
LEARN ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LEARN ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Carolyn Lewis D.B.E.
Duncan Pickering
Gillian Weston
Bishop Martyn Snow
Reverend Richard Worsford

Trustees

Barry Hill
Gillian Weston, Chair of Trustees
Peter Rowbotham (resigned 6 September 2019)
Nigel Corcoran
Stefanie Edwards, Chief Executive Officer and Accounting Officer
Karen Cooper
Carolyn Sanders (resigned 26 November 2019)
Jeremy Benson
Sir John Dunford
Natalie Jackson
Bobby Thandi (appointed 1 May 2020)

Company registered number

08095439

Company name

Learn Academies Trust

Principal and registered office

Lubenham All Saints C of E Primary School, School Lane, Lubenham, Market Harborough, Leicestershire, LE16 9TW

Company secretary

Michelle Daniels

Chief executive officer

Stefanie Edwards

**Senior Leadership
Team**

Stefanie Edwards, Chief Executive Officer
Wayne Burbidge, Director of Finance and Operations

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditor

Streets Audit LLP, Chartered Accountants & Statutory Auditor, Tower House, Lucy Tower Street, Lincoln, LN1 1XW

Bankers

Lloyds Bank plc, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, 13 Queen Square, Bath, BA1 2HJ

LEARN ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates Academies for pupils aged 4 – 11 years. It has a pupil capacity of 2,550 and had a roll of 2,329 on 31 August 2020.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Articles of Association are the primary governing documents of the Academy Trust. The Charitable Company is also known as Learn AT.

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

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 Academy Trust has granted an indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £10million and is insured via the Risk Protection Arrangement (RPA) for academy trusts.

Method of Recruitment and Appointment of Trustees

Trustees are recruited by the use of organisations such as Academy Ambassadors, Inspiring Governance, or by using local networks to source potential candidates. The Trustees are appointed by the members. This appointment takes place after meetings with the CEO and Chair of Trustees, panel interviews involving other Trustees and the completion of a recruitment and vetting process.

Policy and Procedures Adopted for the Induction and Training of Trustees

Induction is currently done on an informal basis and tailored to individual needs as only a small number of new Trustees are expected on an annual basis. We are currently working with the Leicestershire Local Authority and the National Governance Association to develop a more formalised induction and training process.

Organisational Structure

Currently three committees have delegated responsibility for different aspects of Learn AT's governance. These are the Finance and Audit Committee and the School Improvement Committee. A Remuneration Committee has been established for determining senior executive salaries and performance criteria. Terms of Reference for the committees are outlined in the Trust's Governance Policy which can be found on the Trust's website. In addition, there is a local governing body at each school which carries out delegated governance on behalf of the Trustee Board.

The Trustee Board approves the budgets within which an Academy operates. Policies, which require significant alteration, amendment or development, are decided or ratified by the Trustee Board. The Trustee Board itself monitors the corporate income and expenditure against the agreed budgets to enable control of finance. They have ensured that systems are in place, including operational procedures in order to minimise risk. The Trustee Board has a direct input in setting the strategic direction of the Academies through the development of the Strategic Plan.

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

Arrangements for setting remuneration of key management personnel

The Trustee Board reviews the CEO's pay on at least an annual basis and the Chair of the Board approves any pay review.

The Trustee Board makes arrangements to review and approve the pay for the Senior Leadership Team on at least an annual basis and in making such determinations they take into account a range of factors including; the nature of the post, the level of qualifications, skills and experience required, market conditions, the wider school context and external activity and achievement against performance targets.

Employment of Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the Trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee Involvement

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Finance and Audit Committee Terms of Reference

- recommend an annual budget and any subsequent changes to the Board
- review the effectiveness and implementation of financial management systems and processes by the Trust and its schools
- keep under review the Trust's relationship with the ESFA and its compliance with financial management requirements
- monitor the financial position of the Trust and plans for future years
- support and advise on significant expenditure decisions
- oversee internal audit arrangements and the implementation of recommendations from audits
- review all financial and pay policies, including teacher pensions and insurance, and how they are implemented
- review risk management and wider internal control systems and their application, and regularly review key risks
- monitor the financial management arrangements put in place by local governing bodies
- oversee the production of annual accounts and advise the Board on their sign-off

Trade Union Facility Time

Information, as it applies to the Academy Trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1 April 2019 to 31 March 2020 (the relevant period).

The Trust had no employees who were relevant union officials during the period.

Related Parties and Other Connected Charities and Organisations

The Trust has no related parties or other Connected Charities and Organisations.

