Pension reserve	(15,411)	(4,363)
	<hr/>	<hr/>
Total	41,454	14,457
	<hr/> <hr/>	<hr/> <hr/>

The Learning Alliance
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Notes to the Financial Statements
For the Year Ended 31 August 2021

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Black Firs Primary School	1,127	159	31	206	1,523	1,561
Castle Primary School	379	47	10	96	532	547
Cheshire Studio School	478	73	3	100	654	-
Congleton High School	6,043	502	125	1,018	7,688	6,288
Egerton Primary School	667	123	28	207	1,025	-
Knutsford Academy	4,260	561	128	683	5,632	-
Sir William Stanier School	2,968	514	104	762	4,348	-
The Oaks Academy	2,286	290	52	473	3,101	2,309
Central services	303	506	32	198	1,039	609
Academy trust	18,511	2,775	513	3,743	25,542	11,314

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Notes to the Financial Statements
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	52,326	52,326
Intangible fixed assets	-	-	1	1
Current assets	1,338	3,607	1,604	6,549
Creditors due within one year	-	(2,011)	-	(2,011)
Provisions for liabilities and charges	-	(15,411)	-	(15,411)
Total	1,338	(13,815)	53,931	41,454

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	16,834	16,834
Intangible fixed assets	-	-	1	1
Current assets	422	1,328	964	2,714
Creditors due within one year	(1)	(728)	-	(729)
Provisions for liabilities and charges	-	(4,363)	-	(4,363)
Total	421	(3,763)	17,799	14,457

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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Reconciliation of net income to net cash flow from operating activities

	2021 £000	2020 £000
Net income for the year (as per Statement of Financial Activities)	29,873	2,097
Adjustments for:		
Depreciation	1,346	426
Capital grants from DfE and other capital income	(1,851)	(968)
Defined benefit pension scheme cost less contributions payable	997	396
Defined benefit pension scheme finance cost	198	75
Decrease in stocks	2	10
Increase in debtors	(219)	(1,157)
Increase in creditors	1,225	255
Transfer into Academy Trust - Fixed Assets (note 28)	(35,583)	(2,703)
Transfer into Academy Trust - Pension deficit (note 28)	6,977	1,485
Transfer into Academy Trust - Cash and cash equivalents (note 28)	(1,367)	(173)
Net cash provided by/(used in) operating activities	1,598	(257)

21. Cash flows from investing activities

	2021 £000	2020 £000
Purchase of tangible fixed assets	(1,255)	(131)
Capital grants from DfE Group	2,028	968
Cash acquired on transfer of academies into the trust	1,367	173
Net cash provided by investing activities	2,140	1,010

22. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	5,046	1,308
Total cash and cash equivalents	5,046	1,308

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Notes to the Financial Statements
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23. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Acquisition and disposal of subsidiaries £000	At 31 August 2021 £000
Cash at bank and in hand	1,308	2,371	1,367	5,046
	<u>1,308</u>	<u>2,371</u>	<u>1,367</u>	<u>5,046</u>

24. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>930</u>	<u>367</u>

25. Pension commitments

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 Cheshire West and Chester Council for academies based on Cheshire and Staffordshire County Council for academies based in Staffordshire. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £394,000 were payable to the schemes at 31 August 2021 (2020 - £175,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £2,334,000 (2020 - £1,109,000).

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

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

25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £947,000 (2020 - £530,000), of which employer's contributions totalled £754,000 (2020 - £427,000) and employees' contributions totalled £193,000 (2020 - £103,000). The agreed contribution rates for future years are between 18.9 and 24.2 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

Scheme administered Cheshire West and Chester Council

	2021	2020
	%	%
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.1
Commutation of pensions to lump sums - pre-April 2008 service	50.0	50.0
Commutation of pensions to lump sums - post-April 2008 service	75.0	75.0

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

	2021	2020
	Years	Years
Retiring today		
Males	21.4	21.6
Females	24.0	23.6
Retiring in 20 years		
Males	22.4	22.0
Females	25.7	25.0

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25. Pension commitments (continued)

Scheme administered by Staffordshire County Council	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.1
Commutation of pensions to lump sums - pre-April 2008 service	50.0	50.0
Commutation of pensions to lump sums - post-April 2008 service	75.0	75.0

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

	2021	2020
	Years	Years
Retiring today		
Males	21.4	21.2
Females	24.0	23.6
Retiring in 20 years		
Males	22.5	22.1
Females	25.7	25.0

Sensitivity analysis

Scheme administered Cheshire West and Chester Council	2021	2020
	£000	£000
Discount rate +0.1%	(669)	(252)
Discount rate -0.1%	669	252
Mortality assumption - 1 year increase	1,246	-
Mortality assumption - 1 year decrease	(1,246)	-
CPI rate +0.1%	594	232
CPI rate -0.1%	(594)	(232)
Salary increase rate +0.1%	65	16
Salary increase rate -0.1%	(65)	(16)

A comparative figure for 2020 for the mortality assumption is not available and so the comparative figure in the above table has been left blank.

