

Registration number: 08158718

ACER LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021



Acer Learning Trust

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Reference and Administrative Details

Members	D Green (appointed 25 November 2020) D Haw, Chair (resigned 26 January 2021) W Snaith G Cue (appointed 26 January 2021)
Trustees (Directors)	R Chamberlain G Cue, Vice Chair (resigned 8 March 2021) D Dent, Chairman S Richards, Executive Headteacher/CEO G Wood, Staff Trustee (resigned 25 November 2020) A Luke (appointed 25 November 2020) J Patterson (appointed 25 November 2020) J Tonge (appointed 25 November 2020 and resigned 8 March 2021) E Fisher (appointed 25 November 2020 and resigned 27 September 2021)
Company Secretary	G Wood
Senior Management Team	S Richards, Executive Headteacher M Robson, Headteacher S Kitchen, Deputy Headteacher G Wood, Operations Manager/CFO
Principal and Registered Office	Ayton Road Oxclose Washington Tyne and Wear NE38 0LR
Company Name	Acer Learning Trust
Company Registration Number	08158718
Auditors	MHA Tait Walker Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF
Solicitors	Samuel Philips Law Firm Gibb Chambers 52-54 Westgate Road Newcastle upon Tyne NE1 5XU

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Trustees Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as a Primary School which includes a nursery which provides twenty-six-part time places. The school serves a catchment area in the Ayton area of Washington. At the January 2020 census the Academy Trust had a total of 275 children.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 26th July 2012 and converted to academy status on 1st August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Acer Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Acer Learning Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made in line with the guidance in the Articles of Association. The term of office for any Trustee shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Members, Trustees and Governors will be given induction training by the Trust's trained governance clerk. The Trust purchases support that provides for individual and full Governing Body training through an annual service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Leadership Team of the Academy, this was restructured May 2019 to form a Strategic Senior Leadership Team. The aim of the management structure is to establish a clear line of accountability and responsibilities and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and has ultimate accountability for the Academy. They will hold to account the Executive Headteacher. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual school development plan, scheme of delegation, reviewing curriculum, budget monitoring and making decisions about the direction of the Trust. They monitor senior staffing appointments as well as monitoring standards and performance.

The strategic Senior Leadership Team consists of a part-time Executive Headteacher, a part-time Headteacher/Teacher, Deputy Head Teacher/Teacher, and Operations Manager. They lead and manage the Trust in line with strategic plans the key priorities in the school development plan. They are also responsible for the day to day operation of the Academy in addition to supporting the wider work and objectives of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy has adopted Pay Policy Model A from Sunderland Local Authority. This policy sets out the school's principles and arrangements for making decisions on teachers' pay. It has been developed to comply with current legislation and the requirements of the current School Teachers' Pay and Conditions Document (STPCD). The policy covers all areas where schools have discretion within the STPCD to make decisions. It is not intended to be a duplication of the areas of the STPCD where schools have no discretion and should therefore be used in conjunction with the STPCD to ensure full compliance.

The Governing Body has developed this policy with the objective of recruiting, retaining and motivating all teachers to ensure the best educational opportunities for pupils at the school. Pay decisions at this school are made by the Personnel Committee of Holley Park Academy.

Trade union facility time

No employee time has been spent on trade union activities.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Related Parties and Other Connected Charities and Organisations

Members, Trustees and Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Member, Trustee or Governor will remove themselves from the relevant decision-making process.

During the year ending 31 August 2021, the Academy continued to maintain established relationships with other schools. We work in partnership with Oxclose Community Academy for the smooth transition of our pupils from KS2 to KS3 and support in our PE and Sport activities.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and activity of the charitable company is the operation of Acer Learning Trust to provide education for pupils of different abilities between the ages 3-11 years in school. Acer Learning Trust is dedicated to continually improving the quality of the educational provision for all of our pupils, so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

Academy aims:

Quality of Education : To produce and deliver an effective and relevant recovery curriculum across the school to show progression of skills, knowledge and understanding. For staff to have the skills and knowledge they need to deliver consistently outstanding, exciting, clear and relevant lessons to enthuse, motivate and challenge all pupils.

Behaviour and Attitudes : To continue to develop and enhance the whole school ethos of positive learning and positive behaviours which creates a culture of good manners and mutual respect.

Personal Development : To ensure that the curriculum extends beyond the academic learning and that it takes into account pupils' interests and talents and enables them to experience a broader curriculum.

Grow and Develop Leadership & Management : To provide clear, ambitious plans for a high-quality academy with shared visions, values, policies and practice.