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

Objects and Aims

The principal activities of the Trust, as set out in its articles of association and funding agreement with the Secretary of State are;

- to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum, recognising and supporting their individual ethos. This will include both Church of England schools, which shall be conducted in accordance with the principles, practices and tenets of the Church of England, and schools without a designated religious character.
- To promote for the benefit of the inhabitants of areas in which the Trust's Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Vision and Values

Our vision is of a Trust which remains true to its founding core purpose – learning, and its founding core value, fellowship. We are working together to build a flourishing, hospitable and inclusive organisation, in which Church of England and Community academies work together in the service of local children and families. One for all and all for one.

We are building a collaborative, Trust-wide culture underpinned by a shared commitment to wisdom, professional openness to deep learning and research engagement, generosity of spirit, industry, integrity and kindness. Learning is the core purpose of this Trust – the main thing. Our leaders work hard to keep the main thing, the main thing and do the right thing, the right way.

School-led

Through collaboration and by nurturing leaders at all levels of the organisation, we develop professional expertise, leadership and talent from within the Trust, contributing to robust systems of career development, school improvement, school-to-school support and review.

Our thriving and innovative professional learning community uses Research Lesson Study, coaching, joint professional development events, specialist networks, teacher research groups, external partnerships and membership of professional organisations to secure inspirational learning for every child.

Human Flourishing

Learn AT prioritises the development of systems, structures and cultures which ensure that both adults and pupils thrive. Flourishing adults - staff, Trustees and parents – are essential to make sure our pupils flourish too.

The main activities for achieving the Trust objectives will be;

- Implementation of the Learn AT School Improvement model.
- Embedding of the Learn AT Assessment Framework.
- Development of a knowledge-rich curriculum.
- Development of Trust-wide systems for sharing good practice and resources.
- Build financially sustainable, robust and efficient operations and IT.
- Improve the effectiveness and authenticity of our governance framework.

Public Benefit

The Trustees have reviewed the objectives and activities of the Trust as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

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

Strategic Report

Trust Performance and Achievements

Established on 1 September 2016 the trust started to operate as a Multi Academy Trust (MAT), comprising seven academies in the south Leicestershire area. During the 2017/18 year 3 schools joined the Trust.

During the 2018/19 academic year, work was completed on integrating these schools into the Trust. In addition, the Trust has continued to develop systems, personnel and procedures that are appropriate for managing and developing a sustainable MAT.

On the 1 September 2020 South Kilworth C of E Primary School transferred to Learn Academies Trust from RISE Multi Academy Trust (formerly the Diocese of Leicester Trust). The school is situated in the South Leicestershire area, with a capacity of 105 pupils and 73 pupils currently attending.

Significant achievements are as follows:

- The development of coherent and rigorous knowledge-rich curriculum plans to support the provision of excellence in education for all our pupils;
- A highly successful series of curriculum design seminar, led by Learn-AT Teaching School and attended by colleagues from across the country;
- The designation of four Learn-AT teachers as Evidence Leads in Education, working with colleagues in Leicestershire, Leicester city, Rutland and Northamptonshire on behalf of the Learn-AT Associate Research School;
- A successful application for funding for trust development to the Trust Capacity Fund;
- Over £0.5 million in CIF funding was spent during the financial year to improve school buildings and grounds. In addition, another £1m in CIF funding was approved during summer 2020 for projects to be carried out during the next 12 months;
- Implementation of a new Trust-wide financial forecasting software, significantly enhancing the quality and efficiency of our financial forecasting processes;
- Further development and enhancements to our IT infrastructure and Microsoft Teams platform, allowing us to more easily support our staff and pupils with remote working and collaboration.

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

School performance and Key Performance Indicators

	Absence (latest published data)		Year 1	Key Stage 1	Key Stage 2	Date of last full inspection	Ofsted Overall Effectiveness Rating	Ofsted COVID Visit
	2016/17)	EYFS	Phonics	(English/Maths Combined)	(English/Maths Combined)			
	%	%	%	%	%			
National								
Blaby Stokes CE Primary School						14/03/2017	4 - Inadequate	
Church Langton CE Primary School						12/07/2017	2 - Good	
Great Bowden Academy						11/09/2014	1 - Outstanding	06/03/2020
Husbands Bosworth CE Primary School						09/07/2019	2 - Good	
Lubenham All Saints CE Primary School						23/01/2018	2 - Good	
Market Harborough CE Academy						02/07/2019	2 - Good	
Meadowdale Primary School						01/10/2014	2 - Good	
Red Hill Field Primary School						17/11/2016	2 - Good	
Ridgeway Primary Academy						26/05/2016	2 - Good	
St Andrews CE (Aided) Primary School						07/03/2019	2 - Good	

Notes

The Coronavirus crisis caused significant disruption to school improvement plans during 2020/21. Learn-AT schools developed an emergency model of remote learning to maintain continuity of education for pupils throughout the lockdown period and during partial expansion of school attendance in the summer term. Suspension of national assessments meant there were no formal achievement outcomes to report this year.

The Trust had one SIAMS inspection visit during

Great Bowden 6th March 2020.

