

**The Learning Alliance**  
**(previously Congleton Multi-Academy Trust)**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year Ended 31 August 2020**



Company Registration Number:  
07538467 (England and Wales)

## **The Learning Alliance (previously Congleton Multi-Academy Trust)**

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**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Reference and Administrative Details**

**Trustees**

R. Armstrong	(Appointed 01.09.20)
M. Ashcroft	(Appointed 01.09.20)
B. Boardman	(Resigned 02.01.20)
V. Croxson	(Resigned 31.08.20)
S. Dempsey	
J. Gavin	(Resigned 13.07.20)
A. Greenstein	(Appointed 01.09.20)
D. Hermitt	(Resigned 31.08.20)
R. McCluney	(Appointed 01.09.20)
J. Millward	
A. Pear (Vice Chair)	
D. Sinclair	
C. Thomson	(Appointed 01.09.20)
D. Wootton (Chair)	

**Members**

R. Armstrong	(Appointed 01.09.20)
P. Bland	(Appointed 01.09.20)
P. Bowers	
V. Croxson	
R. Hinckley	
S. Hodgkinson	
P. Martin	(Appointed 01.09.20)
W. Stratford	(Appointed 01.09.20)
D. Watson	

**Company Secretary**

D. Twambley

**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Reference and Administrative Details (continued)**

**Senior Leadership Team**

M. Cladingbowl	Chief Executive Officer and Accounting Officer (from 01.09.20)
D. Hermitt	Chief Executive Officer and Accounting Officer (until 31.08.20)
J. Barlow	Headteacher
M. Casserley	Headteacher
J. Fraser	Headteacher
E. Hooley	Headteacher
A. Hooper	Headteacher
P. Kingdom	Headteacher
J. Mason	Headteacher
D. Twambley	Chief Operations Officer
J. Whittaker	Headteacher

**Principal and Registered Office**  
Congleton High School  
Box Lane  
Congleton  
Cheshire  
CW12 4NS

**Company Registration Number** 07538467 (England and Wales)

**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

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees' Report**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

At 31 August 2020 The Learning Alliance operated 2 secondary and 2 primary academies in Congleton, Crewe, and North Staffordshire.

### **Structure, Governance and Management**

#### **Constitution**

The Learning Alliance ("TLA") is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year and any new trustees are included in the Reference and Administrative Details on page 1.

At 31 August 2020 the Trust comprised of four academies as follows:

- Black Firs Primary School: (3-11 primary school)
- Castle Primary School: (3-11 primary school)
- Congleton High School: (11-18 secondary school)
- The Oaks Academy: (11-16 secondary school)

Since the year end the trust has merged with Knutsford Multi-Academy Trust, resulting in the following schools joining to form the larger trust:

- Egerton Primary School (3-11 primary school)
- Knutsford Academy (11-18 secondary school)
- Cheshire Studio School (15-18 studio school)
- Sir William Stanier Community School (11-16 secondary school)

#### **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.

#### **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.

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees report (continued)**

### **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 Multi-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.

### **Policies and procedures 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. Board Away Days are held to develop strategy and additional Governance training arranged where necessary.

### **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 provide coherent 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, attendance, punctuality and behaviour benchmarked against national and local performance and to prepare written documents reporting the above considering the recommendations made by the Headteacher and Senior Leadership Team of that school; to actively promote the work of the respective school within the community; responding to external feedback from national and local bodies to continuously improve the offering of the school and wider Academy 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 includes Deputies and Assistants. The Senior Leadership Team (SLT) is responsible for the day-to-day operation within each school, in particular organising the teaching staff, facilities and students.

The Directors met 5 times between 1 September 2019 and 31 August 2020 and received reports on finance and strategic and operational matters.

### **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 Learning Alliance (previously Congleton Multi-Academy Trust)  
Trustees report (continued)**

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.

The CEO's pay is determined by the Pay Review Panel 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.

**Trade union facility time**

Relevant union officials

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

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 of facility time

Total cost of facility time (£'000)	-
Total pay bill (£ '000)	9,535
Percentage of total pay bill spent on facility time	-%

Paid trade union activities

Time spent on paid trade union activities as a percentage of facility time	-
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**Related Parties and other Connected Charities and Organisations**

The Multi-Academy trust is part of the Chimney House Group which is a soft federation of neighbouring schools. The Group provides support to improve teaching and learning. It has formed a Teaching School Alliance.

The Multi-Academy trust is an active part of the Congleton Educational Community Partnership which includes several primary schools and the two secondary schools in Congleton Town. The partnership develops projects and programmes which benefit the young people in the community. A key element of this work is to provide additional services to ensure students have swift access to support from agencies such as Child and Adolescent Mental Health Services (CAMHS), Speech & Language and Educational Psychologists.

