

Southport
Learning
Trust



Southport Learning Trust

A Company limited by guarantee
Registration number: 07790934

Annual Report and Financial Statements For the year ended 31 August 2020

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COMPANIES HOUSE



Greenbank
High School



Kew Woods
Primary School



Stanley High
School



SOUTHPORT LEARNING TRUST

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SOUTHPORT LEARNING TRUST

Reference and Administrative details

Members

Ms Kate Webb
Dr Richard Hadji
Mrs Michelle Dow

Trustees

Mr Ian Raikes (Accounting Officer)
Mr Stuart Bellerby (Vice Chair)
Mrs Claire Buck
Mr Craig Clifford
Mr Richard Cottier
Dr Richard Hadji (Chair of Trustees)
Mrs Sarah Jackson
Mr Mark Melia
Mr Philip Power
Mrs Cathy Rae
Mrs Anna Smith
Ms Ruth Williams

Senior Management Team

Mr Ian Raikes (Headteacher of Greenbank High School,
Executive Headteacher and Chief Executive Officer of Southport
Learning Trust)
Mr Neil Moore (Headteacher of Stanley High School)
Mrs Anna Smith (Executive Director)
Ms Christina Jackson (Headteacher of Kew Woods Primary School)

Company name

Southport Learning Trust

Registered office

Fleetwood Road
Southport
PR9 9TF

Company registration number

07790934 (England and Wales)

Academies operated

Greenbank High School
Stanley High School
Kew Woods Primary School

Location

Southport
Southport
Southport

Headteacher

Mr Ian Raikes
Mr Neil Moore
Ms Christina Jackson

Independent auditor

MJH Accountants Limited
129 Woodplumpton Road
Preston
Lancashire
PR2 3LF

SOUTHPORT LEARNING TRUST

Reference and Administrative details

Bankers

Lloyds Bank PLC
23 London Street
Southport
PR9 3LF

NatWest Bank
Lord Street
Southport
PR9 0AE

Solicitors

Browne Jacobson
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

SOUTHPORT LEARNING TRUST

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 Academy Trust operates Greenbank High School, an academy for female pupils aged 11-16 and Stanley High School, a mixed setting academy for 11-16 pupils, and Kew Woods Primary School, a primary school academy for 3 – 11 pupils. The academies combined has a pupil capacity of 2,226 and had a roll of 2,049 in the census of October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration no. 07790934) and is an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Southport Learning Trust (trading as Greenbank High School, Stanley High School and Kew Woods Primary School).

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

In accordance with normal commercial practice the Academy has purchased Professional Indemnity Cover to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This cover has been purchased through the EFA Risk Protection Arrangement. The cover is unlimited and the cost for the period ended 31 August 2020 cannot be separately identified from the overall cover expense in the Financial Statements.

Principal activities

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing, and developing schools offering a broad and balanced curriculum. Additionally, to promote for the benefit of surrounding inhabitants, the provision of facilities for recreation and other leisure activities.

Method of recruitment and appointment or election of trustees

The Trustees are Directors of the Academy Trust for the purposes of the Companies Act 2006 and for the purposes of charity legislation. Trustees' terms of office are for four years unless agreed otherwise, except for the Executive Headteacher/ Chief Executive Officer and the Executive Director.

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

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

The arrangement for the appointment of new governors (trustees) is specifically set down in the Articles of Association. In summary, these are that:

- The members may appoint by ordinary resolution up to five Trustees.
- The members may appoint Staff Trustees through such process as they may determine, provided that the number of Trustees, including the Executive Headteacher and the Executive Directors, who are employees of the Academy Trust does not exceed one third of the total number of trustees.
- Two Parent Trustees may be appointed through election by the Trust Board of registered pupils within the Trust. A Parent Trustee may be a parent of a pupil at an Academy within the Trust at the time of appointment.
- The Trustees may appoint up to three Co-opted Trustees, which cannot be an employee of the Trust and cannot exceed one third of the total number of Trustees.

Policies and procedures adopted for the induction and training of trustees

During the period under review the Trust held ten Trust Board Meetings. In addition, a strategy day was held to review and develop the ongoing strategy of the Trust. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on relevant educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

The Academy Trust also subscribes to a number of Trustee Information Services. Trustees also have access to training throughout their term of office, both from internal and from external parties.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trusts use of budgets, and making major decisions about the direction of the Academy Trust, capital expenditure and Executive Management and Trust Leadership positions.

The Executive Management Team during the academic year of this report were the Executive Headteacher, the Headteachers of both Stanley High School and Kew Woods Primary School and the Executive Director. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Headteachers and Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for posts in the Senior Management Team always contain a Trustee or governor. Some spending control is devolved to members of the Senior Management Team, with limits for approval being set down in the Academy Trust's Financial Handbook.

Arrangements for setting pay and remuneration of key management personnel

The School has a Pay Policy in place which follows, as far as is practical, the Teachers Pay and Conditions Document for Teachers and NJC for support staff. This sets out the arrangement for setting pay and remuneration for all personnel. The pay and remuneration of the Executive Headteacher is determined by the Board of Trustees following the guidelines set in the Pay Policy. This is independently reviewed.

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Trustees' Report

for the year ended 31 August 2020

Trade Union Facility Time

The Trust has complied with the requirements of the Trade Union (Facilities Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017. The Trust's published report cover the year from 1 April 2019 to 31 March 2020 and is summarised below.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	10
Full-time equivalent employee number	8.52

Relevant union officials

Percentage of time	Number of
0%	9
1% - 50%	1
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£1,330
Total pay bill	
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related parties and co-operation with other organisations

Trustees and key personnel declare any interests or related party disclosures and these are recorded in the register of interests. During the year there are two related party transactions which are disclosed separately in this report.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Southport Learning Trust and to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

In accordance with the Articles of Association the Academy Trust has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn (if any), and that the curriculum should comply with the substance of the national curriculum.

The Vision of the Trust is:

'We are Southport Learning Trust

We are committed to investing in the future of our Trust and the local area.

We create a climate of excellence through the collaboration and engagement of the diverse and exceptional nature of our schools.

We ensure our community flourishes in a globally aware setting which recognises the value in unique pathways to academic and moral success for all.