The school was judged to be 'Excellent' under the new SIAMS framework. Key findings included:

- This is an excellent Church academy which lives and breathes its Christian vision, deeply rooted in biblical teaching. Each individual is affirmed as unique and cherished. The vision has a profound impact and enables pupils and adults to grow and learn together.
- Highly effective leaders, well-supported by dedicated staff and governors, means the school is outward facing, and serves the common good. With national 'teaching school' status, it is a beacon of good practice and works with other schools, with the trust and with the Diocese.

Going Concern

After making appropriate enquiries, the Trustee Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This conclusion is based on the annual budget planning exercise conducted in summer 2020, which concluded the the Trust was able to manage its financial resources for the medium term, taking account of uncertainties around the Covid-19 situation and government challenges around uncertainty. For these reasons 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 Accounting Policies note of the financial statements.

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

Financial Review

Most of the Trust's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of the General Annual Grant ("GAG" Funding) the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also received grants for fixed assets (CIF) from the ESFA amounting to £1.1m. The more significant expenditures of these funds were the following capital projects:

- Fire risk assessment upgrade works at Market Harborough, Blaby Stokes, Ridgeway and Red Hill Field (£514,000);
- Replacement of mobile classroom at Church Langton (£217,000);
- Replacement boiler at Blaby Stokes (£100,000);
- Upgrades to heating systems at Market Harborough C of E and St Andrews C of E (North Kilworth) (£150,000).

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem.

The GAG funding is received on a monthly basis. This is taken into account when considering strategies for funding projects within the school.

Overall, the Trust's income exceeded expenditure by £3,000, after pension adjustments of £693,000.

Reserves policy

The Trustees review the reserve levels of the Trust on an annual basis, or more frequently if deemed necessary. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It is considered that the appropriate level of free cash reserves should be approximately 5% of annual GAG. This financial year reserves have fallen below that and are at 4.3% of GAG. The Trust is budgeting for a rebuilding of reserves to the target amount within the next 2-3 years, mainly from surpluses from those schools that are currently working below the target level reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cash buffer to deal with any unexpected emergencies such as urgent maintenance or other unexpected cash flow shortages.

Total reserves as at 31 August 2020 amount to £6,156,000. Of this £376,000 are restricted, £12,303,000 relate to restricted fixed asset reserves, and the deficit on LGPS reserves of £6,523,000.

Of the restricted fixed asset reserves, £11,210,000 can only be realised through the disposal of fixed assets. The remaining £1,093,000 represents unspent capital grants.

Investment Policy

If the level of free cash reserves held by the Trust exceeds that which is necessary to service its ongoing working capital needs, the Trustees, with reference to the short and longer-term forecasts will consider a low risk investment of any excess funds to maximise the return on any such surplus funds.

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

Principal risks and uncertainties

The Trust is reviewing and updating the Risk Register regularly. The risks are categorised into various headings to permit us to analyse in detail specific risks. The more significant risks are summarised below:

1. Potential capacity risk: This risk exists in some schools in the Market Harborough area as a result of the anticipated housing developments over the course of the next few years. We are working with the Local Authority on coordinated plans for capacity increases.
2. School performance risks arising from the continued financial pressure leading to impacts on staffing levels, resources and pupil/teacher ratios and potential impacts on school performance. We are collaborating across the Trust to find innovative ways to assure high quality delivery of education, supported by rigorous and continuous evaluation our performance at each Academy.
3. Competition risk: We have identified that we need to remain focused on our reputation within our local communities to grow the number of schools within the Trust and, within existing Academies, sustain intake, maintain pupil numbers and ensure future children see the Academies as excellent learning environments.

Fundraising

The Trust does not undertake any fundraising other than the receipt of contributions towards educational activities from the PTA. All fundraising events conform to recognised standards.

Plans for Future Periods

The Trust continues to develop and implement a solid base of systems, people and process for the successful and effective future operation of the Trust and the Academies. In addition, in line with the Trust's strategic plan, we will explore opportunities to add to our expertise and school improvement capacity by taking on additional schools where there is an assured mutual benefit.

Academic development will now focus mainly on building a school-led trust, in which adults thrive and every child flourishes. Next year the main focus of collaborative work is the development of a Trust framework for a rich, rounded and rigorous curriculum, which includes a strong emphasis on knowledge and oracy. High quality and research-informed continuing professional learning for our staff, aims to secure high standards and excellent learning for our pupils.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others for the period.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

Gillian Weston
Chair of Trustees

Stefanie Edwards
CEO and Accounting Officer

LEARN ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Learn Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year. In addition to 3 Board meetings per year, the Finance and Audit Committee meets 6 times per year to ensure effective oversight of Trust funds.