Early Years Education : Ensure that our practice in EYFS is of the highest quality, resulting in significant positive impact upon pupils learning, progress and attainment.

Developing Strong Governance : To ensure that the Trust Board and Local Governing Board have a balanced, challenge and support to Senior Leaders and hold the Trust to account.

Members, Trustees, Local Governors, staff, parents and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Objectives, Strategies and Activities

As an Academy Trust, we ensure we comply with statutory and legal obligations as well as the funding arrangements which we have in place. The Trustees along with the Executive Headteacher and Strategic Senior Leaders have developed a School Development Plan setting out our objectives and strategies to ensure the educational excellence for all of the children who attend Holley Park Academy. In setting objectives and planning our activities the Trustees have given careful consideration to the charity commission's general guidance and public benefit.

Our school aims to continually encourage and develop working relationships between home, school and the local community. Holley Park Academy is a non-selective school welcoming pupils of all abilities offering them a broad and balanced curriculum. Pupils that attend Holley Park Academy mainly live in the Ayton, Lambton and Oxclose areas of Washington, however a number of children travel longer distances to attend Holley Park Academy.

The Main Objectives of the academy during the financial year ended 31 August 2021 are summarised below:

- Develop our own curriculum, structured so that skills and knowledge are built on from Early Years to Key Stage One and through to Key Stage Two. This is to prepare our pupils for opportunities, responsibilities, and experiences in the future.
- Encourage our own Holley Park Academy Skills of The Five R's: Resilience, Relationships, Reflectiveness, Resourceful and Risk Taking. These are important skills to teach our pupils HOW to learn.
- Actively promote British Values to ensure pupils are well prepared for life in modern Britain.
- Maintain extensive, well-resourced grounds to enable our pupils to have outdoor learning opportunities offered as part of everyday learning.
- Provide equal opportunities for all pupils.
- Provide teaching and learning of the highest quality.
- Differentiate learning to take account of the needs of each individual.
- Support pupils' physical, moral, cultural, emotional, spiritual and social needs.
- Keep all pupils safe from physical and emotional harm.
- Provide a broad, balanced and relevant curriculum that prepares pupils for modern life.
- Enrich pupils' learning through external visits and experiences, including residential.
- Embrace the community and make all stakeholders part of the school's success.
- Create a friendly, happy atmosphere where exemplary behaviour is the norm and positive attitudes to learning are encouraged.
- Achieve **Equality of Quality** for all.

Public Benefit

The Trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Academy and in planning future activities. In particular, the Trustees consider the provision of education to provide public benefit to the community in which it operates.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

STRATEGIC REPORT

Achievements and Performance

Objectives achieved 2020-2021:

- Delivered a planned curriculum, which was sequenced for pitch and progression and addressed key gaps in learning so that new knowledge and skills were built on what has been taught before.
- Developed a high-profile reading culture, through the systematic teaching of phonics in EYFS and Key Stage 1, which continues to provide sufficient support for all children to be fluent readers in key Stage 2.
- Continued to develop and enhance the whole school ethos of positive learning and positive behaviours, which creates a culture of good manners and mutual respect.
- Ensured a whole school focus on wellbeing and mental health for staff and pupils.
- Developed the effectiveness of the student voice.
- Developed links between the school and the local community.
- Continued to review the effectiveness, roles and responsibilities of the leadership structure.
- Developed an effective professional development structure for all staff.
- To continue to ensure effective and robust safeguarding processes are in place across the school.
- To continue to enhance the Governor role and impact of the Governing body.
- Developed a top-level view curriculum following 'Development Matters' to meet the new Statutory Framework for the Early Years Foundation Stage (ELGs).
- Reading: Developed a systematic, skill-based approach of teaching phonics across EYFS through RWI, Launchpad for Literacy and The Nuffield Early Language Intervention programme. To continue to improve outcomes in Early Years by identifying and closing skill gaps in order to be ready for all aspects of literacy.

Key Performance Indicators

- Current Ofsted grade of 'Good'.
- Maintain the good reputation that the Academy has in the local and wider community
- Good attendance exceeding the national average.
- The Academy continues to be a popular first choice for parents. Trustees have taken the decision keep the PAN to 35 for September 2021 and continue to review annually.
- Increased take up of extended provisions.
- All pupils have continued to follow the 5 R's (Resilience, Relationships, Reflection, Resourceful and Risk-taking) throughout the curriculum and in their attitude to learning.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Contextual Data

Holley Park Academy a primary academy with a nursery provision, educating pupils aged 3-11. The proportion of pupils who have special educational needs is below average. The proportion of disadvantaged pupils supported by the pupil premium grant is below average. Pupils attend the Reception class on a full-time basis and can attend Nursery class on a part-time basis. The nursery also offers 30 hours of flexible Nursery provision.