**Engagement with employees**

Engagement with employees is achieved through the use of website and email updates, newsletters, staff consultation events, consultation with trade union representatives, representation of Local Governing Boards, and a range of other channels. The trust's Equality and Diversity policy sets out the ambitions of the trust in seeking to ensure fairness and promote a diverse and inclusive workforce.

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees report (continued)**

### **Objectives and Activities**

#### **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.

#### **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 reflect their communities
- Together we can achieve more

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

#### **Public Benefit**

The Trustees acknowledge the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the academy trust are for the public benefit.

The academy trust is specifically restricted to advance for the public benefit education in the United Kingdom and reports annually on the ways in which it has successfully delivered in this regard.

#### **Strategic Report**

##### **Achievements and Performance**

During the early part of the year the Trust focused on integrating The Oaks Academy into the trust from 1 November 2019, as well as supporting the ongoing progress of the Congleton and Staffordshire schools within the trust.

However, from March 2020 the primary focus of all schools was ensuring continuity of education and support to pupils during the COVID-19 global pandemic, which resulted in national school closures and considerable disruption to the education sector. All school ensured students were supported throughout this challenging period, and began to develop plans for full reopening from 1 September.



## **The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees report (continued)**

### **Key Financial Performance Indicators**

The Trustees have evaluated the financial health of the Multi-Academy Trust on a regular basis via the Board and Finance Sub Committee reports. The CEO reports to each Trust Meeting to Directors key performance data on Teaching, Learning and Leadership.

The principle 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)).

### **Going Concern**

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

### **Financial Review**

The Learning Alliance has generated an operational surplus in year of £804k. 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):

	Operational £'000	Statutory Adjustments £'000	2020 £'000
Income	11,647	2,190	13,837
Expenditure	(10,843)	(897)	(11,740)
Net Income/(expenditure)	804	1,293	2,097
Actuarial Gain/(loss) on LGPS	-	-	169
Net movement in funds for the year	804	1,462	2,266

Trust reserves are discussed under the reserves policy area of this report.

### **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.

## The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees report (continued)

As at 31 August 2020, the trust had total funds of £14,457,000, comprised of:

<b>Funds</b>	<b>£'000</b>
Restricted General	599
Restricted Pension	(4,363)
Restricted Fixed Asset	17,799
<b>Total Restricted</b>	<b>14,035</b>
Unrestricted	422
<b>Total Funds</b>	<b>14,457</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.

### Financial and Risk Management Objectives and Policies

The academy trust recognises that it has a responsibility to minimise risk. Any risks to which the academy trust may be exposed, as identified by the CEO and Senior Leadership Team, have been reviewed and systems have been established to mitigate these risks.

### 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 causes risks due to the increasing student numbers within the Trust.

The Trust's Audit 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.

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Trustees report (continued)**

### **Plans for Future Periods**

On 1 September The Learning Alliance was formed via the merger of Congleton Multi-Academy Trust and Knutsford Multi-Academy Trust. The next 12 months will focus on the integration and consolidation of the two trusts and the 8 schools of which the newly merged trust is composed.

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 Trustee 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 auditor is unaware; and
- the Trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the Company directors, on 14 December 2020 and signed on its behalf by:



**D. Wootton**  
Chair of Trustees

## The Learning Alliance (previously Congleton Multi-Academy Trust) Governance Statement

### Scope of Responsibility

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

The Trustees have delegated the day-to-day responsibility to the Chief Executive, 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 academy trust and the Secretary of State for Education. They are also responsible for reporting to the 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 Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Name	No. Possible Meetings	Number Attended
B. Boardman	2	1
V. Croxson	5	5
S. Dempsey	5	3
J. Gavin	5	3
D. Hermitt	5	5
J. Millward	5	4
A. Pear	5	4
D. Wootton	5	5
D. Sinclair	5	5

The board maintains effective oversight in fewer than 6 meeting annually through the use of a subcommittee structure, including the audit and finance subcommittees, and this year, to support efforts to manage the COVID-19 crisis, an Executive Committee .

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide the Board with assurances over the suitability of the risk management systems in place and the management of key risks within the organisation.

Attendance at meetings between 1 September 2019 and 31 August 2020.

Name	No. Possible Meetings	Number Attended
S. Dempsey	2	2
D. Wootton	2	2
D. Sinclair	2	2

**Congleton Multi-Academy Trust  
Governance Statement (continued)**

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide the Board with assurances over the financial management of the trust.

Attendance at meetings between 1 September 2019 and 31 August 2020.

Name	No. Possible Meetings	Number Attended
S. Dempsey	2	2
B. Boardman	1	1
R. Gavin	2	2
A. Pear	2	2

The Executive Committee was a sub-committee of the main Board of Trustees with delegated decision making powers to support operational changes required to manage the COVID-19 crisis.