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

Trustee	Meetings attended	Out of a possible
Barry Hill	5	7
Gillian Weston, Chair of Trustees	7	7
Peter Rowbotham	0	0
Nigel Corcoran	7	7
Stefanie Edwards, Chief Executive Officer and Accounting Officer	7	7
Karen Cooper	7	7
Carolyn Sanders	0	1
Jeremy Benson, Vice Chair of Trustees	7	7
Sir John Dunford	6	7
Natalie Jackson	7	7
Bobby Thandi	4	4

During the year the Trust reviewed the skills base of the board and members and were able to make additional appointments to bring additional property and estates expertise into the board of Trustees.

Monitoring of Trust funds is delegated to the Finance and Audit Committee which meets six times per year and, this activity, together with the 3 board of Trustee meetings per year, ensures effective oversight of Trust funds.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to support the Accounting Officer in her day-to-day running of the financial affairs of the Academy and to oversee its systems of internal control.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Benson, Vice Chair of Trustees, Chair of Finance and Audit Committee	6	6
Karen Cooper	4	6
Stefanie Edwards	6	6
Wayne Burbidge, Director of Finance and operations	6	6
Peter Rowbotham	0	0
Nigel Corcoran	6	6
Bobby Thandi	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The School Improvement Committee is also a sub-committee of the main Board of Trustees. Its purpose is to monitor and maintain school standards.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Sir John Dunford, Chair of School Improvement Committee	4	4
Gillian Weston	4	4
Natalie Jackson	3	4
Stefanie Edwards	4	4
Carolyn Sanders	1	2

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by improving systems in line with auditor reports to develop an efficient and robust financial framework for the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learn Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented systems to assess risks that the Trust faces, especially in the operational areas and in relation to the control of finances to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trustees are confident that the Trust has an effective system of internal financial controls and this is explained in more detail in a separate section.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/bank reconciliations.
- Review of risk management.

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

We confirm that the Internal Audit function has been delivered by Leicestershire County Council Internal Audit department in line with the requirements of the Financial Handbook. The audit was not able to be completed during the financial year due to the Covid crisis however it was completed shortly after the year end. In addition, there is a plan to perform some internal audit reviews of individual schools internally using central finance personnel. These reviews will commence after the Internal Audit visit is complete.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 10 December 2020 and signed on their behalf by:

Gillian Weston
Chair of Trustees

Stefanie Edwards
CEO and Accounting Officer

LEARN ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

Stefanie Edwards
CEO and Accounting Officer
Date: 10 December 2020

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on its behalf by:

Gillian Weston
Chair of Trustees

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN
ACADEMIES TRUST (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.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

21 December 2020

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 13 July 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 Learn Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Learn Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Learn Academies Trust's funding agreement with the Secretary of State for Education dated 29 June 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

- A review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- A detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Academy finance policy; and
- A review of the Internal Audit reports.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson (Senior statutory auditor)
Streets Audit LLP

Date: 21 December 2020

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:					
Donations and capital grants:					
Other donations and capital grants	142	-	1,422	1,564	712
Charitable activities	287	10,439	-	10,726	10,350
Other trading activities	408	-	-	408	434
Investments	1	-	-	1	1
	838	10,439	1,422	12,699	11,497
Expenditure on:					
Charitable activities	838	11,552	306	12,696	11,942
	838	11,552	306	12,696	11,942
Net (expenditure)/income	-	(1,113)	1,116	3	(445)
Transfers between funds	-	317	(317)	-	-
Net movement in funds before other recognised gains/(losses)	-	(796)	799	3	(445)
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	-	(453)	-	(453)	(1,513)
Net movement in funds	-	(1,249)	799	(450)	(1,958)

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Reconciliation of funds:					
Total funds brought forward	-	(4,898)	11,504	6,606	8,564
Net movement in funds	-	(1,249)	799	(450)	(1,958)
Total funds carried forward	-	(6,147)	12,303	6,156	6,606

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 59 form part of these financial statements.

LEARN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08095439

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	11,210	11,159
		<u>11,210</u>	<u>11,159</u>
Current assets			
Debtors	15	1,453	477
Cash at bank and in hand		1,182	1,439
		<u>2,635</u>	<u>1,916</u>
Creditors: amounts falling due within one year	16	(1,166)	(1,092)
Net current assets		<u>1,469</u>	<u>824</u>
Total assets less current liabilities		<u>12,679</u>	<u>11,983</u>
Net assets excluding pension liability		<u>12,679</u>	<u>11,983</u>
Defined benefit pension scheme liability	24	(6,523)	(5,377)
Total net assets		<u><u>6,156</u></u>	<u><u>6,606</u></u>

LEARN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08095439

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	12,303	11,504
Restricted income funds	17	376	479
		<u>12,679</u>	<u>11,983</u>
Restricted funds excluding pension asset	17	12,679	11,983
Pension reserve	17	(6,523)	(5,377)
		<u>6,156</u>	<u>6,606</u>
Total restricted funds	17	6,156	6,606
Unrestricted income funds	17	<u>-</u>	<u>-</u>
Total funds		<u>6,156</u>	<u>6,606</u>