At the heart of our culture is the recognition that for everybody to thrive and excel they must find enjoyment and commitment to learning.

We are Southport Learning Trust. We invest in you.'

Objectives, Strategies and Activities

The main objectives of the Trust during the year ended 31 August 2020 are summarised below:

- Strive, through high expectations, for all pupils to make exceptional progress from their starting point at school through an inspirational and caring learning community;
- Develop pupils as lifelong independent learners;
- Ensure all pupils, parents and staff are being engaged, happy and proud of being part of our schools;
- Be 'can do' schools that overcome all barriers to learning and enriches the lives of pupils of all abilities and backgrounds;
- Develop and celebrate the outstanding opportunities we provide on a daily basis to nurture pupils;
- Develop key employability skills including high standards of literacy and numeracy to ensure all pupils have a chance of achieving long term economic wellbeing;
- Equip pupils to lead an active healthy lifestyle;
- Be at the heart of the local, national and global community;
- Challenge gender stereotypes, and embrace equality and diversity;
- Develop the leaders and active citizens of tomorrow;
- Engage in collaboration with partners to improve outcomes for pupils.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

The Academy's main strategy is encompassed in the Trusts vision. To this end the activities provided include:

- Tuition and learning opportunities for all students to enjoy and achieve appropriate academic qualifications;
- Professional development opportunities for all staff;
- A programme of extracurricular, leisure and international opportunities for all pupils;
- To be at the heart of our local community.

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In setting the objectives, and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

The key public benefit delivered by the Trust is the development of high-quality education provided within its schools, to the public benefit of all children local to these schools. Additionally, provide recreational and leisure facilities to the public in the interest of social welfare for the local communities in which the schools reside.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

STRATEGIC REPORT

Achievements, performance and Key performance indicators

Greenbank High School

Greenbank High School continued to be oversubscribed with its school population rising to 1008 in the year ending 31 August 2020. It was named in the Real Schools Guide in 2020 as the highest ranked school in Sefton for the third time in the last four years.

Students achieved highly through Centre Assessed Grades with a Progress 8 score of +0.84 allowing them to progress well onto the next stage. Disadvantaged pupils made excellent progress with a Progress 8 score +0.69 in 2020 and an 8% increase in the number of pupils achieving 5 9-4 grades. All Centre Assessed grades were benchmarked for accuracy using FFT, which includes two thirds of all secondary schools in the country.

Greenbank was reaccredited with the NACE (National Able Children in Education) Challenge Award in recognition of its outstanding provision and outcomes for all and the Geographical Association Secondary Geography Quality Mark in recognition of excellence in this area. The school was recognised as a Trinity College London Arts Award Champion School in recognition of its provision for the Arts Award at all levels and to enable Greenbank to model and develop practice at other centres.

A significant investment was made in professional development with leaders at all levels befitting from participating in the nationally accredited NPQML, NPQSL, NPQH and NPQEL. The SENDCO and Headteacher were both accredited as Whole School SEN reviewers through NASEN and are able to peer review other schools within and beyond the Trust. Professional development focused on closing the vocabulary gap and the 'Teach Like a Champion' strategies. Staff continued to develop their use of the '8 Strategies Approach' for developing the teaching of disadvantaged students.

The school has benefitted from being involved in partnerships such as Southport Learning Partnership, a collaboration of the vast majority of primary and secondary schools in the area, working with the local Research School and being a lead partner in the LIMAS partnership of local academy trusts.

The COVID19 pandemic saw the school revert to remote learning. It was well positioned to deliver a blended approach due to its high engagement already with the Firefly Virtual Learning Environment and Google Suite. Staff professional development was accelerated in this area, parents were highly satisfied with the approach as each pupil, and parent or carer had a face-to-face meeting with their Form Tutor and a member of the Senior Leadership Team in the summer term. Disadvantaged pupils in all years were provided with a laptop when requested to ensure they did not fall behind in their learning and the school benefited from donations from the local Rotary Clubs and Vinci UK. Over 70 Key Worker and Vulnerable children attended school during the lockdown period and vulnerable children were supported extensively by the pastoral support team.

Stanley High School

Stanley High School converted to a Sponsored Academy on 1 September 2017 and joined the Southport Learning Trust. Stanley High School received an inadequate grading by OFSTED in June 2016. The current Headteacher has been in post since 31 October 2016 having previously been Deputy Headteacher at Greenbank High School.

The school received its first academy OFSTED inspection in February 2020 and was rated as GOOD in all areas under the new framework. This inspection reflects the rapid improvements the school has made since its previous inspection.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

The popularity of the school has increased with the 2020 Year 7 intake increasing from 79 (2017), 128 (2018), 137 (2019) to 181 (2020). The Pupil Admission Number (PAN) has been increased from 150 to 170 to reflect the popularity of the school and in 2020 the school has admitted over and above the PAN. The school population was 608 in the year ending 31 August 2020

Academic performance in 2020 showed a continued improvement with a Progress 8 score of +0.46. This was based on Centre Assessed Prediction due to the Covid-19 Pandemic. 34 grades were increased due to following moderation from the examination boards. This demonstrated the excellent progress made by students of all abilities across the curriculum, especially Disadvantaged pupils who achieved a Progress 8 of 0.25 in 2020.

- The school continues to invest heavily in staff training and continuous professional development. Two members of the Senior Leadership Team have completed NPQH, three staff NPQSL and a further two colleagues NPQML. The Headteacher is undertaking NPQEL this year with other staff embarking on NPQSL and NPQML. The comprehensive in-school CPD provision for all staff further enhances this.
- A Newly Qualified Teacher has been recruited in PE and the school offers an enhanced induction programme. The school has welcomed back ITT students in 2019.
- Subject specialists teach the curriculum across the school, with the exception of PSHCE which a pastoral team delivers to pupils.
- The Local Governing Board has been strengthened further with the appointment of two new co-opted governors and governors link with key areas of school improvement through the OFSTED framework. In addition, two governors support the work of the school through representation on a number of local authority groups including Seflon School Forum, LSCB and the Seflon Governors Association.
- The school has benefited significantly from four successful Condition Improvement Fund bids (CIF) in the last three academic years, including roofing works, life safety improvements, window replacement and heating infrastructure improvements.
- The school continues to work in a number of partnerships to support improvement and continual development including, Southport Learning Trust Multi Academy Trust, North Seflon Coastal Teaching School Alliance, a local leadership network (LIMAS) and the Headteacher lead the Seflon Association of Secondary Heads (SASH) and Southport Learning Partnership (SLP) 2019-20.
- The school has gained Eco School status (Silver) and is continuing working towards International School Award and STEM crest awards.
- Leadership opportunities for pupils are extensive, especially through our Primary Programme.

