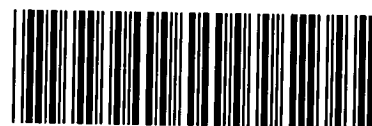


HOPE LEARNING COMMUNITY
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



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HOPE LEARNING COMMUNITY
(A company limited by guarantee)

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HOPE LEARNING COMMUNITY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Bridge R Morris M Andrews C Haynes J Brindle (appointed 17 December 2020)
Trustees	M Andrews, Chair of Trustees ¹ A Goggin ¹ G Smith, Accounting Officer ¹ B Shaw ¹ R Barratt (appointed 17 September 2020, resigned 23 March 2021) M Lucking (appointed 23 November 2020) J Kinnell (appointed 17 December 2020) S Frost (appointed 2 February 2021) David Beardwell (appointed 9 June 2021, resigned 19 November 2021) ¹ Finance, Audit and Premises Committee
Company registered number	10391530
Company name	Hope Learning Community
Principal and registered office	School Road Colchester CO7 7ET
Chief executive officer	G Smith
Senior management team	Gary Smith, CEO Ruth Whitehead, Head of School - Market Field School Julian Cochrane, Headteacher - Southview School Adam Dean, Head of School - Chatten Free School Duncan Thomas, Head of College - Market Field College Kim McWilliam, Academy Improvement Lead
Independent auditors	Griffin Chapman Chartered Accountants Registered Auditors 4&5 The Cedars, Apex 12 Old Ipswich Road Colchester Essex CO7 7QR
Bankers	Lloyds Bank PLC PO Box 1000 BX1 1LT

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

The trust operates two special academies with a third school opening September 2021. The trust had a combined pupil capacity of 447 for 2020-21.

Structure, governance and management

The trust operates two special academies in Essex with a third school opening in September 2021. The trust has a combined pupil capacity of 447 for 2020-21.

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

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

The charitable company operates as Hope Learning Community.

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

b. Members' liability

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

c. Trustees' indemnities

The Trust's schools are members of the Department for Education's (DfE's) Risk Protection Arrangement (RPA) which provides insurance cover of up to £10m to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring during the course of the Trust's business. It is not possible to quantify the trustees' indemnity element from the overall cost of the RPA scheme.

d. Method of recruitment and appointment or election of Trustees

The Members may appoint by ordinary resolution up to 8 Trustees. The Trustees may appoint Co-opted Trustees. A Co-opted trustee is a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The skills required for the trust board to adequately carry out their duties is regularly reviewed, and trustees are recruited when they match the skill requirements.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for trustees and governors to undertake and receive suitable training to enable them to perform their role effectively. To this end the trust purchases a governance support and training service from an external provider. The trust has also used an external company, that specialise in academy financial monitoring and governance requirements, to provide expert advice and training for the trustees. The trust has an induction policy which sets out the induction programme for new trustees. The induction programme includes a tour of the academy, meetings with students and staff, and provision of policy and procedures documents that are appropriate to the role they undertake.

f. Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The structure consists of the full board of trustees and one subcommittee which is Finance, Audit, Risk and Premises.

The full board of trustees, and its subcommittee meet a minimum of three times during the year. The full board of trustees is responsible for the strategic direction of the Trust. The trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust by the use of those budgets, and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments.

Market Field School and Southview School each have a local governing body who monitor the performance of the school and ensure the implementation of policies as agreed by the trustees.

The Senior Leadership Team in each school control individual academies at an executive level and ensure policies are implemented. The SLT is responsible for the day to day operation of their school, in organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets, and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust's CEO is the Accounting Officer.

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

The board of trustees is responsible for establishing the overall guidelines for pay and has specific responsibility for setting the remuneration of the CEO and Senior Management Team. In doing so the board takes advice from a specialist HR advisory company who ensure that remuneration is in line with the nationally agreed Teachers Pay and Conditions, and the trust's own pay policy. Executive leaders pay is regularly benchmarked against similar roles in the public sector to ensure value for money.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it may be that from time to time transactions will take place with organisations in which members of the board of trustees may have an interest. All transactions involving such organisations would be conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where the trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. There were no such transactions for the accounting period.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Essex Special Schools Education Trust (ESSET). ESSET is a private limited company by guarantee that provides educational support services to improve specialist education provision.
- Essex County Council who are responsible for the coordination of special needs provision in the county.
- Treetops Learning Community devising bespoke physical intervention training packages and consulting on opening our Free School

In addition, The Trust has continued in partnership with three teaching school alliances, North East Essex Teaching School Alliance, Essex Teaching Training and Essex Schools ITT Partnership. The alliances provide training advice on the delivery of special needs education and supporting with teacher and student work placements.

i. Engagement with employees (including disabled persons)

Since its inception, Hope Learning Community has recognised the importance of engaging with its workforce. Employee engagement and well-being is essential in ensuring the success of the trust. The trust therefore strives to maintain open communication channels between management, teachers and support staff. The management teams regularly engage with the workforce both formally and informally, examples of this include;

- Team Meetings
- Business meetings
- Emails
- Performance management reviews
- Non-pupil days where trusts where the trust's vision, values and development plan can be shared
- Training sessions
- Workshops
- Wellbeing committee
- Staff representation on the local governing bodies

Where there is a proposal for significant change to policy or practice all staff are formally consulted.

Hope Learning Community, as a responsible employer, ensures that pay and benefits are fair and in line with government policy. The trust also ensures the health and safety and well-being of all its employees.