The financial statements on pages 23 to 59 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:

Gillian Weston
Chair of Trustees

The notes on pages 28 to 59 form part of these financial statements.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	<i>2019</i> <i>£000</i>
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(43)	<i>81</i>
Cash flows from investing activities	20	(214)	<i>236</i>
Change in cash and cash equivalents in the year		(257)	<i>317</i>
Cash and cash equivalents at the beginning of the year		1,439	<i>1,122</i>
Cash and cash equivalents at the end of the year	21, 22	1,182	<i>1,439</i>

The notes on pages 28 to 59 form part of these financial statements

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Learn Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

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

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

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

- **Other income**

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £750 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Plant and machinery	- 20% straight line
Furniture and fixtures	- 10% straight line
Computer equipment	- 33% straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

Liabilities are provisions 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 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 16. 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.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations	-	-	-
Capital Grants	-	1,422	1,422
Donations	142	-	142
	<u>142</u>	<u>1,422</u>	<u>1,564</u>
	<u><u>142</u></u>	<u><u>1,422</u></u>	<u><u>1,564</u></u>
		<i>Restricted</i>	
	<i>Unrestricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Donations	-	-	-
Capital Grants	-	638	638
Grants	74	-	74
	<u>74</u>	<u>638</u>	<u>712</u>
	<u><u>74</u></u>	<u><u>638</u></u>	<u><u>712</u></u>

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant	-	8,663	8,663
Pupil premium	-	338	338
Other ESFA/DfE/Start-up grant income	-	1,007	1,007
	-	10,008	10,008
Other government grants			
Local Authority SEN funding	-	297	297
Other Local Authority revenue grants	-	45	45
Coronavirus Job Retention Scheme grant	-	62	62
	-	404	404
Other funding			
Trips and parental contributions	148	-	148
Other income	-	27	27
Catering income	139	-	139
	287	27	314
	287	10,439	10,726

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

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

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant	-	8,618	8,618
Pupil premium	-	326	326
Other ESFA/DfE/Start-up grant income	-	738	738
	-	9,682	9,682
Other government grants			
Local Authority SEN funding	-	226	226
Other Local Authority revenue grants	-	51	51
	-	277	277
Other funding			
Trips and parental contributions	169	-	169
Other income	-	48	48
Catering income	174	-	174
	343	48	391
	343	10,007	10,350

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	54	54
Insurance claims	81	81
Other income	273	273
	408	408
	408	408

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Hire of facilities	71	71
Insurance claims	47	47
Other income	316	316
	434	434
	434	434

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000
Bank interest receivable	1	1
	1	1

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Bank interest receivable	1	1
	1	1

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

7. Expenditure

	Staff Costs	Premises	Other	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
Educational operations:				
Direct costs	7,633	-	1,699	9,332
Support costs	1,643	919	802	3,364
	<u>9,276</u>	<u>919</u>	<u>2,501</u>	<u>12,696</u>
	<i>Staff Costs</i>	<i>Premises</i>	<i>Other</i>	<i>Total</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Educational operations:				
Direct costs	7,692	-	1,245	8,937
Support costs	1,675	480	850	3,005
	<u>1,675</u>	<u>480</u>	<u>850</u>	<u>3,005</u>

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000
Educational operations	9,332	3,364	12,696

	<i>Activities undertaken directly 2019 £000</i>	<i>Support costs 2019 £000</i>	<i>Total funds 2019 £000</i>
Educational operations	8,937	3,005	11,942

Analysis of direct costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Pension cost	102	96
Staff costs	8,224	7,692
Depreciation	306	296
Educational supplies	173	208
Staff development	37	72
Other direct costs	202	222
Educational consultancy	178	287
Insurance	110	64
	9,332	<i>8,937</i>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	1,643	1,675
Rent and rates	75	75
Energy costs	122	122
Insurance	43	47
Other support costs	245	267
Bank charges and interest	4	5
Travel and subsistence	5	8
Maintenance of premises and equipment	604	175
Cleaning	119	108
Catering costs	337	312
Internal audit and other accountancy	6	23
Auditors remuneration	16	18
Professional services	145	170
	<u>3,364</u>	<u>3,005</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £000	<i>2019 £000</i>
Operating lease rentals	13	14
Depreciation of tangible fixed assets	306	296
Fees paid to auditor for:		
- audit	16	18
- other services	5	7
	<u>330</u>	<u>335</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	7,073	<i>6,996</i>
Social security costs	562	<i>556</i>
Pension costs	2,232	<i>1,815</i>
	9,867	<i>9,367</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	-	<i>39</i>
Severance payments	3	<i>12</i>
	3	<i>51</i>

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

All payments made during the year were contractual.