Notes to the Financial Statements
For the Year Ended 31 August 2021

25. Pension commitments (continued)

Scheme administered by Staffordshire County Council

	2021	2020
	£000	£000
Discount rate +0.1%	(19)	(77)
Discount rate -0.1%	19	77
Mortality assumption - 1 year increase	32	-
Mortality assumption - 1 year decrease	(32)	-
CPI rate +0.1%	18	72
CPI rate -0.1%	(18)	(72)
Salary increase rate +0.1%	1	4
Salary increase rate -0.1%	(1)	(4)
	<u> </u>	<u> </u>

A comparative figure for 2020 for the mortality assumption is not available and so the comparative figure in the above table has been left blank.

Share of scheme assets

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

	2021	2020
	£000	£000
Equity instruments	7,653	2,924
Debt instruments	6,903	2,608
Corporate bonds	1,648	640
Property	333	257
	<u> </u>	<u> </u>
Total market value of assets	16,537	6,429
	<u> </u>	<u> </u>

The actual return on scheme assets was £2,180,000 (2020 - £157,000).

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

	2021	2020
	£000	£000
Current service cost	(1,751)	(823)
Interest income	243	111
Interest cost	(441)	(186)
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	(1,949)	(898)
	<u> </u>	<u> </u>

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25. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	10,792	6,590
Restatement of opening balance by scheme actuary	(2,782)	-
Transferred in on existing academies joining the trust	17,150	3,532
Current service cost	1,751	823
Interest cost	441	186
Employee contributions	193	103
Actuarial losses/(gains)	4,526	(326)
Benefits paid	(321)	(116)
	<u>31,750</u>	<u>10,792</u>

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

	2021 £000	2020 £000
At 1 September	6,429	4,014
Restatement of opening balance by scheme actuary	(2,584)	-
Transferred in on existing academies joining the trust	10,173	2,047
Interest income	243	111
Actuarial gains/(losses)	1,650	(157)
Employer contributions	754	427
Employee contributions	193	103
Benefits paid	(321)	(116)
	<u>16,537</u>	<u>6,429</u>

26. Operating lease commitments

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	90	122
Later than 1 year and not later than 5 years	62	103
	<u>152</u>	<u>225</u>

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27. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Direct income	120		-	
Total income		120		-
Expenditure				
Direct expenditure				
Direct staff costs	16		-	
Other direct costs	16		-	
Recruitment and support	1		-	
Total direct expenditure	33		-	
Other expenditure				
Other staff costs	16		-	
Total expenditure		49		-
Surplus from all sources		71		-
Teaching school balances at 1 September 2020		-		-
Teaching school balances at 31 August 2021		71		-

28. Transfer of existing academies into the academy trust

Transfer of all academies formerly within Knutsford Multi-Academy Trust

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Freehold land and buildings	35,123	(35,123)	-
Long-term leasehold property	-	35,123	35,123
Fixtures, fittings & equipment	360	-	360
Computer equipment	100	-	100
Current assets			
Stocks	1	-	1
Debtors due within one year	400	964	1,364
Cash at bank and in hand	1,367	-	1,367
Liabilities			
Creditors due within one year	(991)	-	(991)
Pensions			
Pensions - pension scheme assets	10,173	-	10,173
Pensions - pension scheme liabilities	(17,150)	-	(17,150)
Net assets	<u>29,383</u>	<u>964</u>	<u>30,347</u>

The figures above are the aggregated figures for the four academies which have been transferred into the trust and which together formed Knutsford Multi-Academy Trust (Company Registration Number 07984413) prior to transfer on 1 September 2020. The individual academies are: Knutsford Academy, Cheshire Studio School, Sir William Stanier School and Egerton Primary School.

Fair value adjustments represent the following:

- 1) £35,123k adjustment to recognise the property transferred to the Trust, out of freehold land and building and into long-term leasehold property to reflect the title deeds.
- 2) £964k adjustment to recognise the CIF capital grant awarded in July 2020 but not recognised in the financial statements at 31 August 2020.

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

In the comparative financial period only:

Mr D Hermitt resigned as a Director of Congelton Mutli-Academy Trust on the 31 August 2020. The following was considered to be a related party:

The Chimney House Teaching School Foundation - a non profit making foundation of local schools which Mr D Hermitt is a director of:

- The trust purchased training resources from Chimney House in the comparative financial year totalling £540
- The trust received fees for the placement of trainee teachers in the comparative financial year totalling £550

The above party is not considered to be a related party for the current financial period thus current year figures are not disclosed.

30. Members' liability

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

31. Post balance sheet events

On the 1 September 2021, Crewe Engineering and Design UTC joined the Trust.