The trust is committed to promoting equal opportunities in employment. All employees and job applicants receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. No job applicant is asked to disclose their disability until a formal offer has been made.

HOPE LEARNING COMMUNITY (A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Engagement with employees (including disabled persons) (continued)

Any employee that is disabled or becomes disabled, is encouraged to tell us about their condition so that we can support them as appropriate and make any reasonable adjustments to support them in overcoming or minimising the difficulty. We monitor the physical features of our premises to consider whether they might place anyone with a disability at a substantial disadvantage. Where we are able to we take all reasonable steps to improve access.

j. Trade union facility time

The Academy Trust has no Union officials and therefore there is no facility time to disclose.

Objectives and activities

a. Objects and aims

The principal object and aim of the charitable company is to advance for the public benefit education in the United Kingdom, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a trust specifically organised to make special educational provision for children with special educational needs.

b. Objectives, strategies and activities

In order to meet these objectives and aims and to provide exceptional learning opportunities for the pupils of the Trust, management have concentrated on the following key priorities:

- Continued to expand provision to meet demand by opening a new wing on the school site
- Completion of Chatten Free School, which opened just after the year-end
- Commissioned a CIF bid to improve provision and capacity on Southview site
- Revised the leadership structure to create fairness and transparency across the Trust
- Created a management structure to enable us to meet our aims

c. Public benefit

The public benefits that flow from our core purpose and aims are:

- our pupils are provided with an inclusive and stimulating learning environment, developing their skills and confidence for their transition to adulthood
- pupils, parents and families benefit from support provided by both teaching staff and employed therapists that assist with additional needs. Families are also supported by the wrap around care facilities such as breakfast clubs and holiday clubs
- vocational and life skills are taught to support our pupils in securing employment upon leaving school

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

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

The Trust continued its mission to ensure that pupils achieved their full potential, to recruit, develop and retain suitable staff, and to guide pupils in suitable progression when they leave the trust.

Specific notable achievements and events for each academy were as follows:

Market Field School

Market Field School continues to be significantly oversubscribed. For the 2021-22 academic year the school has 317 pupils on roll at the main school and 90 pupils in post 16 education at the college. The main school site has removed the ICT room in order to create additional classroom capacity, with ICT being taught holistically through other subjects. The college site has had building improvements, as part of a wider building improvement scheme with Sigma Trust, who use the other wings at the Clacton site.

There has been a heavy investment in the Emotional Literacy of the children in the 2020-21 academic year, with additional capacity being placed into the Wellbeing Team – funding an additional wellbeing worker to run workshops/groups with the children. Investment has also been made in wellbeing/emotional regulation boxes for all classrooms to encourage the children to self-regulate and manage their emotions. These were a huge success and is something which will continue to be invested in long term.

Staff performance has been high, continuing to work tirelessly despite the challenges of Covid and continually improving themselves through professional development. Several staff completed University Degrees, started university degrees or moved to the second year of Masters degrees over the past few months. Younger staff are working through Apprenticeships in Supporting Teaching and Learning. All teaching staff across both sites have completed training sessions on LGBTQ+ awareness and suicide prevention in the past few months, the latter of which sadly is a reflection of the mental health crisis facing our young people right now. Staff wellbeing continues to remain a priority with an investment being made in Health First Aid for the Workforce

School improvement, over the next 12 months will be focussed on Dyslexia awareness, identifying children in the school for whom literacy intervention as if they had Dyslexia (because it isn't recognised by Essex LA), would be beneficial. The Key Stage 4 and 5 curriculum is also being reviewed to ensuring there is enough expectation in it. As part of this process, two teachers were employed from mainstream secondary schools who started in September 2021 on the basis that the children lucky enough to be in our MLD classes could often overlap and spend time at mainstream secondary school. Their expertise and knowledge will be used to continue to develop what is offered at KS4.

A restructure of the leadership team has taken place to provide greater leadership capacity and an Acting Deputy Head and Assistant Head of School have joined the team from September 2021. Both were internal appointments and were recruited after a thorough interview process.

We continue to be proud of our students taking exams. All children who were entered for Entry Level exams passed these as well as our GCSE Art cohort. These qualifications were subject to the TAG assessment system. Results were lower than the previous year however there are several reasons for this as follows:

All of our students were removed from Level 1 and Level 2 examinations for English and Maths. This was because the TAG system did not apply to them on the basis that they would have the opportunity to complete these exams at a later stage.

Due to the impact of Covid, the year 11 cohort had not completed a normal school year for the duration of KS4, which impacted on their learning. Similarly, our year 13 learners, who are now our year 14s, are yet to complete a normal college year.

HOPE LEARNING COMMUNITY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

We are aware that Covid has not gone away. We continue to be ready to revert to remote learning if needed and are reminding staff of safe Covid working procedures.

Southview School

Southview School remains a popular oversubscribed school and as such, demand for places is high. It would not be an exaggeration to state that the current infrastructure of the school is at crisis point. The new modular build has taken a high degree of stress from the building, and that is now fully functional. All classrooms now have overhead hoist facilities which makes the logistics of children and students accessing physio programmes and changes of position far more manageable. Our new college build is now being built, and this is scheduled to open in September 2022. This will be a bespoke facility which will include a hydrotherapy pool and a residential provision, as well as providing some relief to the main school infrastructure. Although we are in the very beginnings of exploring this, it is still worthy of note that we are working with Barkers Architects to see if we can access central government funding to improve and expand our current building. We met with the architect in September, and a bid will be in place for the December deadline.