Attendance at meetings between inception on 23 March 2020 and disbanding 31 August 2020:

Name	No. Possible Meetings	Number Attended
V Croxson	6	6
D Wootton	6	6
A Pear	6	6
D Sinclair	6	6

**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 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The establishment of central services for all academies in the trust for: finance, payroll, and HR. This is reducing duplication across the academies, enabling efficient working practices to develop and providing consistent methods to be adopted.
- The use of procurement strategies including the use of buying groups such as the CPC, to obtain value for money and quality of service for a wide range of purchases and contracts. As primary schools joined the trust economies of scale are being achieved through trust level procurement e.g. financial software, photocopying contracts and payroll providers. The trust also works collaboratively with other local academies and schools to share information on specific purchases e.g. telephony and where possible to seek to obtain discounted services by procuring as a group.
- As the Trust develops, further strategies are planned to reduce the overall costs of administration and core services without impacting on the quality of teaching and learning.

**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

## **Congleton Multi-Academy Trust Governance Statement (continued)**

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 the academy trust's 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. These systems of internal control were in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The 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 Governing Body;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks. The Trust has an Audit Committee.

The Trust engaged the services of TIAA as internal auditor in year. The internal auditor role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

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

The internal auditor has delivered their schedule of work as planned.

### **Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the senior team within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Audit Committee;

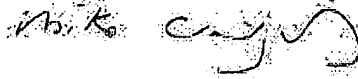
**Congleton Multi-Academy Trust  
Governance Statement (continued)**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 14 December 2020 and signed on its behalf by:



**D. Wootton**  
Chair of Trustees



**M. Cladingbowl**  
Accounting Officer

**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Statement of Regularity, Propriety and Compliance**

As accounting officer of The Learning Alliance I have considered my responsibility to notify the academy trust governing body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2019.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



**M. Cladingbowl**  
Accounting Officer

Date: 14 December 2020



## **The Learning Alliance (previously Congleton Multi-Academy Trust) Statement of Trustees' Responsibilities**

The trustees (who act as governors of The Learning Alliance and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that, in its conduct and operation, the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 14 December 2020 and signed on its behalf by:



**D Wootton**  
Chair of Trustees

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Independent Auditor's 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 2020 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### **Basis of opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Independent Auditor's Report on the Financial Statements to the Members of The  
Learning Alliance (continued)**

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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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's or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Independent Auditor's Report on the Financial Statements to the Members of The  
Learning Alliance (continued)**

**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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy 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

Date: 14 December 2028

## **The Learning Alliance (previously Congleton Multi-Academy Trust) Independent Reporting Accountants' Assurance Report on Regularity to The Learning Alliance and the Education and 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 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Learning Alliance and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Learning Alliance and the 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**The Learning Alliance (previously Congleton Multi-Academy Trust)  
Independent Reporting Accountants' Assurance Report on Regularity to The Learning  
Alliance and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have 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: 14 December 2020

**The Learning Alliance (previously Congleton Multi-Academy Trust)**

**Statement of Financial Activities for the Year Ended 31 August 2020  
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
<b>Income and endowments from:</b>						
Donations and capital grants	2	4	-	968	972	152
Charitable activities:						
funding for the academy trust's educational operations	3	-	11,346	-	11,346	8,046
Other trading activities	4	208	-	-	208	410
Transfer into Academy Trust	2,28	89	(1,549)	2,771	1,311	-
<b>Total</b>		<b>301</b>	<b>9,797</b>	<b>3,739</b>	<b>13,837</b>	<b>8,608</b>
<b>Expenditure on:</b>						
Raising funds	5	160	-	-	160	167
Charitable activities:						
Academy trust educational operations	6	-	11,154	426	11,580	8,713
<b>Total</b>	5	<b>160</b>	<b>11,154</b>	<b>426</b>	<b>11,740</b>	<b>8,880</b>
<b>Net income / (expenditure)</b>		<b>141</b>	<b>(1,357)</b>	<b>3,313</b>	<b>2,097</b>	<b>(272)</b>
<b>Transfers between funds</b>	16	-	-	-	-	-
<b>Other recognised gains / (losses)</b>						
Actuarial (losses) / gains on defined benefit pension schemes	16,25	-	169	-	169	(864)
<b>Net movement in funds</b>		<b>141</b>	<b>(1,188)</b>	<b>3,313</b>	<b>2,266</b>	<b>(1,136)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		281	(2,576)	14,486	12,191	13,327
<b>Total funds carried forward</b>		<b>422</b>	<b>(3,764)</b>	<b>17,799</b>	<b>14,457</b>	<b>12,191</b>

The notes on pages 24 to 44 form part these financial statements.