Pupil Information - Progress and Attainment End of Year 2020 – Key Points

A heavy focus on mental health and well-being for all staff and pupils. Staff will deliver a consistent range messages and support to deal with issues through meetings, class assemblies, PSHE, art and RE.

EYF5					
		2017/2018	2018/2019	2019/2020 TA	2020/2021 TA
<u>Good level of development</u>	School	70.6%	75.9%	64%	67%
	National	71.5%	71.8%		

Key Stage 1					
		2017/2018	2018/2019	2019/2020 TA	2020/2021 TA
<u>Phonics screening check</u>	School	93%	85%	100%	
	National	82%	82%		
<u>Reading expected standard</u>	School	79%	88%	84%	80%
	National	76%	75%		
<u>Reading greater depth</u>	School	12%	29%	22%	23%
	National	26%	26%		
<u>Writing expected standard</u>	School	70%	95%	84%	80%
	National	70%	70%		
<u>Writing greater depth</u>	School	6%	21%	19%	17%
	National	16%	16%		
<u>Maths expected standard</u>	School	79%	95%	91%	80%
	National	76%	76%		
<u>Maths greater depth</u>	School	12%	24%	25%	23%
	National	22%	22%		

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Trustees Report for the Year Ended 31 August 2021 (continued)

2020/2021 TA		2017/2018	2018/2019	2019/2020 TA	2020/2021 TA
<u>Reading expected standard</u>	School	97%	80%	84%	88%
	National	75%	73%		
<u>Reading greater depth</u>	School	47%	29%	54%	37%
	National	28%	27%		
<u>Writing expected standard</u>	School	90%	91%	84%	71%
	National	78%	78%		
<u>Writing greater depth</u>	School	13%	17%	13%	24%
	National	20%	20%		
<u>Maths expected standard</u>	School	97%	100%	80%	76%
	National	75%	79%		
<u>Maths greater depth</u>	School	30%	34%	23%	31%
	National	23%	27%		
<u>SPaG expected standard</u>	School	97%	100%	87%	N/A
	National	77%	78%		
<u>SPaG greater depth</u>	School	47%	49%		N/A
	National	37%	36%		

All pupils have continued to follow the 5 R's (Resilience, Relationships, Reflection, Resourceful and Risk-taking) throughout the curriculum and in their attitude to learning. Pupils are showing a great interest in all of their learning and the discussions taking place throughout the school have been engaging and exciting.

Through learning walks observations have been made of positive relationships and learning behaviours and pupils and staff are demonstrating resilience and resourcefulness.

Key Strengths

- Standards on entry to year one are above average and by the end of year two they are above local & national in writing and maths and marginally below in reading
- Standards by the end of KS2 are above local and national in all subjects, including SPaG.
- Standards have been consistently high with school performing significantly above national and LEA averages.

Areas Currently Under Development:

- To continue to actively manage the implications of the forced closure due to COVID by effectively supporting pupils and staff physical and mental wellbeing.
- To build on and continue to assess the progress of pupils and staff wellbeing during the pandemic.
- To continue to link to current School Development Plan priorities 2021-22 and Performance Management targets.
- Continue to use effective methods of school differentiation, lesson observations, and internal and external moderation.

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Trustees Report for the Year Ended 31 August 2021 (continued)

- To continue to focus and develop a relevant, fit for purpose curriculum for all within the Ofsted framework.

Going Concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Accounting Policies in note 1 to the financial statements.

Financial Review

The majority of the Trust's income for the period was obtained from either the ESFA (Education and Skills Funding Agency) or Local Authority as the commissioner of pupil places, the use of which is restricted for particular purposes. The grants and funding received from these bodies for the period and associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2021, total expenditure of the Academy was in excess of recurrent grant funding from the EFA together with other incoming resources.

As shown in the Statement of Financial Activities, income for the year ended 31 August 2021 totalled £1,361,000 and expenditure totalled £1,353,000, leaving a surplus of £8,000.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £765,000 which has been carried forward to 2021/2022. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

In 2020/21, the Trust Board has adopted the following policies relating to Financial management: -

- Terms of Reference – Financial Management
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Academy Financial Handbook

Reserves Policy

The Trustees recognise the need for the Academy to build up reserve and a policy has been formalised. This is reviewed annually although this policy is not regarded as a static policy as future plans need to be considered when setting the Academy's budget to review income and expenditure. Consideration should be given to any uncertainty over future income or the risk of unexpected events. The Academy should consider future plans or capital projects when other spending needs might be identified that cannot be met from the income of a single year's budget alone. The minimum level of reserves for the ongoing needs of the Academy will therefore be reviewed at least annually as part of the Academy's planning processes.