The school is now fully functional and only one extremely vulnerable child continues to isolate; there is a comprehensive package of home support in place for her. Staff and parent surveys (accessed via the school's website) show a 100% satisfaction level with the provision the school made over the lockdown period. We are all very proud of the way the school rose to the challenge of Corona virus, and will no doubt continue to do so.

The perineal issue of funding is in a more secure place. We now have a firm commitment from the Local Authority that the standard banding for a Southview child/student will be band 5, increased from band 4. Whilst this does not completely resolve the issue, it does give us some breathing space until we negotiate funding arrangements around the new college build.

The Ofsted visit is a distinct probability this year and we believe the school is very well prepared for their visit. There was a very positive peer review that took place at the end of the summer term and the full report can be accessed via the school website.

The school has robust development planning and evaluation plans which ensure the school remains a dynamic and forward thinking environment. Full details again, can be accessed via the school's website.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

The trustees receive regular information to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

The Finance, Audit, Risk and Premises Committee regularly monitor the key financial performance indicators. The final KPIs for the period were as follows;

Staff Costs to Income - 89% (2020 - 84%)

Government Funding to Total Income – 99% (2020 - 98%)

Cash balances to Income - 21% - (2020 - 17%)

Current assets vs Liabilities – 6.26:1

All the above KPI's were within the parameters set by the board and exclude the one-off transfer of Chatten Free School.

The trust board continually monitor academic performance, pupil behaviour and attendance.

	National	Market Field School	Market Field College	Southview School
Attendance (These are the raw figures which include pupils who have lost time due to medical needs/other significant reasons)	85.60%	91.00%	86.60%	79.4%
Exclusions	7.76(rate)	0.03 (rate)	0%	0%

All pupils at KS4 achieved at least one GCSE.

Post 16 qualifications achieved 2020/21:
Vocational Level 1 and 2: 33

Vocational Entry Level 3: 2

ASDAN Qualifications (Entry 2 to Entry 3): 23

Core Quals Level 1 and 2: 6 (some full and some part qualifications)

Core Quals Entry Levels: 32

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Financial review

The trust has an increasing and healthy level of reserves with a significant cash balance. Despite, the school opening for a period with reduced pupils due to the impact of Covid 19 and having to invest in a more robust IT infrastructure to deliver remote learning the trust has not overall been financially impacted.

The trust is opening a new free school from 1st September 2021. Until the new school reaches full capacity in terms of pupil numbers, operation of the school with the financial resources that are available will be a challenge. However, demand for places is high and it is fully expected that the school will reach its full capacity. In addition, the trust has significant reserves to draw upon temporarily to support the school.

The other financial risks the trust is exposed to is the reliance of Essex Local Authority to adequately provide funding that support's each pupils individual needs. The trust works closely with the local authority to ensure that adequate funding is provided.

The forward financial plans for the trust are regularly reviewed and updated and demonstrate that the trust will remain financially sustainable in the medium term.

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Skills and Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received £7,970k of GAG and other government funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of special education. During the year the Trust spent £8,543k on expenditure. The trust received a start-up grant of £190k to support with the opening of the new free school, Chatten School. The reserves to take forward into 2020-21 are £778,390 of restricted funding and £962,905 of unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £5,801,000. This does not mean that an immediate liability for this amount crystallises, and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

a. Reserves policy

A reserves policy was approved by the board of trustees on 11th July 2018 and has subsequently been reviewed on 28th September 2021. The trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure unless a specific planned use of brought forward reserves is being made for investment in trust development. The trustees monitor estimated year-end reserves figures via the receipt of monthly management accounts. The budget plan identifies how any reserves will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted pension funds) is £1,741,295. This has been built up from a mixture of balances transferred from the predecessor school, an increase in high needs funding received from the LA, an increase in the pupil numbers on roll and donations made to the school. The current level of reserves held are in excess of the 28th September reserves policy. Plans are in place to utilise reserves to best meet pupil needs during 2021/22.

The fixed asset reserve is made up of £23,249,134 of tangible fixed assets which cannot be realised without first disposing of the fixed assets, there are no fixed asset banked reserves. There has been a significant increase in the fixed asset reserve during the year, due to the transfer in of the £8,700,000 land and buildings at Chatten Free School. The trustees ensure that all reserves are deployed effectively and for maximum impact and have plans to utilise surplus funds to grow and expand the trust while holding a reasonable level of funds as a contingency for unexpected events.

The Trust has a healthy cash balance and forecast shows that the trust will have no cash flow issues in the medium term.

b. Investment policy

An Investment Policy was approved by the Board on 7th May 2020. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The Trust works with a central risk register identifying the major risks, to which the trust is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Trust Board. The principal risks facing the Trust are outlined below;

- The current presence of the Covid-19 virus may impact on pupil progress as opportunities for pupils to engage with a wider community and access a diverse curriculum are more limited. In addition, the trust may be at risk of another closure should the number of Covid-19 cases rise to a concerning level.
- The Trust has considerable reliance on continued Government funding through the ESFA and Essex County Council, and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks and the trustee board is currently undergoing a restructure to ensure the board has the appropriate range of skills to govern the Trust effectively;
- The continuing success of the Trust is dependent on continuing to maintain the outstanding education provision it currently delivers. To mitigate this risk trustees, ensure that pupil progress and outcomes are closely monitored and reviewed;
- The Trust is reliant on the quality of its staff. The trustees monitor and review policies, procedures and recruitment to ensure continued development and training of staff, as well as ensuring there is clear succession planning;
- All organisations run the risk of fraud and mismanagement of funds. The Trust has appointed an independent professional to carry out auditing work on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- To support the expansion of The Trust a new and emergent leadership structure is currently being embedded. As with any new structure this will take time, and trustees will ensure support is provided to personnel in new posts and that staff performance and standards are monitored.
- The premises at Southview school are ageing and may require some investment to maintain it to required standards. Regular routine repairs and maintenance are carried out to prolong the life the assets and a building condition survey has been commissioned to identify any significant financial investment that may need to be made so that funds can be ring fenced accordingly.