The Learning Alliance (previously Congleton Multi-Academy Trust)

Balance Sheet as at 31 August 2020

Company Number 07538467

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed Assets</b>					
Intangible Assets	11		1		-
Tangible Assets	12		16,834		14,427
<b>Current assets</b>					
Stock	13	2		12	
Debtors	14	1,404		247	
Cash at bank and in hand	22	1,308		555	
		<u>2,714</u>		<u>814</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	(729)		(474)	
<b>Net current assets / (liabilities)</b>			<u>1,985</u>		<u>340</u>
<b>Total assets less current liabilities</b>			18,820		14,767
Pension scheme liability	25		(4,363)		(2,576)
<b>Net assets including pension liability</b>			<u>14,457</u>		<u>12,191</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Restricted income fund	16	599		-	
- Pension reserve	16	(4,363)		(2,576)	
- Fixed asset fund	16	17,799		14,486	
<b>Total restricted funds</b>			14,035		11,910
<b>Unrestricted income funds</b>					
- General fund	16		422		281
<b>Total unrestricted funds</b>					
<b>Total funds</b>			<u>14,457</u>		<u>12,191</u>

The financial statements on pages 24 to 44 were approved by the trustees, and authorised for issue on 14 December 2020 and are signed on their behalf by:



**D. Wootton**  
Chair of Trustees

The notes on pages 25 to 44 form part these financial statements.



**The Learning Alliance (previously Congleton Multi-Academy Trust)**

**Statement of Cash Flows  
for the Year Ended 31 August 2020**

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	(257)	(140)
<b>Cash flows from investing activities</b>	21	837	63
<b>Transfer into Academy Trust</b>	28	173	-
Change in cash and cash equivalents in the reporting period		<u>753</u>	<u>(77)</u>
Cash and cash equivalents at 1 September		555	632
Cash and cash equivalents at 31 August	22	<u>1,308</u>	<u>555</u>

The notes on pages 24 to 44 form part these financial statements.

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 1 Statement of Accounting Policies

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

##### **Basis of Preparation**

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

##### **Going Concern**

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

##### **Income**

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

##### **Grants**

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

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

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

##### **Donations**

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

##### **Other Income**

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

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 1 Statement of Accounting Policies (continued)

##### 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.

##### 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, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

▪ Freehold buildings	50 years straight line
▪ Freehold land	Not depreciated
▪ Leasehold buildings	50 years straight line
▪ Leasehold land	125 years straight line
▪ Property improvements	20 years straight line
▪ Furniture and equipment	5 years straight line
▪ Computer equipment	3 years straight line
▪ Assets under construction	Not depreciated

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

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 the recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

##### Intangible assets

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

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

▪ Computer software	5 years straight line
---------------------	-----------------------

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 1 Statement of Accounting Policies (continued)

##### 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.

##### 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.

##### Provisions

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

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

##### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

##### Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

##### Stock

Unsold catering and educational materials stocks are valued at the lower of cost or net realisable value.

##### 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.

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 1 Statement of Accounting Policies (continued)

##### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

##### 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 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 Education & Skills Funding Agency and Department for Education.

##### 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.

**1 Statement of Accounting Policies (continued)**

**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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Leasehold land and buildings**

Under 125 year lease:

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 ESFA valuation and a private valuation company. These 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, based on management not being able to reliably measure the open market rate.

**Transfer to the academy trust**

The transfer of an existing academy in to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on transfer from to the academy trust have been valued at their transfer value. The transfer value has been derived based on the value included in the previous academy trust. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

**Leasehold land and buildings**

On the transfer date of 1 November 2019, land and building have been transferred from The Crewe MAT on a 125 year lease with Cheshire East Borough Council. The value is based upon the net book value held in Crewe MAT at 31 October 2019. The school site has been credited as a donation in the Restricted Fixed Asset Fund column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

**Local Government**

The obligation relating to the employees in the LGPS scheme that were transferred as part of the transfer to The Learning Alliance on 1 November 2019. The deficit on the Local Government Pension Scheme has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

**Cash**

Cash balances at 1 November 2019 in respect of the existing academy were transferred to The Learning Alliance. These cash balances have been credited as a donation in the Statement of Financial Activities under the Unrestricted Fund column and included within the cash and bank balances on the balance sheet.

Further details of the transaction are set out in note 28.