Kew Woods Primary School

Kew Woods Primary School continues to be a popular choice for parents. The total pupils on roll in July 2020 was 407 pupils from Reception – Year 6, which is 97% of full capacity. 26 pupils were attending the nursery provision. For the past three years whole school attendance has been above national average and in 2019/2020 it was 96.5%.

Kew Woods has been awarded the Well Being for Schools Award for the period October 2018 – October 2021 (Optimus Education / National Children's Bureau). In addition, we completed the Anti-Bullying Alliance programme and were awarded Gold status. We have retained the School Games Award for Physical Education at Platinum level. We obtained Arts mark Silver during this academic year. The Early Years Quality Mark was awarded to the school in 2017. Due to Covid-19, the process for reapplication is currently on hold and we will re-apply at the earliest opportunity. Kew Woods remains a Certified Apple Regional Training Centre. The school is currently working towards the Primary Science Quality Mark; this has been delayed due to Covid-19 as assessors were not able to visit school.

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Trustees' Report

for the year ended 31 August 2020

Due to school closure in March 2020, the government disallowed the standard assessment testing in the summer term for Early Years Foundation Stage Profile, Year 1 Phonics Screening, Key Stage 1 teacher assessments, Year 4 multiplication tests and Key Stage 2 Statutory Assessment Tests (SATs). Based on mock KS2 Tests and teacher assessments, school moderated data and predicted end of year KS2, the school can assess the educational outcomes of pupils. The percentage of pupils achieving the expected standard in Reading, Writing and Mathematics to be 81% with a valued added score of +7. Reading outcomes were 84% of pupils achieving expected with a value-added score of +2. 32% of pupils achieved a high score with 0 value added score. In Writing 84% of pupils achieved an expected standard with a value added of +5% and 21% of pupils achieved greater depth in writing with a value-added score of +1. In Mathematics 81% of pupils achieved expected -2 value added and 18% achieved a higher score which is -12 value added.

As Year One Phonics screening could not take place pupils will now be screened in Autumn term 2 of this academic year and data will be submitted to the DfE.

The school invests in CPD for staff and works closely with specialist consultants for English, History and Science. The school continues to be a part of the North West Maths Hub and continues to work on the mastery approach journey. This year two members of staff have started the qualification in NPQSL. The school works in partnership with three local networks as well as the MAT schools. Kew Woods is part of Southport Learning Partnership, CORE network and Connected network.

During the school closure, staff continued to access CPD through online platforms. This included safeguarding, mental health, a safer handling legal briefing and curriculum training for teachers. Teaching assistants completed anti bullying training, SEND training, safeguarding and a safer handling legal briefing.

Detailed health and safety and well-being training was delivered in the summer term for both staff and pupils in anticipation for a full return in Autumn term 1.

Whilst the school was closed to pupils, except key worker and vulnerable children, staff provided a range of work on Purple Mash each day. They also provided challenges for each year group on twitter and directed pupils to OAK Academy daily video presentations and follow up activities. Feedback was given on a daily basis. A well-being section was added to the school website which provided parents with support for their child. Laptops and iPads were provided where necessary and paper packs of activities and resources were provided for families without access to IT equipment. Staff recorded video messages for their classes and made phone calls home to speak with both parents and children. Members of the senior leadership team regularly called and emailed vulnerable families. Pupils with additional needs were invited into school for a transition meeting. All pupils had the opportunity to spend a day with their class teacher and peers in small, socially distanced groups before the summer term closure. Feedback from this was extremely positive from parents. To support pupils and their families that were finding lockdown challenging, we organised virtual counselling sessions with our therapist. Families were grateful for this support and the identified pupils have settled into the new school year successfully. We successfully applied for Cash for Kids funding and food hampers from the charity KIND to support disadvantaged families and this was gratefully received.

As a school, we fully supported staff who were required to shield and ensured that they could work from home safely. We also worked with these members of staff on how to manage their anxieties upon their return to school in September. Staff supporting key worker pupils worked on a rota system, with the same colleagues, which enabled regular bubbles and supported their well-being working from home on other days. Staff fully appreciated the support they were given and the clear guidance during these challenging times.

The attendance of pupils returning to school this September has been above national average, with all families engaging with the return to school and following the new procedures to keep everyone safe. It has been a positive start to the school year, with the children excited to return to school and parents wanting to work with the school to ensure the whole school community is safe. Unfortunately, due to COVID-19 restrictions we are

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

unable to have whole school assemblies, celebration events, school tours and offer extra-curricular activities at present. Our priority is ensuring that all children are back happy and learning in school and we will continue to risk assess for extracurricular activities as the term progresses. We are currently assessing the children to identify those who will benefit from morning and after school intervention programmes to accelerate their learning.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Other external reviews

The Trust is also monitored through the completion and submission of:

- Budgetary submissions to the ESFA;
- Condition Improvement Fund Monitoring Returns.
- During the year, the Trust also voluntarily worked with a school resource management advisor provided by the ESFA to appraise possible improvements and efficiencies which could be made by the Trust.

Financial review

The Trust's financial objectives are:

- to maintain a balanced budget;
- to pursue alternative sources of funding, on a selective basis, consistent with the Trust's core competencies, and the need for a financial contribution to the Trust's overall finances;
- to generate sufficient levels of income to support the asset base of the Trust;
- to ensure that the income from lettings produces a net surplus;
- to fund continued capital investment.

These objectives were achieved in the year ending 31 August 2020.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities. The Trust also receives income from the letting of its facilities for community and sport use.

The in-year deficit for the total funds less the amount held in fixed assets and the pension reserve was £28k (2019: £172k) for the year ended 31 August 2020.