Fundraising

On occasions, the trust organises fundraising events. This is always done in conjunction with staff of the trust who ensure fundraising conforms to recognised standards. The trust does not use professional fundraisers or involve commercial participators. In accordance with data protection regulations, permission is sought before marketing directly to individuals and on the rare occasion that marketing is undertaken this is neither intrusive nor persistent. There have been no complaints about fundraising this year. There was no significant impact on fundraising as a result of the Covid-19 virus.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The trust plans to continually improve the educational experience of special needs students both within in its own trust but also on a wider scale throughout Essex County. The trust is opening a new free school in September 2021 which will specialise in the provision of education for autistic pupils. Southview School are planning to expand its provision for post 16 pupils from September 2022.

After recent growth and expansion, and to allow a new leadership structure to embed the immediate plans are to consolidate this rapid period of growth and ensure that teaching and learning and business practices are of a high quality across the trust. The trustees will consider any opportunities for expansion that are presented to them but we only pursue this when there is significant benefit for both parties.

Disclosure of information to auditors

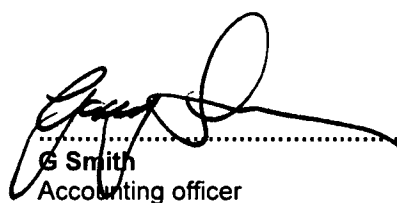
Insofar as the Trustees are aware:

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

The members, following a robust procurement exercise, have appointed a new company to provide auditing services for 2020-21.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on **15 December 2021** and signed on its behalf by:


A Goggin
Trustee


G Smith
Accounting officer

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

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

Trustee	Meetings attended	Out of a possible
M Andrews, Chair of Trustees	6	7
A Goggin	7	7
G Smith, Accounting Officer	7	7
B Shaw	3	7
R Barratt	4	4
M Lucking	4	5
J Kinnell	4	4
S Frost	3	3
David Beardwell	0	0

The Trust board oversees the work of the Trust in line with the scheme of delegation and meeting schedule. The Trust Board has one committee in operation which is the Finance, Audit, Risk and Premises Committee. There is a local governing body in place at each school in the trust with a scheme of delegation in place that allows them to have oversight of local issues.

Over the year the board successfully recruited 4 trustees to fill the skills gaps identified in HR and marketing. Trustees undertook a self-evaluation of skills in January 2021 and identified experience in education as an area to strengthen. Trustees are aware that the board needs to continue to expand and diversify and recruiting will continue to this end. The board will undertake another self evaluation in Spring 2022.

In June 2021 the board commissioned an external review of governance and will review the findings and resulting action plan in autumn 2021.

Finance, Audit, Risk and Premises Committee

The Finance, Audit, Risk and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial matters, monitor the efficiency of the trust and monitor the trust's internal control framework and compliance with regulations. The committee's significant issues that it had to deal with during the year were assessing the financial impact of the issues relating to Covid-19 and managing the financial resources relating to the opening of Chatten School.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Alan Goggin (Committee Chair)	6	6
Rachel Barrett (Resigned February 2021)	3	3
Michael Andrews	6	6
Michael Lucking	2	2
Brian Shaw	5	5

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate.

The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- retendering for external auditors which has resulted in a saving in annual costs
- continuing to increase pupil numbers across all sites resulting in increased funding
- starting the switch to electric minibuses to reduce future fuel costs
- sharing staff across academies to save salary costs
- covering teacher absence in-house to reduce supply teaching costs

The board of trustees have been robust in their challenge of spending and budget allocation to ensure that the school was able to set a balanced budget for 2020-21. The trust's level of reserves has continued to grow.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hope Learning Community for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

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

The Board of Trustees has decided to employ Price Bailey and SBM Services Ltd as internal auditors for 2020-21. Their role includes giving advice on financial and other matters and performing a range of checks on the academy's financial and other systems. In particular, the checks carried out in the period included:

- A review of governance - trust level
- A review of data protection processes and compliance with the requirements of the data protection act
- Procurement
- Assets and Inventory - Market Field school only.

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

The internal auditors completed their schedule of work as planned. No significantly high risk control risks were identified. Following the receipt of the internal audit reports action plans are prepared to address any areas for improvement which the trust board monitors.

Review of effectiveness

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

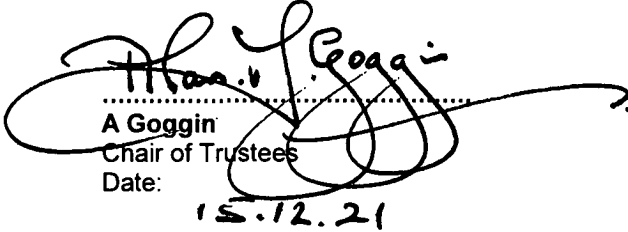
- the work of the internal auditor's;
- the work of the external auditors;
- the completion of the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

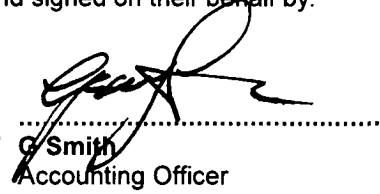
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit, risk and premises committee and a plan to ensure continuous improvement of the system is in place.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees and signed on their behalf by:


.....
A Goggin
Chair of Trustees
Date: 15.12.21


.....
G Smith
Accounting Officer

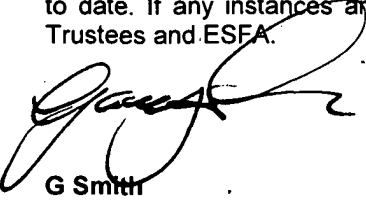
HOPE LEARNING COMMUNITY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


G Smith
Accounting Officer
Date: 15.12.21

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

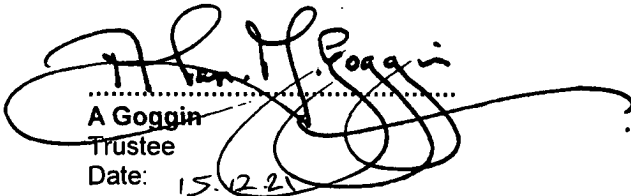
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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


A Goggin
Trustee
Date: 15.12.21

<p>HOPE LEARNING COMMUNITY (A company limited by guarantee)</p>

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE LEARNING COMMUNITY

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE LEARNING COMMUNITY (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease

<p style="text-align: center;">HOPE LEARNING COMMUNITY (A company limited by guarantee)</p>

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE
LEARNING COMMUNITY (CONTINUED)**

operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the academy trust and for those that are most significant, we enquired into how management ensures compliance is maintained.

We identified that the principle risks of non compliance with laws and regulations related to the DfE/ESFA regulatory industry that the Academy operates in. This effects the ability to continue trading as an Academy Trust. Other relevant laws and regulations of note include health and safety.

Enquiry and review of the entity's transactions was undertaken to highlight any instances of penalties, fines or legal activity which could suggest non-compliance with laws and regulations. There was no contradictory evidence found.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the Companies Act 2006, Accounts Direction and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risks were related to the override of delegated authorities and the misappropriation of grant funding.

In response we incorporated testing of procurement and expenditure and any other entries at risk of falling outside of delegated authorities.

Scrutiny of unusual transactions and analytical procedures were used to help identify risk factors in monies received and expended during the year.

It also stated as a reminder, that the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Trust.

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

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOPE
LEARNING COMMUNITY (CONTINUED)**

Use of our report

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



Daniel Aldworth (Senior statutory auditor)

for and on behalf of

for and on behalf of Griffin Chapman

Chartered Accountants and
Registered Auditors

4&5 The Cedars, Apex 12

Old Ipswich Road

Colchester

Essex

CO7 7QR

Date:

16 December 2021

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOPE
LEARNING COMMUNITY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25/01/2021 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 Hope Learning Community during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Hope Learning Community's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hope Learning Community's funding agreement with the Secretary of State for Education dated 29 November 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken comprised:

- a) Analytical review as part of the consideration of whether general activities of the academy trust are within the academy trusts framework of authorities.
- b) Confirmation that items have been appropriately authorised in accordance with the academy trust's delegated authorities. Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- c) Performing of sample testing of expenditure & procurement and review against specific terms of grant funding within the funding agreement.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOPE
LEARNING COMMUNITY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

- d) Review and testing of the systems surrounding the management of related party transactions.
- e) Consideration of governance activities in line with ESFA expectations.

The extent of work performed was based upon our professional judgement, informed by the assessment of the risk of material irregularity, impropriety and non-compliance.

Conclusion

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



Mr Daniel Aldworth (Reporting Accountant)
for and on behalf of Griffin Chapman
Chartered Accountants and
Registered Auditors
4&5 The Cedars, Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date:

16 December 2021

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	27,798	-	8,753,546	8,781,344	999,903
Charitable activities		-	7,969,593	-	7,969,593	7,053,949
Other trading activities		81,707	-	-	81,707	100,699
Investments	6	183	-	-	183	2,762
Total income		109,688	7,969,593	8,753,546	16,832,827	8,157,313
Expenditure on:						
Charitable activities	8	5,529	8,197,092	340,261	8,542,882	8,027,964
Total expenditure		5,529	8,197,092	340,261	8,542,882	8,027,964
Net income/(expenditure)		104,159	(227,499)	8,413,285	8,289,945	129,349
Transfers between funds	20	-	(149,639)	149,639	-	-
Net movement in funds before other recognised gains/(losses)		104,159	(377,138)	8,562,924	8,289,945	129,349
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(678,000)	-	(678,000)	(161,000)
Net movement in funds		104,159	(1,055,138)	8,562,924	7,611,945	(31,651)
Reconciliation of funds:						
Total funds brought forward		858,746	(3,967,472)	14,686,210	11,577,484	11,609,135
Net movement in funds		104,159	(1,055,138)	8,562,924	7,611,945	(31,651)
Total funds carried forward		962,905	(5,022,610)	23,249,134	19,189,429	11,577,484

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

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The notes on pages 30 to 55 form part of these financial statements.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)
REGISTERED NUMBER: 10391530