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted	Total 2020 £000	Total 2019 £000
			Fixed Asset Funds £000		
Capital grants	-	-	968	968	145
Transfer into Academy Trust	89	(1,549)	2,771	1,311	-
Other donations	4	-	-	4	7
	<u>93</u>	<u>(1,549)</u>	<u>3,739</u>	<u>2,283</u>	<u>152</u>
<b>2019 total</b>	<u>7</u>	<u>-</u>	<u>145</u>	<u>152</u>	

3 Funding for the Academy Trust's educational operations

	Unrestricted	Restricted	Total	Total
	Funds £000	Funds £000	2020 £000	2019 £000
<b>DfE / ESFA grants</b>				
- General Annual Grant (GAG)	-	9,241	9,241	7,004
- Teacher Pay Grant	-	502	502	66
- Other DfE/ESFA grants	-	859	859	263
	<u>-</u>	<u>10,602</u>	<u>10,602</u>	<u>7,333</u>
<b>Other Government grants</b>				
- Local authority grants	-	185	185	87
- Special educational projects	-	312	312	150
	<u>-</u>	<u>497</u>	<u>497</u>	<u>237</u>
<b>Other income from the academy trust's educational operations</b>				
- Catering	-	173	173	256
- Other	-	74	74	220
	<u>-</u>	<u>247</u>	<u>247</u>	<u>476</u>
	<u>-</u>	<u>11,346</u>	<u>11,346</u>	<u>8,046</u>
<b>2019 total</b>	<u>-</u>	<u>8,046</u>	<u>8,046</u>	

4 Other trading activities

	Unrestricted	Restricted	Total	Total
	Funds £000	Funds £000	2020 £000	2019 £000
Hire of facilities	66	-	66	98
Pre school, out of school club and other income	117	-	117	237
Sales income	25	-	25	75
	<u>208</u>	<u>-</u>	<u>208</u>	<u>410</u>
<b>2019 total</b>	<u>410</u>	<u>-</u>	<u>410</u>	

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

5 Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds					
- Allocated support costs	80	79	1	160	167
Academy's educational operations:					
- Direct costs	8,284	376	704	9,364	6,962
- Allocated support costs	1,171	424	621	2,216	1,751
	<u>9,535</u>	<u>879</u>	<u>1,326</u>	<u>11,740</u>	<u>8,880</u>
<b>2019 total</b>	<u>6,884</u>	<u>778</u>	<u>1,218</u>	<u>8,880</u>	

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	38	33
Operating lease sports pitch	70	70
Depreciation and amortisation	426	359
Fees payable to auditor for:		
- audit (external)	<u>14</u>	<u>14</u>

6 Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs - educational operations	9,364	6,962
Support costs - educational operations	<u>2,216</u>	<u>1,751</u>
	<u>11,580</u>	<u>8,713</u>

Analysis of support costs

	Total 2020 £000	Total 2019 £000
<b>Educational Operations</b>		
Support and catering staff costs	1,171	873
LGPS net finance cost	75	43
Premises costs	424	376
Other support and catering costs	523	439
Governance costs	<u>23</u>	<u>20</u>
	<u>2,216</u>	<u>1,751</u>



The Learning Alliance (previously Congleton Multi-Academy Trust)

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

7 Staff

a. Staff costs

Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	6,846	5,259
Social security costs	629	478
Operating costs of defined benefit pension schemes	1,953	1,116
Apprenticeship Levy	13	11
	<u>9,441</u>	<u>6,864</u>
Supply staff costs	94	17
Staff restructuring costs	-	3
	<u>9,535</u>	<u>6,884</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Other restructuring costs	-	3
	<u>-</u>	<u>3</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	109	85
Administration and support	184	141
Management	18	11
	<u>311</u>	<u>237</u>

c. Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme.

d. 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 £613,833 (2019: £467,242)

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 8 Related Party Transactions - Trustees' Remuneration and Expenses

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

The value of trustees' remuneration and benefits was as follow:

		2020	2019
		£000	£000
D Hermitt (CEO and trustee)	Remuneration	115-120	110-115
	Employers' pension contributions paid	25-30	15-20

During the period ended 31 August 2020, travel and subsistence expenses totalling £1,773 were reimbursed or paid directly to three trustees (2019: £1,005 to two trustees).

#### 9 Central Services

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

- Chief Executive Officer;
- Financial services;
- Management information services;
- Payroll services;
- Professional services; and
- Others as arising

The trust charges for these services on the following basis:

5% - 6% of budgeted GAG income.