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Trustees Report for the Year Ended 31 August 2021 (continued)

The Academy holds both restricted and unrestricted funds. Unrestricted funds are held

- To provide funds which can be designated to specific areas as identified by the Academy Trust's improvement plan which is updated and reviewed on a regular basis
- To cover ongoing costs in relation to the running of the Academy Trust including catering provisions, trips/events and act as a contingency for other unforeseen costs

The level of reserves will be monitored through the review of monthly management accounts and as part of the normal monitoring and budgetary reporting processes to identify when reserve levels rise or fall. Reasoning and any corrective action, if any, that needs to be taken will be recorded and shared.

The funding received in any one year should be used to educate the children on roll. We also wish to ensure the stability of our organisational operations so that reserve levels should enable us to react quickly to changes in financial circumstances, for example, large, unplanned expenditure or a reduction in income as experienced because of COVID. Our previous plans were to gradually increase reserves to cover those eventualities. We are proposing that we aim to follow the plan.

2021-2022: To maintain and build on the reserves plans. This will enable us to meet any urgent unforeseen expenditure.

The Academy are mindful of the budget restraints and uncertainty of the current climate and will continue to review the reserves policy.

Unrestricted funds can be spent on any purpose at the discretion of the Trustees, within the objects of the Academy as set out in its governing documents. These funds are generated from activities including income from school meals, breakfast and after school clubs.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund and therefore the pension liability has been aligned with this fund.

Investment Policy

Under the Memorandum and Articles of Association, the Academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Trustees see fit. The Trust currently operates interest bearing bank accounts but at present does not have any funds invested.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are as follows:

- Failing to maintain the current Ofsted grade of 'Good'.
- Maintaining pupil numbers.
- Enforced closure due to COVID-19
- Financial - the Academy has considerable reliance on continued Government funding through ESFA and additional funding generated by school activities such as extended school clubs and school meals.
- Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards.
- Staffing – to achieve its objectives the Academy is reliant on the quality of its staff.

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Trustees Report for the Year Ended 31 August 2021 (continued)

- Leadership and Management – Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement.
- Trustees are required to undertake a skills audit annually to ensure they have the qualities and skills required to perform their duties.

Fundraising

The Academy Trust does not work with commercial participators or professional fundraisers, and fundraising is not undertaken amongst members of the general public unconnected with the Academy Trust. The Academy Trust fundraisers locally through events. There is no use of intrusive or persistent fundraising approaches and no undue pressure to donate.

Plans for Future Periods

Key priorities for improvement are to continue at pace and include,

- To continue to actively manage the implications of the forced closure due to COVID by effectively supporting pupils and staffs physical and mental wellbeing.
- To build working relationships to work in partnership with other schools to develop and grow Acer Learning Trust
- To develop, manage and grow our remote learning offer to all pupils
- To raise standards in writing through rigorous teaching of spelling, punctuation and grammar, developing positive attitudes towards learning and encouraging all pupils to take ownership of their own learning
- To develop the of leadership and management across the whole school through CPD and peer to peer work
- To continue with CPD to develop and improve skills to increase capacity to support the educational opportunities on offer to our pupils
- To provide a high-quality learning provision and environment to accommodate the pupil numbers at Holley Park Academy

Funds Held as Custodian on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

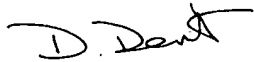
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Trustees Report for the Year Ended 31 August 2021 (continued)

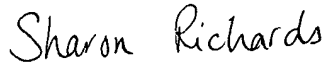
Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 24 November 2021 and signed on its behalf by:



.....
D Dent
Trustee



.....
S Richards
Trustee

Acer Learning Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Acer 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 Head teacher, 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 Acer 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 8 times during the period. Attendance during the year at meetings of the Board of Trustees was as follows (including extra ordinary meetings):

Trustee	Meetings Attended	Out of a Possible
Mr D Dent (Chair)	6	6
Miss E Fisher	4	6
Mrs S Richards	6	6
Mrs G Wood	1	1
Mrs A Luke	2	6
Mrs J Patterson	6	6
Mrs J Tonge Resigned 09.03.21	3	3
Mr G Cue Member Appointed 26.01.21	3	3
Mr R Chamberlain	6	6
Dr D Haw (Member) Resigned 26.01.21	1	1
Dr W Snaith (Member)	6	6
Mr D Green (Member)	0	1