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	155	<i>154</i>
Administration and support	231	<i>243</i>
Management	4	<i>4</i>
	390	<i>401</i>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>4</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £80,001 - £90,000	1	<i>-</i>
	=====	=====

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £165,000 (*2019 £147,000*).

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

11. Central services

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

- Senior Leadership Team
- Teaching and Learning Support
- Human Resources Services
- Central Finance
- IT Services
- Legal and Professional including external and internal audit
- Publicity

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

Each school contributes 5% of GAG to cover the following central services.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Great Bowden Academy	28	<i>28</i>
Husbands Bosworth C of E Primary School	22	<i>21</i>
Lubenham All Saints Primary School	19	<i>18</i>
Market Harborough C of E Primary Academy	68	<i>68</i>
Meadowdale Primary School	68	<i>94</i>
Ridgeway Primary Academy	49	<i>51</i>
St Andrews C of E Primary School	16	<i>19</i>
Church Langton C of E Primary School	38	<i>37</i>
Blaby Stokes C of E Primary School	70	<i>72</i>
Red Hill Field Primary School	53	<i>50</i>
Total	431	<i>458</i>

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

12. 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 other benefits was as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
Stefanie Edwards	Remuneration	80 - 85	<i>75 - 80</i>
	Pension contributions paid	15 - 20	<i>10 - 15</i>
Kerry Rodger	Remuneration		<i>5 - 10</i>
	Pension contributions paid		<i>0 - 5</i>
Emmaline Tayler	Remuneration		<i>40 - 45</i>
	Pension contributions paid		<i>5 - 10</i>

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

13. Trustees' and Officers' insurance

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

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

14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	11,653	606	150	267	12,676
Additions	261	18	-	78	357
At 31 August 2020	<u>11,914</u>	<u>624</u>	<u>150</u>	<u>345</u>	<u>13,033</u>
Depreciation					
At 1 September 2019	1,037	175	117	188	1,517
Charge for the year	178	62	16	50	306
At 31 August 2020	<u>1,215</u>	<u>237</u>	<u>133</u>	<u>238</u>	<u>1,823</u>
Net book value					
At 31 August 2020	<u><u>10,699</u></u>	<u><u>387</u></u>	<u><u>17</u></u>	<u><u>107</u></u>	<u><u>11,210</u></u>
At 31 August 2019	<u><u>10,616</u></u>	<u><u>431</u></u>	<u><u>33</u></u>	<u><u>79</u></u>	<u><u>11,159</u></u>

Leasehold land and property relates to 125 year leases from Leicestershire County Council and has been included based on ESFA valuations obtained at conversion. The remaining property is owned by the local diocese which has granted occupation through a supplemental agreement. No value has been recognised in the financial statements.

15. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	28	44
VAT recoverable	91	53
Prepayments and accrued income	1,334	380
	<u>1,453</u>	<u>477</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	362	<i>136</i>
Other taxation and social security	306	<i>130</i>
Other creditors	3	<i>158</i>
Accruals and deferred income	495	<i>668</i>
	1,166	<i>1,092</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	490	<i>438</i>
Resources deferred during the year	265	<i>490</i>
Amounts released from previous periods	(490)	<i>(438)</i>
	265	<i>490</i>

At the balance sheet date the Trust was holding funds received in advance for dinner money, trips, free school meals, money to provide facilities for the provision of free school meals and rates reimbursement in relation to 2020/21.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	-	838	(838)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	425	8,663	(9,087)	317	-	318
Pupil Premium	54	338	(334)	-	-	58
Other ESFA/DfE grants	-	1,007	(1,007)	-	-	-
Other local authority revenue grants	-	342	(342)	-	-	-
Other income	-	27	(27)	-	-	-
Other Government grants	-	62	(62)	-	-	-
LGPS Define Benefit Pension Scheme	(5,377)	-	(693)	-	(453)	(6,523)
	<u>(4,898)</u>	<u>10,439</u>	<u>(11,552)</u>	<u>317</u>	<u>(453)</u>	<u>(6,147)</u>
Restricted fixed asset funds						
NBV of Fixed Assets	11,159	-	(306)	357	-	11,210
Unspent Capital Grants	345	1,422	-	(674)	-	1,093
	<u>11,504</u>	<u>1,422</u>	<u>(306)</u>	<u>(317)</u>	<u>-</u>	<u>12,303</u>
Total Restricted funds	<u>6,606</u>	<u>11,861</u>	<u>(11,858)</u>	<u>-</u>	<u>(453)</u>	<u>6,156</u>
Total funds	<u><u>6,606</u></u>	<u><u>12,699</u></u>	<u><u>(12,696)</u></u>	<u><u>-</u></u>	<u><u>(453)</u></u>	<u><u>6,156</u></u>

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

17. Statement of funds (continued)

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

Unrestricted funds

General Funds represent those resources which may be used towards meeting any of the objectives of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

General Annual Grant

Funds from the Education & Skills Funding Agency for the provision of education, in line with the funding agreement. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Transfers have been made for maintenance works financed out of capital grants.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the trust's educational operations.