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
Congleton High School	330	332
The Oaks Academy	100	0
Black Firs Primary School	55	64
Castle Primary School	21	24
	<u>506</u>	<u>420</u>

#### 10 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.

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

11 Intangible Fixed Assets

	Computer Software £000	Total £000
<b>Cost</b>		
At 1 September 2019	-	-
Additions	-	-
Transfer into Academy Trust	2	2
Disposals	-	-
At 31 August 2020	<u>2</u>	<u>2</u>
<b>Amortisation</b>		
At 1 September 2019	-	-
Charged in year	1	1
Disposals	-	-
At 31 August 2020	<u>1</u>	<u>1</u>
<b>Net book values</b>		
At 31 August 2020	<u>1</u>	<u>1</u>
At 1 September 2019	0	0

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Property Improve- ments £000	Assets Under Construction £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>							
At 1 September 2019	12,797	2,728	763	-	496	301	17,085
Additions	-	-	33	48	3	47	131
Transfer into Academy Trust	1,779	-	902	-	20	-	2,701
Disposals	-	-	-	-	-	-	-
At 31 August 2020	<u>14,576</u>	<u>2,728</u>	<u>1,698</u>	<u>48</u>	<u>519</u>	<u>348</u>	<u>19,917</u>
<b>Depreciation</b>							
At 1 September 2019	1,579	249	122	-	454	254	2,658
Charged in year	244	51	82	-	24	24	425
Disposals	-	-	-	-	-	-	-
At 31 August 2020	<u>1,823</u>	<u>300</u>	<u>204</u>	<u>0</u>	<u>478</u>	<u>278</u>	<u>3,083</u>
<b>Net book values</b>							
At 31 August 2020	<u>12,753</u>	<u>2,428</u>	<u>1,494</u>	<u>48</u>	<u>41</u>	<u>70</u>	<u>16,834</u>
At 1 September 2019	11,218	2,479	641	0	42	47	14,427

Included in Freehold Land and Buildings is a value of £1,360,000 (2019 - £1,360,000) for the freehold land at Congleton High School which is not depreciated.

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

13 Stock

	2020	2019
	£000	£000
Catering	2	2
Stationery	0	10
	<u>2</u>	<u>12</u>

14 Debtors

	2020	2019
	£000	£000
Trade debtors	48	12
VAT recoverable	62	33
Other debtors	0	11
Prepayments and accrued income	1,294	191
	<u>1,404</u>	<u>247</u>

15 Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	188	54
Other taxation and social security	152	116
Other creditors	180	122
Accruals and deferred income	209	182
	<u>729</u>	<u>474</u>

Deferred income

	2020	2019
	£000	£000
Deferred income at 1 September	119	222
Release from previous years	(119)	(217)
Resources deferred in the year	82	114
Deferred income at 31 August	<u>82</u>	<u>119</u>

At the balance sheet date the academy trust was holding funds received in advance for UFSM, cashless catering balances, funded nursery hours and future school trip payments.

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

16 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	9,177	(8,578)	-	599
Start Up Grant	-	-	-	-	-
Other DfE/ESFA grants	-	1,361	(1,361)	-	-
Other grants and Catering	-	744	(744)	-	-
Pension reserve	(2,576)	(1,485)	(471)	169	(4,363)
Transfer into Academy Trust (Pension reserve)					0
	<u>(2,576)</u>	<u>9,797</u>	<u>(11,154)</u>	<u>169</u>	<u>(3,764)</u>
<b>Restricted fixed asset funds</b>					
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>0</u>	<u>17,799</u>
<b>Total restricted funds</b>	<u>11,910</u>	<u>13,536</u>	<u>(11,580)</u>	<u>169</u>	<u>14,035</u>
<b>Unrestricted Funds</b>					
General funds	281	301	(160)	-	422
<b>Total unrestricted funds</b>	<u>281</u>	<u>301</u>	<u>(160)</u>	<u>0</u>	<u>422</u>
<b>Total funds</b>	<u>12,191</u>	<u>13,837</u>	<u>(11,740)</u>	<u>169</u>	<u>14,457</u>

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

16 Funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,106	(7,202)	96	-
Start Up Grant	-	-	-	-	-
Other DfE/ESFA grants	-	227	(227)	-	-
Other grants and Catering	-	713	(713)	-	-
Pension reserve	(1,500)	-	(212)	(864)	(2,576)
	<u>(1,500)</u>	<u>8,046</u>	<u>(8,354)</u>	<u>(768)</u>	<u>(2,576)</u>
	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,876	-	(39)	-	1,837
DfE/ESFA capital grants	12,239	145	(290)	-	12,094
Capital expenditure from GAG	585	-	(30)	-	555
	<u>14,700</u>	<u>145</u>	<u>(359)</u>	<u>0</u>	<u>14,486</u>
<b>Total restricted funds</b>	<u>13,200</u>	<u>8,191</u>	<u>(8,713)</u>	<u>(768)</u>	<u>11,910</u>
<b>Total unrestricted funds</b>	<u>127</u>	<u>417</u>	<u>(167)</u>	<u>(96)</u>	<u>281</u>
<b>Total funds</b>	<u>13,327</u>	<u>8,608</u>	<u>(8,880)</u>	<u>(864)</u>	<u>12,191</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's operational activities and development, restricted trip income and other restricted income.