During the year ended 31 August 2020, total income was £13,532k (2019: £15,033k) which related to the educational activities of the Trust. Further detail on the income for the year can be found in notes 2, 3, 4 and 5.

During the year ended 31 August 2020, total expenditure was £13,176k (2019: £11,095k) which related to the educational activities of the Trust. Further detail on the expenditure for the year can be found in notes 6, 7 and 8.

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Trustees' Report

for the year ended 31 August 2020

At 31 August 2020, the net book value of fixed assets was £23,772k and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Financial position

The total fund balance at 31 August 2020 for the Trust was £18,891k (2019: £17,805k) including unrestricted funds of £588k (2019: £594k). The restricted funds of £18,303k (2019: £17,211k) include the restricted fixed asset fund of £25,139k (2019: £24,319), the restricted general fund £nil (2019: £22k) and pension reserve deficit of £6,836k (2019: £7,130k).

Reserves Policy

The Trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of available reserves should normally be equivalent to approximately £600k (total funds less the amount held in fixed assets and the pension reserve). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, but also taking into account any future anticipated funding. The Trusts current level of reserves (total funds less the amount held in fixed assets and the pension reserve) is £590k. Overall reserves are in line with requirements.

Investment policy

The current investment policy is solely to invest funds in deposit accounts of major UK banks. Should a bona fide and safe investment opportunity present itself the Trustees would consider it on its merits.

Risk Management

The Trustees have assessed the major risks to which a charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips etc.) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds etc.) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. They are satisfied at these systems are consistent with guidelines issued by the Charity Commission. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Principal Risks and Uncertainties

The Trust has undertaken significant work to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

Based on the Trust's objectives, the Board will undertake a comprehensive review of the risk to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust.

The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Trustees will also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

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Trustees' Report

for the year ended 31 August 2020

Government Funding

The Trust has considerable reliance on continued government funding through the ESFA. In 2019/20, over 94.3% of the Trust's income was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Trust is rigorous in delivering high quality education and training.

Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS102 section 28. More detailed explanation is provided in note 26.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year by the schools of the Trust was monitored by the Trustees.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the year 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	2,274,191
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none">• Gas,• Electricity• Transport fuel	1,598,035 671,424 4,732
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	293.83
Owned transport – mini-buses	0.39
Total scope 1	294.22
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	156.54
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	0.77
Total gross emissions in metric tonnes CO ₂ e	451.53
Intensity ratio Tonnes CO ₂ e per pupil	0.22

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The CIF funded heating infrastructure works at Stanley High School will provide significant energy savings through more efficient boilers and distribution infrastructure across the school.

The Trust increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

SOUTHPORT LEARNING TRUST

Trustees' Report

for the year ended 31 August 2020

Plans for future periods

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students continue successfully in further education once they leave.

The Trust aims in the future to provide the opportunity for high quality education to a greater number of students. Maghull High School, a single academy trust, joined the Trust on 1 November 2020.

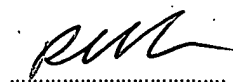
AUDITOR

MJH Accountants Limited were appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 27 January 2021 and signed on its behalf by:



Dr Richard Hadji
Chair of Trustees

SOUTHPORT LEARNING TRUST

Governance Statement

for the year ended 31 August 2020

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year. The boards Trustees formally designate three meetings per year to Finance and Audit, all meetings during the year were quorate.

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

Trustees	Meetings Attended	Out of a Possible
Mr Ian Raikes (Accounting Officer)	10	10
Mr Stuart Bellerby (Vice Chair)	8	10
Mrs Claire Buck	8	10
Mr Craig Clifford	7	10
Mr Richard Cottier	10	10
Dr Richard Hadji (Chair)	9	10
Mrs Sarah Jackson	2	10
Mr Mark Melia	8	10
Mr Philip Power	6	10
Mrs Catharine Rae	9	10
Mrs Anna Smith	9	10
Ms Ruth Williams	9	10

Governance reviews

A review of Governance is held annually ensuring the board has the necessary skillset to support the strategic aims of the schools. Parent Trustees are instrumental to this, a new parent trustee will be appointed to replace the outgoing parent trustee. It is intended that the new trustee will have a skill set to compliment the current board structure. A Company Secretary will also be formally appointed to support the governance of the Trust.

Review of Value for Money

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

SOUTHPORT LEARNING TRUST

Governance Statement

for the year ended 31 August 2020

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

The Trust schools have a broad, balanced and challenging curriculum, where pupils progress significantly above the national average at both secondary schools. At Kew Woods achievement has been above the national average over time. Where a curriculum area was underperforming against our challenging expectations extra resources were targeted which led to progress being made in this area.

Pupil Premium funding has provided schools with a further opportunity to narrow the gap in achievement between pupils eligible for Free School Meals and their peers. It is the intention of the Trust to ensure that pupils will be able to benefit from the widest choice of opportunities and support to ensure that they develop academically and personally and that these interventions are individualised to best suit the needs of every eligible pupil. The achievement gap is narrowing over time due to a variety of strategies included in the school impact statements which are available on the school websites.

The Trust schools continue to support more able pupils through intervention strategies and enrichment at aims to inspire, challenge and encourage independence. Pupils with Special Educational Needs are supported appropriately by SENDCOs and external agencies funded when needed and as a result make good progress in their academic and personal development. Pupils of all abilities are being supported through the high-profile school development priorities of ensuring high attendance and a relentless focus on the pursuit of ensuring disadvantaged pupils make progress in line with their peers. The Trust ensures all pupils develop their leadership skills and have the opportunity to participate in enrichment experiences to equip them with valuable life and employability skills.

The Trust is an active member of the secondary LIMAS (Leadership in MATs and Academies in Sefton) and primary CORE collaborative which provides support and platform for joint development of Middle and Senior Leaders. A programme of external quality assurance is facilitated through the collaboration. The Southport Learning Partnership, consisting of primary and secondary schools, has driven curriculum projects related to student voice, social enterprise, literacy and community engagement. The Trust continues to deliver training for primary school teachers and primary visits as part of our commitment to developing languages in the community. The Trust schools have formed successful partnership with a range of post-16 providers. Greenbank High School is the lead school for the delivery of the National Professional Qualification for Middle (NPQML) and Senior Leaders (NPQSL).