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Governance Statement (continued)

The Trust Board met 6 times over the academic year 2020-2021. Trustees have a varied expertise of professional qualities. The meetings are held and clerked by a trained professional clerk and accurate minutes retained. The Board receives relevant information on all aspects of school attainment, business and financial performance data using headline information and clear consistent financial reports and management accounts taken from the finance system. The Executive Headteacher and Operations Manager prepare and present reports which are compliant with statutory requirements and the Academies Financial Handbook. The Board have challenged the validity and source of data included in these reports.

The Finance, Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Trust by enabling more efficient and effective use of resources whilst seeking ways to ensure an outstanding and sustainable provision is maintained. Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr R Chamberlain (Chair)	2	3
Miss E Fisher	2	3
Mrs S Richards	3	3
Mr W Snaith	3	3
Mrs J Patterson	3	3

Review of Value for Money

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

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

Improving Educational Results and Opportunities

- At the beginning of the academic year targeted small group interventions were delivered in Key Stage 1 and Key Stage 2 to pupils identified through tracking as requiring additional support.
- Use of Pupil Premium enabled additional interventions to take place for these pupils.
 - A nurture group for vulnerable children or children identified by teachers as who would benefit from this type of work was launched and is delivered over lunchtimes. This has built confidence to children, working in a slightly less formal setting than a classroom environment to increase their self-esteem.
- Best value is sought when purchasing resources, staff with financial responsibilities ensure purchases are fit for purpose are in line with school priorities
- Remote Learning was implemented in March 2020 to continue deliver education to pupils through online learning platforms which remains in place for homework and to deliver home learning if required.

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Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks. 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 periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Risk 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;
- review of suppliers to achieve best value i.e cleaning contract
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and agreed to appoint JGT Auditor to undertake checks to ensure financial compliance.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of cash banking and income;

On an annual basis, the auditor reports to the board of trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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Governance Statement (continued)

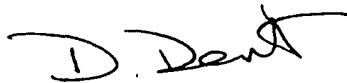
Review of Effectiveness

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

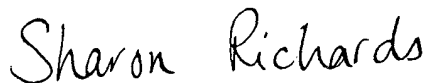
- the work of the external auditor
- the work of the internal auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 24 November 2021 and signed on its behalf by:



D Dent
Trustee



S Richards
Trustee

Acer Learning Trust

Statement of Regularity, Propriety and Compliance

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

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

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

Sharon Richards

.....
S Richards, Executive Headteacher/CEO
Accounting officer

24 November 2021

Acer Learning Trust

Statement of Trustees' Responsibilities

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

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

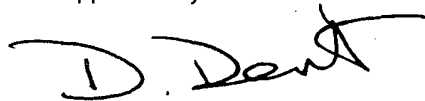
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 24 November 2021 and signed on its behalf by:



.....
D Dent
Trustee

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust

Opinion

We have audited the financial statements of Acer Learning Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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.

Acer Learning Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 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 18], 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.

Acer Learning Trust

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

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.

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

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Acer Learning Trust

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

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.



.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

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

In accordance with the terms of our engagement letter dated 30 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acer Learning Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Acer Learning Trust

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

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

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

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



.....
MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15 December 2021.

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Donations and capital grants	2	1	3	6	10
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,269	-	1,269
Other trading activities	4	82	-	-	82
Total		83	1,272	6	1,361
Expenditure on:					
Raising funds	5	68	-	-	68
<i>Charitable activities:</i>					
Academy trust educational operations	6	2	1,251	32	1,285
Total		70	1,251	32	1,353
Net income/(expenditure)		13	21	(26)	8
Transfers between funds		-	-	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(24)	-	(24)
Net movement in funds/(deficit)		13	(3)	(26)	(16)
Reconciliation of funds					
Total (deficit)/funds brought forward at 1 September 2020		-	(641)	1,822	1,181
Total funds/(deficit) carried forward at 31 August 2021		13	(644)	1,796	1,165

Acer Learning Trust

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

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Donations and capital grants	2	4	7	7	18
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,255	-	1,255
Other trading activities	4	67	-	-	67
Total		71	1,262	7	1,340
Expenditure on:					
Raising funds	5	68	-	-	68
<i>Charitable activities:</i>					
Academy trust educational operations	6	5	1,384	39	1,428
Total		73	1,384	39	1,496
Net expenditure		(2)	(122)	(32)	(156)
Transfers between funds		(10)	10	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(20)	-	(20)
Net movement in deficit		(12)	(132)	(32)	(176)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		12	(509)	1,854	1,357
Total (deficit)/funds carried forward at 31 August 2020		-	(641)	1,822	1,181