BALANCE SHEET
AS AT 31 AUGUST 2021

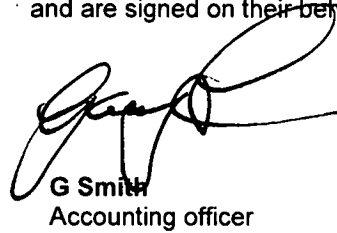
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	23,249,134	14,586,210
		<u>23,249,134</u>	<u>14,586,210</u>
Current assets			
Stocks	16	840	650
Debtors	17	334,845	432,397
Cash at bank and in hand		1,736,937	1,394,635
		<u>2,072,622</u>	<u>1,827,682</u>
Creditors: amounts falling due within one year	18	(331,327)	(445,408)
Net current assets		<u>1,741,295</u>	<u>1,382,274</u>
Total assets less current liabilities		<u>24,990,429</u>	<u>15,968,484</u>
Net assets excluding pension liability		<u>24,990,429</u>	<u>15,968,484</u>
Defined benefit pension scheme liability	27	(5,801,000)	(4,391,000)
Total net assets		<u><u>19,189,429</u></u>	<u><u>11,577,484</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	23,249,134	14,686,210
Restricted income funds	20	778,390	423,528
		<u>24,027,524</u>	<u>15,109,738</u>
Restricted funds excluding pension asset	20	24,027,524	15,109,738
Pension reserve	20	(5,801,000)	(4,391,000)
Total restricted funds	20	<u>18,226,524</u>	<u>10,718,738</u>
Unrestricted income funds			
General funds	20	962,905	858,746
Total unrestricted income funds	20	<u>962,905</u>	<u>858,746</u>
Total funds		<u><u>19,189,429</u></u>	<u><u>11,577,484</u></u>

HOPE LEARNING COMMUNITY
(A company limited by guarantee)
REGISTERED NUMBER: 10391530

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue on
15 December 2021 and are signed on their behalf, by:


A Geggins
Trustee


G Smith
Accounting officer

The notes on pages 30 to 55 form part of these financial statements.

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	22	591,757	45,880
Cash flows from investing activities	23	(249,455)	(235,895)
Change in cash and cash equivalents in the year		342,302	(190,015)
Cash and cash equivalents at the beginning of the year		1,394,635	1,584,650
Cash and cash equivalents at the end of the year	24, 25	<u><u>1,736,937</u></u>	<u><u>1,394,635</u></u>

The notes on pages 30 to 55 form part of these financial statements

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Hope Learning Community meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

• **Grants**

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

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

HOPE LEARNING COMMUNITY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 Income (continued)

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

The Academy Trust is benefiting from the ESFA's Free School Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

- **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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

1.4 Expenditure

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **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.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

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

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

1.15 Fund accounting

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	27,798	-	27,798	54,745
Capital donations and grants	-	8,753,546	8,753,546	945,158
	<u>27,798</u>	<u>8,753,546</u>	<u>8,781,344</u>	<u>999,903</u>
<i>Total 2020</i>	<u>54,745</u>	<u>945,158</u>	<u>999,903</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
Other DfE/ESFA grants			
General Annual Grant (GAG)	4,470,000	4,470,000	4,270,000
Other DfE/ESFA Grants	240,382	240,382	360,494
Pupil premium	182,557	182,557	165,676
SEN and other Local Authority Grants	2,730,831	2,730,831	2,252,080
Free school start-up grant	190,000	190,000	-
Covid 19 exceptional funding	1,463	1,463	5,699
Covid 19 catch-up premium	107,280	107,280	-
Covid 19 mass testing	47,080	47,080	-
	<u>7,969,593</u>	<u>7,969,593</u>	<u>7,053,949</u>
	<u>7,969,593</u>	<u>7,969,593</u>	<u>7,053,949</u>

The academy trust received £155,823 DfE/ESFA Covid 19 additional funding which has been spent during the year.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	-	-	3,734
Catering income	16,329	16,329	25,644
Services provided	54,605	54,605	56,910
School Sales	9,125	9,125	13,244
School uniform sales	1,648	1,648	1,167
	<u>81,707</u>	<u>81,707</u>	<u>100,699</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	183	183	2,762

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Educational operations:					
Direct costs	5,359,258	340,261	217,033	5,916,552	5,664,641
Allocated support costs	1,913,654	262,971	449,705	2,626,330	2,363,323
	<u>7,272,912</u>	<u>603,232</u>	<u>666,738</u>	<u>8,542,882</u>	<u>8,027,964</u>
Total 2020	<u><u>6,878,857</u></u>	<u><u>583,245</u></u>	<u><u>565,862</u></u>	<u><u>8,027,964</u></u>	

8. Analysis of expenditure on charitable activities

Summary by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational Operations	5,529	8,537,353	8,542,882	8,027,964
Total 2020	<u><u>20,597</u></u>	<u><u>8,007,367</u></u>	<u><u>8,027,964</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	5,916,552	2,626,330	8,542,882	8,027,964
<i>Total 2020</i>	<u>5,664,641</u>	<u>2,363,323</u>	<u>8,027,964</u>	

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	5,359,258	5,359,258	5,178,312
Depreciation	340,261	340,261	315,041
Educational supplies	105,263	105,263	105,042
Examination fees	14,747	14,747	8,380
Educational consultancy	97,023	97,023	57,866
	<u>5,916,552</u>	<u>5,916,552</u>	<u>5,664,641</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	68,000	68,000	64,000
Staff costs	1,913,654	1,913,654	1,700,545
Technology	16,003	16,003	15,641
Staff development	25,353	25,353	19,307
Recruitment and support	6,228	6,228	6,232
Maintenance of premises	73,777	73,777	65,994
Cleaning	31,142	31,142	28,837
Rent and rates	65,494	65,494	73,750
Energy costs	68,381	68,381	81,478
Insurance	13,009	13,009	29,145
Security and transport	32,400	32,400	36,326
Catering	64,815	64,815	41,269
Bank charges	440	440	152
Legal and professional fees	130,227	130,227	122,617
Other support costs	117,407	117,407	78,030
	<u>2,626,330</u>	<u>2,626,330</u>	<u>2,363,323</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	68,899	63,144
Depreciation of tangible fixed assets	340,261	315,041
Fees paid to auditors for:		
- audit	<u>11,000</u>	<u>15,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,110,132	4,938,385
Social security costs	377,758	354,862
Pension costs	1,785,022	1,585,610
	<u>7,272,912</u>	<u>6,878,857</u>

b. Staff numbers

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

	2021 No.	2020 No.
Leadership	6	7
Teachers	56	57
Administration and support	225	230
	<u>287</u>	<u>294</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £2,50060,000 was:

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

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff (continued)

d. Key management personnel (continued)

personnel for their services to the Academy Trust was £525,193 (2020 £536,037).

12. Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mr G Smith CEO	Remuneration	110,000 - 115,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000

During the year, retirement benefits were accruing to 1 Trustees (2020 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

14. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	15,154,094	180,607	119,013	117,214	15,570,928
Additions	8,781,272	49,898	169,015	3,000	9,003,185
At 31 August 2021	23,935,366	230,505	288,028	120,214	24,574,113
Depreciation					
At 1 September 2020	763,254	69,704	85,586	66,174	984,718
Charge for the year	248,661	36,687	36,951	17,962	340,261
At 31 August 2021	1,011,915	106,391	122,537	84,136	1,324,979
Net book value					
At 31 August 2021	22,923,451	124,114	165,491	36,078	23,249,134
At 31 August 2020	14,390,840	110,903	33,427	51,040	14,586,210

The Academy Trust's transactions relating to land and buildings included the transfer of the leasehold land and buildings of Chatten Free School totalling £8.7m into the trust.

16. Stocks

	2021 £	2020 £
Raw materials and consumables	840	650

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	63,509	51,613
Other debtors	-	106,290
Prepayments and accrued income	78,687	274,494
Tax recoverable	192,649	-
	<u>334,845</u>	<u>432,397</u>

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	62,508	11,110
Other taxation and social security	90,566	81,900
Other creditors	24,544	-
Accruals and deferred income	153,709	352,398
	<u>331,327</u>	<u>445,408</u>

	2021 £	2020 £
Deferred income at 1 September 2020	20,681	8,668
Resources deferred during the year	12,003	20,681
Amounts released from previous periods	(20,681)	(8,668)
	<u>12,003</u>	<u>20,681</u>

Grants income funding received in advance £12,003 (2020 : £6,508), income deferred for trips not held during the year £0 (2020 : £14,173).

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NOTES TO THE FINANCIAL STATEMENTS
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19. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>1,736,937</u>	<u>1,394,635</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	858,746	109,688	(5,529)	-	-	962,905
Restricted general funds						
General Annual Grant	374,296	4,470,000	(3,330,644)	(744,639)	-	769,013
Other DfE/EFSA Grants	43,409	240,382	(274,414)	-	-	9,377
Pupil Premium	5,823	182,557	(188,380)	-	-	-
Local Authority Grants	-	2,598,093	(2,598,093)	-	-	-
Autism Hub	-	75,000	(75,000)	-	-	-
ESSET	-	57,738	(57,738)	-	-	-
Covid 19 Support Funding	-	155,823	(155,823)	-	-	-
Free School Start-up grant	-	190,000	(190,000)	-	-	-
Pension reserve	(4,391,000)	-	(1,327,000)	595,000	(678,000)	(5,801,000)
	(3,967,472)	7,969,593	(8,197,092)	(149,639)	(678,000)	(5,022,610)
Restricted fixed asset funds						
Inherited assets	13,279,839	-	(340,261)	-	-	12,939,578
Assets purchased from GAG	144,370	53,546	-	314,639	-	512,555
ESFA capital grants	1,162,001	-	-	(65,000)	-	1,097,001
GAG funds allocated for capital	100,000	-	-	(100,000)	-	-
Land and buildings transferred in	-	8,700,000	-	-	-	8,700,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	14,686,210	8,753,546	(340,261)	149,639	-	23,249,134
Total Restricted funds	10,718,738	16,723,139	(8,537,353)	-	(678,000)	18,226,524
Total funds	11,577,484	16,832,827	(8,542,882)	-	(678,000)	19,189,429

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

Restricted general funds - these relate to the academy's development and operational activities.

Restricted fixed asset fund - these funds relate to fixed assets held and funds to be carried forward and used for capital projects in future years. There has been a significant increase in fixed asset funds this year due to the £8.7m transfer in of the land and buildings that make-up Chatten Free School.

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

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

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	899,343	158,206	(20,597)	(178,206)	-	858,746
Restricted general funds						
General Annual Grant	559,904	7,053,949	(7,090,325)	(100,000)	-	423,528
Pension reserve	(3,628,000)	-	(602,000)	-	(161,000)	(4,391,000)
	<u>(3,068,096)</u>	<u>7,053,949</u>	<u>(7,692,325)</u>	<u>(100,000)</u>	<u>(161,000)</u>	<u>(3,967,472)</u>
Restricted fixed asset funds						
All restricted fixed asset funds	13,777,887	945,158	(315,041)	278,206	-	14,686,210
Total Restricted funds	<u>10,709,791</u>	<u>7,999,107</u>	<u>(8,007,366)</u>	<u>178,206</u>	<u>(161,000)</u>	<u>10,718,738</u>
Total funds	<u>11,609,134</u>	<u>8,157,313</u>	<u>(8,027,963)</u>	<u>-</u>	<u>(161,000)</u>	<u>11,577,484</u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Market Field School	1,489,148	1,118,858
Southview School	252,147	163,416
Total before fixed asset funds and pension reserve	1,741,295	1,282,274
Restricted fixed asset fund	23,249,134	14,686,210
Pension reserve	(5,801,000)	(4,391,000)