2019/20 saw both secondary schools continue to fund impartial careers information advice and guidance that could meet the needs of its own pupils. This was particularly successful with our chosen suppliers providing advice that has led to all pupils engaging in education, employment or training and pupils accessing a wider number of post 16 providers and courses to meet their aspirations.

The Trustees and Accounting Officer regularly review, support and challenge financial governance in the Trust through regular meetings and reports. They play an active part in assessing the effectiveness of income and expenditure and in particular the feasibility and outcomes for major capital spend.

The purchasing procedure across the Trust is well established, an electronic purchase order processing system is used to control expenditure through a hierarchy of budgets and budget holder approvals.

Working with the ESFA the Trust has completed two major projects through Condition Improvement Funding (CIF) both at Stanley High School totalling £1.6million – Project 1: a new heating infrastructure; Project 2: health and safety improvements around life safety / fire alarm systems and infrastructure.

SOUTHPORT LEARNING TRUST

Governance Statement

for the year ended 31 August 2020

The Trust has been awarded further Condition Improvement Funding totalling £1.9m to improve the facilities at Stanley High School (window replacement) and Kew Woods Primary School (Fire Safety and replacement of portable classrooms). These projects are ongoing at the end of the year.

The Trust shares financial and purchasing best practices with other academies, both locally and nationally, and utilise this knowledge and experience when reviewing contracts and service level agreements.

The Trust is very much at the heart of the community and we are pleased to be able to share our facilities with a number of local diverse community groups. As well as building strong relationships with our community this also brings in additional income to 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 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 Southport Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly management accounts which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes 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.

In compliance with the Academies Financial Handbook, the Board of Trustees has considered the need for a specific internal audit function, and appointed MJH Accountants Limited to act as internal auditor.

The revised FRC Ethical standard for auditors states that a firm providing external audit services to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. This is reflected in the Academies Financial Handbook 2020. The Trust will buy-in an internal audit service from an alternative provider in the financial year 2020/21.

SOUTHPORT LEARNING TRUST

Governance Statement

for the year ended 31 August 2020

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 HR/Personnel systems
- review of risk management systems

The auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. The Headteacher's review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- comments made by the Trust's financial statements auditors and any appointed funding auditors in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the 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 Board of Trustees on 27 January 2021 and signed on its behalf by:



Mr Ian Raikes
Accounting Officer



Dr Richard Hadji
Chair of Trustees

SOUTHPORT LEARNING TRUST

Statement of Regularity, Propriety and Compliance for the year ended 31 August 2020

As Accounting Officer of Southport Learning Trust I have considered my responsibility to notify the academy 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.



Mr Ian Raikes
Accounting Officer
Date: 27 January 2021

SOUTHPORT LEARNING TRUST

Statement of Trustee's 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 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 27 January 2021 and signed on its behalf by:



Dr Richard Hadji
Chair of Trustees

SOUTHPORT LEARNING TRUST

Independent Auditor's Report to the Members of Southport Learning Trust for the year ended 31 August 2020

Opinion

We have audited the financial statements of Southport Learning Trust (the 'Academy') for the year ended 31st August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31st August 2020 and of its results 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

SOUTHPORT LEARNING TRUST

Independent Auditor's Report to the Members of Southport Learning Trust for the year ended 31 August 2020

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

SOUTHPORT LEARNING TRUST

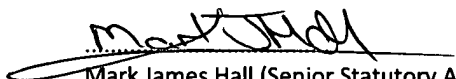
Independent Auditor's Report to the Members of Southport Learning Trust for the year ended 31 August 2020

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Mark James Hall (Senior Statutory Auditor)

For and on behalf of MJH Accountants Limited, Statutory Auditor

129 Woodplumpton Road
Fulwood
Preston
Lancashire
PR2 3LF

Date: 27 January 2021

SOUTHPORT LEARNING TRUST

Independent Reporting Accountant's Assurance Report on Regularity to Southport Learning Trust and the Education and Skills Funding Agency for the year ended 31 August 2020

In accordance with the terms of our engagement letter dated 1st September 2020 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 Southport Learning Trust during the period 1st September 2019 to 31st 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 Southport Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Southport Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southport Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Southport Learning Trust's funding agreement with the Secretary of State for Education dated 28th October 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1st September 2019 to 31st 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.

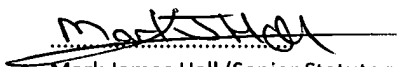
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

SOUTHPORT LEARNING TRUST

Independent Reporting Accountant's Assurance Report on Regularity to Southport Learning Trust and the Education and Skills Funding Agency for the year ended 31 August 2020

Conclusion

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



Mark James Hall (Senior Statutory Auditor)

For and on behalf of MJH Accountants Limited, Statutory Auditor

MJH Accountants Limited
Chartered Accountants and Registered Auditors
129 Woodplumpton Road
Fulwood
Preston
Lancashire
PR2 3LF

Date: 27 January 2021

SOUTHPORT LEARNING TRUST

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 August 2020

				Restricted Fixed Asset	Total	Total
	Note	Unrestricted Funds £000	Restricted General Funds £000	Funds £000	2020 £000	2019 £000
Income and endowments from:						
Donations and capital grants	2	-	-	1,785	1,785	1,686
Transfer from local authority on conversion		-	-	-	-	3,475
Charitable activities:						
Funding for the academy trust's educational operations	3	207	11,371	-	11,578	9,674
Other trading activities	4	167	-	-	167	198
Investment income	5	2	-	-	2	-
Total		376	11,371	1,785	13,532	15,033
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	68	12,117	991	13,176	11,095
Total		68	12,117	991	13,176	11,095
Net income / (expenditure)		308	(746)	794	356	3,938
Transfers between funds	16	(314)	288	26	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16,26	-	730	-	730	(1,888)
Net movement in funds		(6)	272	820	1,086	2,050
Reconciliation of funds						
Total funds brought forward		594	(7,108)	24,319	17,805	15,755
Total funds carried forward		588	(6,836)	25,139	18,891	17,805