Pupil Premium

Additional funds from the Education & Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education & Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other local authority revenue grants

Other local authority revenue grants represents funding received from other Government sources to be spent for specific purposes.

Other income

These consist of income from all other sources to be used primarily for the Trust's educational operations.

LGPS Defined Benefit Pension Scheme

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted Fixed Asset

The balance represents the net book value of fixed assets acquired by the different sources of funding received by the Trust.

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

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Great Bowden Academy	(9)	<i>25</i>
Husbands Bosworth C of E Primary School	78	<i>108</i>
Lubenham All Saint Primary School	46	<i>37</i>
Market Harborough C of E Primary Academy	18	<i>(15)</i>
Meadowdale Primary School	88	<i>59</i>
Ridgeway Primary Academy	(25)	<i>3</i>
St Andrews C of E Primary School	15	<i>44</i>
Trust	(57)	<i>(31)</i>
Church Langton C of E Primary School	69	<i>63</i>
Blaby Stokes C of E Primary School	115	<i>149</i>
Red Hill Field Primary School	21	<i>14</i>
Teaching School	17	<i>23</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	376	<i>479</i>
Restricted fixed asset fund	12,303	<i>11,504</i>
Pension reserve	(6,523)	<i>(5,377)</i>
	<hr/>	<hr/>
Total	6,156	<i>6,606</i>
	<hr/> <hr/>	<hr/> <hr/>

Great Bowden moved into deficit during the financial year. For 20/21 classes have been restructured and staff numbers will be reduced accordingly in order to return the school to a positive reserve situation and eliminate ongoing in-year deficits. Similarly, Ridgeway has been experiencing reduced pupil numbers and has restructured classes going forward in order to return the school to a positive reserve situation and eliminate ongoing in-year deficits. In addition, additional resources are being dedicated to promoting the school more widely in the area and increase pupil numbers over the long term in order to increase school funding levels long term. £9k of the trust deficit this year arises from a deficit on the absence self-insurance scheme that was introduced at the beginning of the financial year. There were an exceptional number of long term absences during the first part of the winter. This is expected to return to positive during the next financial year. The remainder of the deficit arose from slower than expected cost savings and lower income due to delays in new schools joining the trust. As a result of the uncertain growth picture evolving, the trust is now setting a cost structure to match guaranteed GAG income and will therefore be in a better position to prevent further deficits and, rebuild reserve in the future.

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

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
Great Bowden Academy	531	79	12	160	782
Husbands Bosworth C of E Primary School	432	45	14	136	627
Lubenham All Saint Primary School	341	108	8	133	590
Market Harborough C of E Primary Academy	1,203	308	16	187	1,714
Meadowdale Primary School	1,230	218	23	205	1,676
Ridgeway Primary Academy	958	158	18	248	1,382
St Andrews C of E Primary School	315	79	7	109	510
Trust	184	220	3	128	535
Church Langton C of E Primary School	708	94	18	189	1,009
Blaby Stokes C of E Primary School	1,257	204	32	406	1,899
Red Hill Field Primary School	1,042	107	19	291	1,459
Teaching School	128	22	3	54	207
Academy trust	8,329	1,642	173	2,246	12,390

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2019 £000</i>
Great Bowden Academy	500	85	10	137	732
Husbands Bosworth C of E Primary School	370	41	7	97	515
Lubenham All Saint Primary School	317	91	6	93	507
Market Harborough C of E Primary Academy	1,159	332	40	236	1,767
Meadowdale Primary School	1,116	240	28	208	1,592
Ridgeway Primary Academy	869	205	17	179	1,270
St Andrews C of E Primary School	356	78	6	84	524
Trust	161	196	11	176	544
Church Langton C of E Primary School	644	108	19	189	960
Blaby Stokes C of E Primary School	1,231	184	36	284	1,735
Red Hill Field Primary School	951	105	26	272	1,354
Teaching School	114	10	2	20	146
Academy trust	<u>7,788</u>	<u>1,675</u>	<u>208</u>	<u>1,975</u>	<u>11,646</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General Funds	-	852	(852)	-	-	-
Restricted general funds						
General Annual Grant (GAG)	586	8,618	(8,764)	(15)	-	425
Pupil Premium	58	326	(330)	-	-	54
Other ESFA/DfE grants	-	738	(738)	-	-	-
Other local authority revenue grants	-	277	(277)	-	-	-
Other income	-	95	(95)	-	-	-
LGPS Define Benefit Pension Scheme	(3,245)	(47)	(572)	-	(1,513)	(5,377)
	(2,601)	10,007	(10,776)	(15)	(1,513)	(4,898)
Restricted fixed asset funds						
NBV of Fixed Assets	11,165	-	(296)	290	-	11,159
Unspent Capital Grants	-	638	(18)	(275)	-	345
	11,165	638	(314)	15	-	11,504
Total Restricted funds	8,564	10,645	(11,090)	-	(1,513)	6,606
Total funds	8,564	11,497	(11,942)	-	(1,513)	6,606