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20. Statement of funds (continued)

	2021 £	2020 £
Total	19,189,429	11,577,484

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Market Field School	4,213,309	1,412,476	215,650	516,969	6,358,404	5,898,994
Southview School	1,157,956	489,171	79,585	117,505	1,844,217	1,813,929
Academy Trust	5,371,265	1,901,647	295,235	634,474	8,202,621	7,712,923

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	23,249,134	23,249,134
Current assets	962,905	1,109,717	-	2,072,622
Creditors due within one year	-	(331,327)	-	(331,327)
Provisions for liabilities and charges	-	(5,801,000)	-	(5,801,000)
Total	962,905	(5,022,610)	23,249,134	19,189,429

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	14,586,210	14,586,210
Current assets	873,459	854,223	100,000	1,827,682
Creditors due within one year	(14,713)	(430,695)	-	(445,408)
Provisions for liabilities and charges	-	(4,391,000)	-	(4,391,000)
Total	858,746	(3,967,472)	14,686,210	11,577,484

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

	<i>2021 £</i>	<i>2020 £</i>
Net income for the year (as per Statement of financial activities)	8,289,945	129,349
Adjustments for:		
Depreciation	340,261	315,043
Capital grants from DfE and other capital income	(8,753,546)	(945,158)
Interest receivable	(183)	(2,762)
Defined benefit pension scheme cost less contributions payable	664,000	538,000
Defined benefit pension scheme finance cost	68,000	64,000
Increase in stocks	(190)	(250)
Decrease/(increase) in debtors	97,552	(280,796)
(Decrease)/increase in creditors	(114,082)	228,454
Net cash provided by operating activities	591,757	45,880

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23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	183	2,762
Purchase of tangible fixed assets	(303,184)	(1,183,815)
Capital grants from DfE Group	53,546	945,158
Net cash used in investing activities	(249,455)	(235,895)

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,736,937	1,394,635
Total cash and cash equivalents	1,736,937	1,394,635

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,394,635	342,302	1,736,937
	1,394,635	342,302	1,736,937

26. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Purchase of assets	122,540	63,208

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27. Pension commitments

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

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £526,022 (2020 - £507,610).

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

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £736,000 (2020 - £676,000), of which employer's contributions totalled £595,000 (2020 - £542,000) and employees' contributions totalled £ 141,000 (2020 - £134,000). The agreed contribution rates for future years are between 24.4% and 25% for employers and 5.5% and 12% for employees.

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

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.85	3.20
Rate of increase for pensions in payment/inflation	2.85	2.20
Discount rate for scheme liabilities	1.65	1.65
Inflation assumption (CPI)	2.85	2.2
Commutation of pensions to lump sums	50	50

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.8
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

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27. Pension commitments (continued)

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	160	115
Discount rate -0.1%	(165)	(118)
Mortality assumption - 1 year increase	199	131
Mortality assumption - 1 year decrease	(192)	(127)
CPI rate +0.1%	10	9
CPI rate -0.1%	(10)	(8)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2021	2020
	£	£
Equities	3,010,000	1,965,000
Gilts	118,000	135,000
Corporate bonds	219,000	178,000
Property	328,000	246,000
Cash and other liquid assets	131,000	87,000
Alternative assets	522,000	369,000
Other managed funds	374,000	192,000
Total market value of assets	4,702,000	3,172,000

The actual return on scheme assets was £808,000 (2020 - £81,000).

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

	2021	2020
	£	£
Current service cost	1,259,000	1,078,000
Interest income	(58,000)	(57,000)
Interest cost	126,000	121,000
Total amount recognised in the Statement of financial activities	1,327,000	1,142,000

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27. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	7,563,000	6,288,000
Current service cost	1,259,000	1,078,000
Interest cost	126,000	121,000
Employee contributions	141,000	134,000
Actuarial gains/(loss)	1,428,000	(74,000)
Benefits paid	(12,000)	16,000
Administration expenses	(2,000)	-
At 31 August	10,503,000	7,563,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	3,172,000	2,660,000
Interest income	58,000	57,000
Actuarial gains/(losses)	750,000	(235,000)
Employer contributions	595,000	542,000
Employee contributions	141,000	134,000
Benefits paid	(12,000)	16,000
Effects of non-routine settlements	(2,000)	(2,000)
At 31 August	4,702,000	3,172,000

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	1,178	1,845
Later than 1 year and not later than 5 years	1,579	2,757
	2,757	4,602

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29. 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.

30. Related party transactions

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

During the year S Smith the wife of the CEO Mr G Smith was employed by the trust as head of wellbeing and was remunerated in accordance with her contract of employment at band 9 point 21 of the payscale.

During the year I Coe the step-daughter of the CEO Mr G Smith was employed by the trust as a teaching assistant and was remunerated in accordance with her contract of employment at band 4 point 7 of the payscale.

31. Agency arrangements

The trust distributes 16-19 and other bursary funds to students as an agent for the ESFA. In the accounting period ending 31st August 2021 the trust received £63,326 (2020 : £49,382) and disbursed £50,804 (2020 : £42,824) from the fund. An amount of £24,494 (2020 : £11,972) and is included in other creditors relating to undistributed funds that are re-payable to the ESFA.