SOUTHPORT LEARNING TRUST

Balance Sheet

as at 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	12		23,772		23,478
Current assets					
Debtors	13	1,944		1,388	
Cash at bank and in hand		<u>1,243</u>		<u>1,169</u>	
		3,187		2,557	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(1,138)</u>		<u>(1,100)</u>	
Net current assets			<u>2,049</u>		<u>1,457</u>
Total assets less current liabilities			25,821		24,935
Creditors: Amounts falling due after more than one year	15		<u>(94)</u>		<u>-</u>
Net assets excluding pension liability			<u>25,727</u>		<u>24,935</u>
Defined benefit pension scheme liability	26		<u>(6,836)</u>		<u>(7,130)</u>
Total net assets			<u>18,891</u>		<u>17,805</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	16	25,139		24,319	
. Restricted income fund	16	-		22	
. Pension reserve	16	<u>(6,836)</u>		<u>(7,130)</u>	
Total restricted funds			18,303		17,211
Unrestricted income funds	16		<u>588</u>		<u>594</u>
Total funds			<u>18,891</u>		<u>17,805</u>

The financial statements on pages 27-50 were approved by the trustees and authorised for issue on 27 January 2021 and are signed on their behalf by



Dr Richard Hadji
Trustee

SOUTHPORT LEARNING TRUST
Statement of Cash Flows
for the year ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(524)	667
Cash flows from investing activities	22	502	(628)
Cash flows from financing activities	21	96	(6)
Change in cash and cash equivalents in the reporting period		74	33
Cash and cash equivalents at 1 September 2019		1,169	1,136
Cash and cash equivalents at 31 August 2020	23	1,243	1,169

SOUTHPORT LEARNING TRUST

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), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

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

Going Concern

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

Income

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

Grants

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

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

Capital grants are recognised 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.

Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

Donations

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

Other Income

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

Donated goods, facilities and services

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

Donated fixed assets

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

Tangible Fixed Assets

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

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

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

- | | |
|------------------------------------|-----------|
| • Freehold buildings | 40 years |
| • Leasehold Improvements | 10 years |
| • Fixtures, fittings and equipment | 4-5 years |
| • Computer hardware | 4 years |

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

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

Liabilities

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

Concessionary loans provided to advance the charitable purpose of the Trust are provided interest free or below prevailing market rates. The loans are recognised at the amount received less any repayments.

Provisions

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

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

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value. None are included in this model but if relevant the suggested disclosure could be as follows, with valuation in line with the SORP [paragraphs 10.44 to 10.49] 117.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instrument's disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

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.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful economic life of said assets to the Trust. A change in estimate would result in a change in the depreciation charged to the statement of financial activities in each year.

The value of land and buildings is based on valuations. Professionally qualified valuers are commissioned to carry out these valuations and revaluations. In accordance with financial reporting standards, the valuers will value each academy's land and buildings at depreciated replacement cost (DRC).

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	1,785	1,785	1,686
Donated fixed assets	-	-	-	-
Other donations	-	-	-	-
	<u>-</u>	<u>1,785</u>	<u>1,785</u>	<u>1,686</u>

The income from donations and capital grants was £1,785,000 (2019: £1,686,000) of which £1,785,000 was restricted fixed asset fund (2019: £1,686,000).

3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	9,323	9,323	8,475
Start Up Grants	-	-	-	-
Other DfE/EFA grants	-	1,317	1,317	600
	<u>-</u>	<u>10,640</u>	<u>10,640</u>	<u>9,075</u>
Other Government grants				
Local authority grants	-	303	303	112
Exceptional government funding				
Coronavirus exceptional support	-	39	39	-
	<u>-</u>	<u>342</u>	<u>342</u>	<u>112</u>
Other income from the academy trust's educational operations				
	207	389	596	487
	<u>207</u>	<u>11,371</u>	<u>11,578</u>	<u>9,674</u>

The income from funding for educational operations was £11,578,000 (2019: £9,674,000) of which £11,371,000 was restricted funds (2019: £9,563,000) and £207,000 was unrestricted funds (2019: £111,000).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £39,000 of additional expenditure as a result of increased premises costs and to support children eligible for free school meals who are not attending school. These costs are included in notes 6 and 7 below as appropriate.

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Notes to the Financial Statements
for the year ended 31 August 2020

4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	127	-	127	198
Other Trading	40	-	40	-
	<u>167</u>	<u>-</u>	<u>167</u>	<u>198</u>

The income from other trading activities was £167,000 (2019: £198,000) of which £167,000 was unrestricted funds (2019: £198,000).

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	2	-	2	-

6. Expenditure

	Non-Pay Expenditure			Total 2020 £000	Total 2019 £000
	Staff Costs £000	Premises £000	Other £000		
Academy's educational operations:					
Direct costs	6,739	991	533	8,263	7,117
Allocated support costs	2,931	760	1,222	4,913	3,978
	<u>9,670</u>	<u>1,751</u>	<u>1,755</u>	<u>13,176</u>	<u>11,095</u>

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	9	9
Depreciation	991	810
Fees payable to auditor for:		
- audit	10	9
- other services	3	3

7. Charitable activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	8,263	7,117
Support costs – educational operations	4,913	3,978
	<u>13,176</u>	<u>11,095</u>

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

Analysis of support costs	Educational operations	Total 2020	Total 2019
	£000	£000	£000
Support staff costs	2,931	2,931	2,439
Technology costs	217	217	40
Premises costs	760	760	487
Other support costs	968	968	979
Legal costs	5	5	-
Governance costs	32	32	33
Total support costs	4,913	4,913	3,978

8. Staff

a. Staff costs

	Total 2020	Total 2019
	£000	£000
Wages and salaries	6,872	5,875
Social security costs	688	565
Operating costs of defined benefit pension schemes	1,925	1,493
	9,485	7,933
Supply staff costs	178	165
Staff restructuring	7	-
Staff development	-	14
	9,670	8,112
Staff restructuring costs comprise:		
Severance payments	7	-

b. Non statutory/non-contractual staff severance payments

Staff restructuring costs comprised of a single severance payment totalling £6,748 (2019: £nil).

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	117	104
Administration and support	113	92
Management	14	14
	244	210

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

d. Higher paid Staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,000 - £100,000	-	1
£100,001 - £110,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £560,817 (2019: £388,362).