**Pension Reserve**

The pension reserve represents the academy'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, and also the donation of the assets from the local authority on conversion.

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

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Congleton High School	285	34
The Oaks Academy	408	0
Black Firs Primary School	194	165
Castle Primary School	84	81
Central services	50	1
Total before fixed assets and pension reserve	1,021	281
Restricted fixed asset fund	17,799	14,486
Pension reserve	(4,363)	(2,576)
<b>Total</b>	<b>14,457</b>	<b>12,191</b>

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 dep'n) £000	Total 2020 £000	Total 2019 £000
Congleton High School	4,769	606	181	732	6,288	6,088
The Oaks Academy	1,732	235	80	262	2,309	0
Black Firs Primary School	1,159	163	55	184	1,561	1,473
Castle Primary School	406	46	26	69	547	540
Central Services Costs	218	201	46	144	609	420
<b>Academy Trust</b>	<b>8,284</b>	<b>1,251</b>	<b>388</b>	<b>1,391</b>	<b>11,314</b>	<b>8,521</b>

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted		Total Funds £000
		Restricted General Funds £000	Fixed Asset Funds £000	
		Intangible fixed assets		
Tangible fixed assets	-	-	16,834	16,834
Current assets	422	1,328	964	2,714
Current liabilities	-	(729)	-	(729)
Pension scheme liability	-	(4,363)	-	(4,363)
<b>Total net assets</b>	<b>422</b>	<b>(3,764)</b>	<b>17,799</b>	<b>14,457</b>

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted		Total Funds £000
		Restricted General Funds £000	Fixed Asset Funds £000	
		Tangible fixed assets	-	
Current assets	281	474	59	814
Current liabilities	-	(474)	-	(474)
Pension scheme liability	-	(2,576)	-	(2,576)
<b>Total net assets</b>	<b>281</b>	<b>(2,576)</b>	<b>14,486</b>	<b>12,191</b>

18 Capital Commitments

	2020 £000	2019 £000
Purchase of tangible fixed assets	367	0

19 Commitments under operating leases

Operating Leases

At 31 August 2020 the academy trust's future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Amounts due within one year	122	104
Amounts due between one and five years	103	184
Amounts due after five years	0	2
	<b>225</b>	<b>290</b>



The Learning Alliance (previously Congleton Multi-Academy Trust)

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

20 Reconciliation of net income/(expenditure) to net cash flow from Operating Activities

	2020	2019
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	2,097	(272)
Adjusted for:		
Transfer into Academy Trust - Fixed Assets NBV (note 28)	(2,703)	-
Transfer into Academy Trust - Pension Scheme (note 28)	1,485	-
Transfer into Academy Trust - Cash at bank and in hand (note 28)	(173)	-
Depreciation / Amortisation (note 11 and 12)	426	359
Capital grants from DfE and other capital income	(968)	(145)
Defined benefit pension scheme cost less contributions payable (note 25)	396	169
Defined pension benefit scheme finance cost (note 25)	75	43
Decrease in stocks	10	-
Decrease/(Increase) in debtors	(1,157)	6
(Decrease)/Increase in creditors	255	(300)
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(257)</b>	<b>(140)</b>

21 Cash flows from investing activities

	2020	2019
	£000	£000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(131)	(82)
Capital grants from DFE/ESFA	968	145
<b>Net cash provided by / (used in) investing activities</b>	<b>837</b>	<b>63</b>

22 Analysis of cash and cash equivalents

	At 31 August 2020	At 31 August 2019
	£000	£000
Cash in hand and at bank	1,308	555
	<u>1,308</u>	<u>555</u>

23 Net Debt

	At 1 September 2019	Cash Flows £'000	On acquisition £'000	New finance leases £'000	Other non- cash changes £'000	At 31 August 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Cash	555	580	173	-	-	1,308
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
	<u>555</u>	<u>580</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>1,308</u>
Loans falling due within one year	-	-	-	-	-	-
Loans falling due more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
<b>Total</b>	<b>555</b>	<b>580</b>	<b>173</b>	<b>-</b>	<b>-</b>	<b>1,308</b>

## The Learning Alliance (previously Congleton Multi-Academy Trust)

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

#### 24 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.

#### 25 Pension and Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council for Cheshire based academies and Staffordshire County Council for Staffordshire based academies. 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 £175,000 were payable to the schemes at 31 August 2020 (2019: £121,000) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

###### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,109,000 (2019: £583,000).

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#)

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.

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

25 Pension and Similar Obligations (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 2020 was £530,000 (2019: £451,000) of which employer's contributions totalled £427,000 (2019: £367,000) and employees' contributions totalled £103,000 (2019: £84,000). The agreed contribution rates for future years are 18.9 % (CHS,BFP,TOA), 24.2 % (CPS) for employers and between 5.5 % and 12.5 % for employees.