Acer Learning Trust

(Registration number: 08158718)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	10	1,794	1,822
Current assets			
Debtors	11	25	39
Cash at bank and in hand		<u>158</u>	<u>116</u>
		183	155
Creditors: Amounts falling due within one year	12	<u>(47)</u>	<u>(142)</u>
Net current assets		<u>136</u>	<u>13</u>
Total assets less current liabilities		<u>1,930</u>	<u>1,835</u>
Net assets excluding pension liability		1,930	1,835
Pension scheme liability	21	<u>(765)</u>	<u>(654)</u>
Net assets including pension liability		<u>1,165</u>	<u>1,181</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	13	121	13
Restricted fixed asset fund	13	1,796	1,822
Restricted pension fund	13	<u>(765)</u>	<u>(654)</u>
		1,152	1,181
Unrestricted funds			
Unrestricted income fund	13	<u>13</u>	<u>-</u>
Total funds		<u>1,165</u>	<u>1,181</u>

The financial statements on pages 25 to 49 were approved by the trustees, and authorised for issue on 24 November 2021 and signed on their behalf by:



.....
D Dent
Trustee

Acer Learning Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	40	(150)
Cash flows from investing activities	17	<u>2</u>	<u>(6)</u>
Change in cash and cash equivalents in the year		42	(156)
Cash and cash equivalents at 1 September		<u>116</u>	<u>272</u>
Cash and cash equivalents at 31 August	18	<u>158</u>	<u>116</u>

Acer Learning Trust

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

1 Accounting policies

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

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 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Income

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

Grants receivable

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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 spent on capital projects in line with the terms and conditions of the grant. 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.

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'.

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.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

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.

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 lives, per the table below.

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

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold land & buildings	125 years straight line
Leasehold extension	50 years straight line
Leasehold improvements	15 years straight line
Furniture and equipment	4 years straight line
Computer equipment	3 years straight line

Liabilities

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

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Pension benefits

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

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 Education Skills and Funding Agency and the Department for Education Group.

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.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £32,000 (2020 - £39,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Educational trips and visits	1	-	-	1	4
Capital grants	-	-	6	6	7
Other donations	-	3	-	3	7
	<u>1</u>	<u>3</u>	<u>6</u>	<u>10</u>	<u>18</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>4</u>	<u>7</u>	<u>7</u>	<u>18</u>	

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	937	-	937	938
Other ESFA Group grants	-	158	-	158	158
	-	1,095	-	1,095	1,096
Other government grants					
Local authority grants	-	146	-	146	147
Other Government grants	-	2	-	2	3
	-	148	-	148	150
COVID-19 additional funding (DfE/ESFA)					
Other DfE/ESFA COVID-19 funding	-	21	-	21	-
	-	21	-	21	-
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus exceptional support	-	-	-	-	9
	-	-	-	-	9
Non-government grants and other income					
Other income from the academy trusts educational operations	-	5	-	5	-
Total grants	-	1,269	-	1,269	1,255

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	-	1,255	-	1,255

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 £20,980 of additional costs. These costs are included in note 6.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	5	6
Pupil Premium and Service Premium	41	30
Universal Infant Free School Meals (UiFSM)	43	34
Insurance	-	20
PE and Sports Grant	18	18
Teachers' Pay Grant	51	50
	<u>158</u>	<u>158</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	2	-	-	2	2
Catering income	40	-	-	40	29
Other sales	19	-	-	19	9
Breakfast club	21	-	-	21	27
	<u>82</u>	<u>-</u>	<u>-</u>	<u>82</u>	<u>67</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>67</u>	<u>-</u>	<u>-</u>	<u>67</u>	

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other costs	2021	2020
	£ 000	£ 000	£ 000	£ 000	£ 000
Expenditure on raising funds	68	-	-	68	68
Academy's educational operations					
Direct costs	724	-	45	769	879
Allocated support costs	309	107	100	516	549
	<u>1,101</u>	<u>107</u>	<u>145</u>	<u>1,353</u>	<u>1,496</u>

	Non Pay Expenditure			Total
	Staff costs	Premises	Other costs	2020
	£ 000	£ 000	£ 000	£ 000
Total 2020	<u>1,183</u>	<u>132</u>	<u>181</u>	<u>1,496</u>

Net income/(expenditure) for the year includes:

	2021	2020
	£ 000	£ 000
Operating lease rentals	2	4
Depreciation	32	39
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	<u>2</u>	<u>2</u>

6 Charitable activities

	2021	2020
	£ 000	£ 000
Direct costs - educational operations	769	879
Support costs - educational operations	<u>516</u>	<u>549</u>
	<u>1,285</u>	<u>1,428</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Charitable activities (continued)

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	309	309	298
Depreciation	32	32	39
Technology costs	2	2	-
Premises costs	75	75	93
Legal costs	4	4	10
Other support costs	73	73	84
Governance costs	21	21	25
Total support costs	516	516	549

7 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	783	860
Social security costs	66	68
Operating costs of defined benefit pension schemes	243	246
	1,092	1,174
Supply Teachers	9	1
Staff restructuring costs	-	8
	1,101	1,183
	2021 £ 000	2020 £ 000

Staff restructuring costs comprise:

Severance payments	-	8
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Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	9	12
Administration and support	20	15
Management	3	4
	32	31

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Staff (continued)

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 £261,652 (2020 - £282,706).

8 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

S Richards (Head teacher and trustee):

Remuneration: £50,000 - £55,000 (2020 - £50,000 - £55,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £10,000 - £15,000)

G Wood (Staff trustee):

Remuneration: £10,000 - £15,000 (2020 - £45,000 - £50,000)

Employer's pension contributions: £0 - £5,000 (2020 - £5,000 - £10,000)

G Wood resigned as trustee on the 25 November 2020.

Other related party transactions involving the trustees are set out in note 22.

9 Trustees' and officers' insurance

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

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10-Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2020	1,960	89	47	2,096
Additions	-	-	4	4
At 31 August 2021	1,960	89	51	2,100
Depreciation				
At 1 September 2020	154	77	43	274
Charge for the year	21	7	4	32
At 31 August 2021	175	84	47	306
Net book value				
At 31 August 2021	1,785	5	4	1,794
At 31 August 2020	1,806	12	4	1,822

Land & buildings owned by the Local Authority are leased to the Academy Trust on a 125 year lease. In accordance with recommended accounting practice, the Academy Trust has recognised the value of the land & buildings in the balance sheet and charges depreciation on it over the life of the lease.

Land & buildings are included on the Balance Sheet at a depreciated replacement cost as recommended by the Education and Skills Funding Agency. A valuation was undertaken by Mouchel, as commissioned by the Education Funding Agency, on 31 March 2013 when land and buildings were valued at £1,732,000.

11 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	1	-
VAT recoverable	2	2
Prepayments and accrued income	22	37
	<u>25</u>	<u>39</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	6	103
Accruals	13	17
Deferred income	28	22
	<u>47</u>	<u>142</u>
	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	22	24
Resources deferred in the period	28	22
Amounts released from previous periods	(22)	(24)
Deferred income at 31 August 2021	<u>28</u>	<u>22</u>

At the balance sheet date the Trust was holding funds received in advance in respect of Universal Free School Meals, rates relief, and school trips.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	(44)	937	(829)	-	64
Other government grants	-	148	(148)	-	-
Other DfE/ESFA	57	158	(158)	-	57
COVID-19	-	21	(21)	-	-
Other income	-	8	(8)	-	-
	<u>13</u>	<u>1,272</u>	<u>(1,164)</u>	<u>-</u>	<u>121</u>
Restricted fixed asset funds					
Transfer on conversion	1,633	-	(32)	-	1,601
DfE/EFA capital grants	6	6	-	-	12
Capital expenditure from GAG	<u>183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183</u>
	1,822	6	(32)	-	1,796
Restricted pension funds					
Pension reserve	<u>(654)</u>	<u>-</u>	<u>(87)</u>	<u>(24)</u>	<u>(765)</u>
Total restricted funds	1,181	1,278	(1,283)	(24)	1,152
Unrestricted funds					
Unrestricted funds	<u>-</u>	<u>83</u>	<u>(70)</u>	<u>-</u>	<u>13</u>
Total funds	<u>1,181</u>	<u>1,361</u>	<u>(1,353)</u>	<u>(24)</u>	<u>1,165</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	939	(993)	10	(44)
Other government grants	-	31	(31)	-	-
Other DfE/ESFA	57	286	(286)	-	57
Other income	-	6	(6)	-	-
	<u>57</u>	<u>1,262</u>	<u>(1,316)</u>	<u>10</u>	<u>13</u>
Restricted fixed asset funds					
Transfer on conversion	1,645	-	(12)	-	1,633
DfE/EFA capital grants	13	7	(5)	(9)	6
Capital expenditure from GAG	<u>196</u>	<u>-</u>	<u>(22)</u>	<u>9</u>	<u>183</u>
	<u>1,854</u>	<u>7</u>	<u>(39)</u>	<u>-</u>	<u>1,822</u>
Restricted pension funds					
Pension reserve	<u>(566)</u>	<u>-</u>	<u>(68)</u>	<u>(20)</u>	<u>(654)</u>
Total restricted funds	<u>1,345</u>	<u>1,269</u>	<u>(1,423)</u>	<u>(10)</u>	<u>1,181</u>
Unrestricted funds					
Unrestricted funds	<u>12</u>	<u>70</u>	<u>(72)</u>	<u>(10)</u>	<u>-</u>
Total funds	<u><u>1,357</u></u>	<u><u>1,339</u></u>	<u><u>(1,495)</u></u>	<u><u>(20)</u></u>	<u><u>1,181</u></u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants and staff development grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy Trust.