9. Central services

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

- Financial services
- Human resources
- Legal services
- Educational support services

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

- Flat percentage of GAG income (3%)

The actual amounts charged during the year were as follows:

	Total	Total
	2020	2019
	£000	£000
Greenbank High School	144	-
Kew Woods Primary School	45	-
Stanley High School	91	-
	280	-

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

10. Related Party Transactions – Trustees' remuneration and expenses

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

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

Mr Ian Raikes (Chief Executive Officer and trustee):

Remuneration £105,000 - £110,000 (2019: £95,000 - £100,000)

Employer's pension contributions paid £25,000 - £30,000 (2019: £15,000 - £20,000)

Mrs Anna Smith (Executive Director and trustee):

Remuneration £65,000 - £70,000 (2019: £65,000 - £70,000)

Employer's pension contributions paid £10,000 - £15,000 (2019: £10,000 - £15,000)

Mr Mark Melia (staff trustee):

Remuneration £30,000 - £35,000 (2019: £5,000 - £10,000)

Employer's pension contributions paid £5,000 - £10,000 (2019: £0 - £5,000)

Mrs Catherine Rae (staff trustee):

Remuneration £40,000 - £45,000 (2019: £10,000 - £15,000)

Employer's pension contributions paid £10,000 - £15,000 (2019: £0 - £5,000)

Other related party transactions involving the trustees are set out in note 27.

No expenses have been reimbursed to the trustees during the year.

11. Trustees and officers' insurance

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

The cost of this insurance is included in the total insurance cost.

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust 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

12. Tangible fixed assets

	Leasehold Land and Buildings £000	Leasehold Improvements £000	Furniture and Equipment £000	Computer Hardware £000	Assets under construction £000	Total £000
Cost						
At 1 September 2019	20,990	3,632	232	242	880	25,976
Additions	-	860	46	52	327	1,285
Transfers	-	880	-	-	(880)	-
Disposals	-	-	(100)	-	-	(100)
At 31 August 2020	20,990	5,372	178	294	327	27,161
Depreciation						
At 1 September 2019	1,016	1,067	223	192	-	2,498
Charged in year	406	537	16	32	-	991
Disposals	-	-	(100)	-	-	(100)
At 31 August 2020	1,422	1,604	139	224	-	3,389
Net book values						
At 31 August 2019	19,974	2,565	9	50	880	23,478
At 31 August 2020	19,568	3,768	39	70	327	23,772

13. Debtors

	2020 £000	2019 £000
Trade debtors	46	34
VAT recoverable	56	231
Other debtors	3	1
Prepayments and accrued income	1,839	1,122
	1,944	1,388

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

14. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	274	554
Other taxation and social security	161	-
Other Loans	5	-
Concessionary loan	3	6
Other creditors	172	294
Accruals	307	151
Deferred income	216	95
	1,138	1,100

	2020	2019
	£000	£000
Deferred income		
Deferred income at 1 September	95	-
Released from previous years	(95)	-
Resources deferred in the year	216	95
Deferred Income at 31 August	216	95

Deferred Income at 31 August 2020 relates to amounts received before the year end, that relate to the next academic year. It includes Rates Income funded by the ESFA for the year to 31 March 2020, SEND funding from Local Authorities paid in advance and other grants received including funding received for 2020/21 Universal Free School Meals.

15. Creditors: amounts falling due in greater than one year

	2020	2019
	£000	£000
Concessionary loans	47	-
Other loans	47	-
	94	-

Amounts falling due in greater than five years	2020	2019
By instalments:	£000	£000
Concessionary loans	22	-
Other loans	26	-
	48	-

Included within other loans is a loan of £52k from ESFA under the Condition Improvement Fund. These loans are repayable over 10 years commencing September 2020. Interest is charged at the Public Works Loan Board rates of interest.

Included within concessionary loans is a loan of £50k from Salix. This loan is repayable over 8 years commencing March 2021. No interest is charged on the loan.

SOUTHPORT LEARNING TRUST
Notes to the Financial Statements
for the year ended 31 August 2020

16. Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	9,324	(9,612)	288	-
Other DfE/ESFA	-	1,316	(1,316)	-	-
Other Government grants	-	334	(334)	-	-
Other restricted funds	22	397	(419)	-	-
	22	11,371	(11,681)	288	-
Restricted fixed asset funds					
Transfer on conversion	20,243	-	(406)	-	19,837
DfE/EFA capital grants	3,335	1,785	(479)	-	4,641
Capital expenditure from GAG	741	-	(106)	26	661
	24,319	1,785	(991)	26	25,139
Restricted fixed asset funds					
Pension Reserve	(7,130)	-	(436)	730	(6,836)
Total restricted funds	17,211	13,156	(13,108)	1,044	18,303
Total unrestricted funds	594	376	(68)	(314)	588
Total funds	17,805	13,532	(13,176)	730	18,891

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

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academies.

Restricted Fixed Asset Funds contain resources to be spent for particular capital purposes where conditions of the funding state that asset must be retained and on an ongoing basis.

Unrestricted Funds are those other Resources which may be used to further the objectives of the Academies.

There are no limits on the amount of GAG that could be carried forward at 31 August 2019 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	-	8,575	(8,750)	175	-
Other DfE/ESFA	-	600	(600)	-	-
Other Government grants	-	112	(112)	-	-
Other restricted funds	-	376	(354)	-	22
	-	9,663	(9,816)	175	22
Restricted fixed asset funds					
Transfer on conversion	15,846	4,397	-	-	20,243
DfE/EFA capital grants	2,459	1,686	(810)	-	3,335
Capital expenditure from GAG	741	-	-	-	741
	19,046	6,083	(810)	-	24,319
Restricted fixed asset funds					
Pension Reserve	(3,735)	(1,038)	(469)	(1,888)	(7,130)
Total restricted funds	15,311	14,708	(11,095)	(1,713)	17,211
Total unrestricted funds	444	325	-	(175)	594
Total funds	15,755	15,033	(11,095)	(1,888)	17,805

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Greenbank High School	181	138
Kew Woods Primary School	98	135
Stanley High School	187	343
Central Services	122	-
Total before fixed assets and pension reserve	588	616
Restricted fixed asset fund	25,139	24,319
Pension reserve	(6,836)	(7,130)
Total	18,891	17,805