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

Principal Actuarial Assumptions

	CHS		BFPs		CPS		TOA	
	At 31 August 2020	At 31 August 2019	At 31 August 2020	At 31 August 2019	At 31 August 2020	At 31 August 2019	At 31 August 2020	At 31 October 2019
Rate of increase in salaries	2.9%	2.6%	2.9%	2.6%	2.6%	2.8%	3.0%	2.5%
Rate of increase for pensions in payment/inflation	2.2%	2.3%	2.2%	2.3%	2.2%	2.4%	2.3%	2.2%
Discount rate for scheme liabilities	1.7%	1.8%	1.7%	1.9%	1.7%	1.8%	1.7%	2.0%
Inflation assumption (CPI medium weighted average)	2.1%	2.4%	2.1%	2.4%	2.1%	2.4%	2.1%	2.4%
Commutation of pensions to lump sums:								
Pre-April 2008 service	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Post-April 2008 service	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	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:

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.0	22.2
Females	25.0	24.9

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

25 Pension and Similar Obligations (continued)

Sensitivity Analysis	At 31 August 2020 £000	At 31 August 2019 £000
Real discount Rate -0.1%	267	178
Real discount Rate +0.1%	(267)	(178)
Salary Increase Rate +0.1%	17	26
Salary Increase Rate -0.1%	(17)	(26)
Pension Increase Rate +0.1%	247	149
Pension Increase Rate -0.1%	(247)	(149)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	2,923	2,223
Debt instruments	2,608	1,389
Property	640	360
Cash	257	41
<b>Total market value of assets</b>	<b>6,429</b>	<b>4,014</b>

The actual return on scheme assets was £(157k) (2019: £173k)

Amount recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost	(823)	(515)
Past service cost	0	(21)
Net interest cost	(75)	(43)
<b>Total amount recognised in the SoFA</b>	<b>(898)</b>	<b>(579)</b>

The Learning Alliance (previously Congleton Multi-Academy Trust)

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

25 Pension and Similar Obligations (continued)

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

	2020	2019
	£000	£000
<b>At 1 September</b>	6,590	4,845
Transfer into Academy Trust	3,532	-
Total service cost	823	536
Interest cost	186	143
Employee contributions	103	84
Actuarial loss (gain)	(326)	1,037
Benefits paid	(116)	(55)
<b>At 31 August</b>	<u>10,792</u>	<u>6,590</u>

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

	2020	2019
	£000	£000
<b>At 1 September</b>	4,014	3,345
Transferred into Academy Trust	2,047	-
Interest income	111	100
Actuarial (loss) / gain	(157)	173
Employer contributions	427	367
Employee contributions	103	84
Benefits paid	(116)	(55)
<b>At 31 August</b>	<u>6,429</u>	<u>4,014</u>

26 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Mr D Hermitt resigned as a Director of Congleton Multi-Academy Trust on the 31st August 2020.

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

- The trust paid a membership fee totalling £nil (2019: £550) during the period
- The trust received a refund of membership fees in the previous year £nil (2019: £2,750)
- The trust purchased training resources from Chimney House totalling £540 (2019: £240)
- The trust received fees for the placement of trainee teachers totalling £550 (2019: £nil)
- The trust carried out all purchases and sales at arms' length which Mr Hermitt neither participated, nor influenced.
- In entering into the above transactions the trust has complied with the requirements of the Academies Financial Handbook 2019

**The Learning Alliance (previously Congleton Multi-Academy Trust)**

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

**27 Events after the end of the reporting period**

On the 1st September 2020 Congleton Multi Academy Trust merged with Knutsford Multi Academy Trust to form The Learning Alliance.

**28 Transfer in on Academy joining the Academy Trust**

The following assets and liabilities were transferred to the trust from Crewe Multi Academy Trust when the Oaks Academy left on 31 October 2019.

	Value reported by transferring Trust	Fair value adjustment	Transfer in recognised
	£000	£000	£000
<b>Intangible assets</b>	2	-	2
<b>Tangible Fixed Assets</b>			
Freehold Land and Building	1,779	-	1,779
Furniture and Equipment	20	-	20
Property Improvements	902	-	902
<b>Current Assets</b>			
Debtors due within one year	334	-	334
Cash at bank and in hand	173	-	173
<b>Liabilities</b>			
Creditors due within one year	(414)	-	(414)
<b>Pensions</b>			
Pension scheme liability	(1,485)	-	(1,485)
<b>Net Assets transferred</b>	<b>1,311</b>	<b>-</b>	<b>1,311</b>