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	11,210	11,210
Current assets	1,542	1,093	2,635
Creditors due within one year	(1,166)	-	(1,166)
Provisions for liabilities and charges	(6,523)	-	(6,523)
Total	(6,147)	12,303	6,156

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	11,159	<i>11,159</i>
Current assets	1,571	345	<i>1,916</i>
Creditors due within one year	(1,092)	-	<i>(1,092)</i>
Provisions for liabilities and charges	(5,377)	-	<i>(5,377)</i>
Total	(4,898)	11,504	6,606

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NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income/(expenditure) for the period (as per Statement of financial activities)	3	<i>(445)</i>
Adjustments for:		
Depreciation	306	<i>297</i>
Interest receivable	(1)	<i>(1)</i>
Increase in debtors	(976)	<i>(263)</i>
Decrease in creditors	(68)	<i>(126)</i>
Pension adjustment	693	<i>619</i>
Net cash (used in)/provided by operating activities	(43)	<i>81</i>

20. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	1	<i>1</i>
Purchase of tangible fixed assets	(357)	<i>(290)</i>
Capital grants from DfE Group	142	<i>525</i>
Net cash (used in)/provided by investing activities	(214)	<i>236</i>

21. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	1,182	<i>1,439</i>
Total cash and cash equivalents	1,182	<i>1,439</i>

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

22. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	1,439	(257)	1,182
	<u>1,439</u>	<u>(257)</u>	<u>1,182</u>

23. Contingent liabilities

In the event of Learn Academies Trust ceasing to operate as a Trust, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Trust.

24. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. 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 £176,000 were payable to the schemes at 31 August 2020 (2019 - £155,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,003,000 (2019 - £702,000).

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

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

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 £757,000 (2019 - £734,000), of which employer's contributions totalled £615,000 (2019 - £591,000) and employees' contributions totalled £ 142,000 (2019 - £143,000). The agreed contribution rates for future years are 18.2 per cent for employers and 12.5 per cent for employees.

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

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

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

Sensitivity analysis

	2020	<i>2019</i>
	£000	£000
Discount rate -0.5%	1,651	1,498
Increase in the Salary Increase Rate +0.5%	127	215
Increase in the Pension Increase Rate +0.5%	1,498	1,251

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

	2020	<i>2019</i>
	£000	£000
Equities	3,971	3,602
Corporate bonds	1,952	1,926
Property	538	497
Cash and other liquid assets	269	186
Total market value of assets	6,730	6,211

The actual return on scheme assets was (£157,000) (2019 - £356,000).

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

The amounts recognised in the Statement of financial activities are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(1,206)	(954)
Past service cost	-	(160)
Interest income	118	154
Interest cost	(220)	(250)
Total amount recognised in the Statement of financial activities	(1,308)	<i>(1,210)</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	11,588	<i>8,394</i>
Current service cost	1,206	954
Interest cost	220	250
Employee contributions	142	143
Actuarial losses	178	1,715
Benefits paid	(81)	(28)
Past service costs	-	160
At 31 August	13,253	<i>11,588</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	6,211	<i>5,149</i>
Interest income	118	154
Actuarial (losses)/gains	(275)	202
Employer contributions	615	591
Employee contributions	142	143
Benefits paid	(81)	(28)
At 31 August	6,730	<i>6,211</i>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Operating lease commitments

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Not later than 1 year	9	<i>13</i>
Later than 1 year and not later than 5 years	6	<i>12</i>
	<hr/> 15 <hr/>	<hr/> <i>25</i> <hr/>

26. 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.

27. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees remuneration and expenses already disclosed in note 12.

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

28. Teaching school trading account

	2020	2020	<i>2019</i>	<i>2019</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Income				
Grant, Membership and Activities	143		117	
Total income		143		<i>117</i>
Expenditure				
Direct staff costs	71		62	
Other direct costs	2		6	
Total direct expenditure	<u>73</u>		<u>68</u>	
Other staff costs	22		10	
Other support costs	54		16	
Total other expenditure	<u>76</u>		<u>26</u>	
Total expenditure		149		<i>94</i>
(Deficit)/surplus from all sources		(6)		<i>23</i>
Teaching school balances at 1 September 2019		23		<i>-</i>
Teaching school balances at 31 August 2020		<u>17</u>		<i><u>23</u></i>