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational Supplies	Other costs (excluding depreciation)	Total	Total
Greenbank High School	3,348	1,244	377	818	5,787	5,761
Kew Woods Primary School	1,129	698	126	330	2,283	818
Stanley High School	2,257	821	214	569	3,861	3,706
Central Services	4	167	33	50	254	0
	6,738	2,930	750	1,767	12,185	10,285

17. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	23,772	23,772
Current assets	588	1,174	1,425	3,187
Current liabilities	-	(1,080)	(58)	(1,138)
Non-current liabilities	-	(94)	-	(94)
Pension scheme liability	-	(6,836)	-	(6,836)
Total net assets	588	(6,836)	25,139	18,891

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	23,478	23,478
Current assets	594	1,122	841	2,557
Current liabilities	-	(1,100)	-	(1,100)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(7,130)	-	(7,130)
Total net assets	594	(7,108)	24,319	17,805

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

18. Capital commitments

	2020	2019
	£000	£000
Contracted for, but not provided in the financial statements	1,582	817

19. Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£000	£000
Amounts due within one year	7	8
Amounts due between two and five years	7	14
Amounts due after five years	-	-
	14	22

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

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	356	3,938
Adjusted for:		
Net surplus on conversion to an academy	-	(3,475)
Cash funds transferred on conversion	-	157
Depreciation (note 12)	991	810
Capital grants from DfE and other capital income	(1,785)	(1,686)
Interest receivable	(2)	-
Defined benefit pension scheme cost less contributions payable (note 26)	312	360
Defined benefit pension scheme finance cost (note 26)	123	109
(Increase)/decrease in debtors	(556)	(168)
Increase/(decrease) in creditors	37	622
Net cash provided by / (used in) Operating Activities	(524)	667

21. Cash flows from financing activities

	2020	2019
	£000	£000
Repayments of borrowing	(6)	(6)
Cash inflows from new borrowing	102	-
Net cash provided by / (used in) financing activities	96	(6)

SOUTHPORT LEARNING TRUST

Notes to the Financial Statements

for the year ended 31 August 2020

22. Cash flows from investing activities

	2020	2019
	£000	£000
Interest receivable	2	-
Purchase of tangible fixed assets	(1,285)	(2,320)
Capital grants from DfE/EFA	1,785	1,686
Net cash provided by / (used in) investing activities	502	(634)

23. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand and at bank	1,243	1,169
Total cash and cash equivalents	1,243	1,169

24. Analysis of changes in net debt

	At 1 September	Cashflows	At 31 August
	2019		2020
	£000	£000	£000
Cash	1,169	74	1,243
		74	
Loans falling due within one year	(6)	(2)	(8)
Loans falling due after more than one year	-	(94)	(94)
Total	1163	(22)	1,141

25. 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.

26. Pension and similar obligations

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

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

Contributions amounting to £173,000 were payable to the schemes at 31 August 2020 (2019: £133,000) and are included within other creditors. These amounts related to the August 2020 payroll payments.

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023. The employer's pension costs paid to TPS in the period amounted to £1,126,000 (2019: £692,000).

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

Under the definitions set out in FRS 102, the TPS is 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 £596,000 (2019: £520,000), of which employer's contributions totalled £485,000 (2019: £433,000) and employees' contributions totalled £111,000 (2019: £87,000). The agreed contribution rates for future years are 19.3% to 19.9% for employers and 5.5% to 12.5% for employees dependent on the individual's income.

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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Principal actuarial assumptions	2020	2019
Rate of increase in salaries	3.90%	3.60%
Rate of increase for pensions in payment/inflation	2.50%	2.20%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.40%	2.10%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2020	2019
<i>Retiring today</i>		
Males	20.9	22.2
Females	24.0	25.0
<i>Retiring in 20 years</i>		
Males	22.5	25.2
Females	25.9	27.9

Sensitivity analysis

	2020	2019
Discount rate +0.1%	6,604	6,893
Discount rate -0.1%	7,073	7,373
Mortality assumption – 1-year increase	7,202	7,339
Mortality assumption – 1-year decrease	6,483	6,925
CPI rate +0.1%	7,071	7,371
CPI rate -0.1%	6,606	6,894

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

	2020	2019
Equity instruments	2,797	2,296
Government Bonds	144	457
Other Bonds	792	247
Property	517	404
Cash and other liquid assets	310	143
Other	1,183	944
Total market value of assets	5,743	4,491

The actual return on scheme assets was £28,000 (2019: £193,000)

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Amount recognised in the statement of financial activities

	2020	2019
	£000	£000
Current service cost	736	436
Net interest cost	123	109
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	33	350
Admin expenses	9	7
Total amount recognised in the SOFA	901	902

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

	2020	2019
	£000	£000
At 1 September 2019	11,621	7,300
Upon conversion	-	1,360
Current service cost	736	436
Interest cost	209	218
Employee contributions	111	87
Actuarial (gain)/loss	(78)	1,972
Benefits paid	(53)	(102)
Past service cost	33	350
At 31 August 2020	12,579	11,621

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

	2020	2019
	£000	£000
At 1 September 2019	4,491	3,565
Upon conversion	-	322
Interest income	86	109
Actuarial gain/(loss)	652	84
Employer contributions	465	433
Employee contributions	111	87
Benefits paid	(53)	(102)
Admin cost	(9)	(7)
At 31 August 2020	5,743	4,491

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27. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Mrs L Power, spouse of Mr P Power, a trustee, is employed by the academy trust as a Receptionist. Mrs L Power's appointment was made in open competition and Mr P Power was not involved in the decision-making process regarding appointment. Mrs L Power is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Miss H Power, daughter of Mr P Power, a trustee, is employed by the academy trust as a Teaching Assistant. Miss H Power's appointment was made in open competition and Mr P Power was not involved in the decision-making process regarding appointment. Miss H Power is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

28. Events after the end of the reporting period

At its meeting on 30 September 2020, the Trust Board gave approval for Maghull High School (a single academy trust) to join the Southport Learning Trust, subject to completion of transfer documentation with the Department for Education. Maghull High School formally joined the Trust 1 November 2020.