14 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	1,794	1,794
Current assets	13	168	2	183
Current liabilities	-	(47)	-	(47)
Pension scheme liability	-	(765)	-	(765)
Total net assets	13	(644)	1,796	1,165

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	-	-	1,822	1,822
Current assets	-	155	-	155
Current liabilities	-	(142)	-	(142)
Pension scheme liability	-	(654)	-	(654)
Total net assets	-	(641)	1,822	1,181

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	11	2
Amounts due between one and five years	5	-
	<u>16</u>	<u>2</u>

16 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2021 £ 000	2020 £ 000
Net income/(expenditure)	8	(156)
Depreciation	32	39
Capital grants from DfE and other capital income	(6)	(7)
Defined benefit pension scheme cost less contributions payable	77	58
Defined benefit pension scheme finance cost	10	10
Decrease/(increase) in debtors	14	(3)
Decrease in creditors	(95)	(91)
Net cash provided by/(used in) Operating Activities	<u>40</u>	<u>(150)</u>

17 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Purchase of tangible fixed assets	(4)	(13)
Capital funding received from sponsors and others	6	7
Net cash provided by/(used in) investing activities	<u>2</u>	<u>(6)</u>

18 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	158	116
Total cash and cash equivalents	<u>158</u>	<u>116</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	116	42	158
Total	116	42	158

20 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.

21 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 South Tyneside Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

The TPS is an unfunded scheme to which both 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.

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

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 £113,514 (2020: £122,275).

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

Tyne & Wear Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £63,000 (2020 - £80,000), of which employer's contributions totalled £48,000 (2020 - £63,000) and employees' contributions totalled £15,000 (2020 - £17,000). The agreed contribution rates for future years are 16.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	4.10	3.70
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.20</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	25.10	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	1,951	1,507
Discount rate -0.1%	1,843	1,595
Mortality assumption – 1 year increase	1,826	1,496
Mortality assumption – 1 year decrease	1,968	1,606
CPI rate +0.1%	1,942	1,587
CPI rate -0.1%	<u>1,852</u>	<u>1,514</u>

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

	2021 £ 000	2020 £ 000
Equities	630	479
Property	90	82
Government bonds	24	22
Corporate bonds	227	205
Cash and other liquid assets	45	17
Other	<u>115</u>	<u>91</u>
Total market value of assets	<u>1,131</u>	<u>896</u>

The actual return on scheme assets was £177,000 (2020 - £4,000).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	125	121
Interest income	(16)	(16)
Interest cost	<u>26</u>	<u>26</u>
Total amount recognised in the SOFA	<u>135</u>	<u>131</u>

Acer Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

21 Pension and similar obligations (continued)

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

	2021 £ 000	2020 £ 000
At start of period	1,550	1,391
Current service cost	125	121
Interest cost	26	26
Employee contributions	15	17
Actuarial (gain)/loss	185	8
Benefits paid	(5)	(13)
At 31 August	1,896	1,550

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

	2021 £ 000	2020 £ 000
At start of period	896	825
Interest income	16	16
Actuarial gain/(loss)	161	(12)
Employer contributions	48	63
Employee contributions	15	17
Benefits paid	(5)	(13)
At 31 August	1,131	896

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Mrs J Chamberlain

Mrs J Chamberlain is a related party by virtue of her husband, Mr R Chamberlain, being a Trustee of the Academy Trust

During the year Mrs J Chamberlain was employed by the Academy Trust as a Teaching Assistant and was paid in line with the national pay scales.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Mrs J Chamberlain was £Nil (2020 - £Nil).