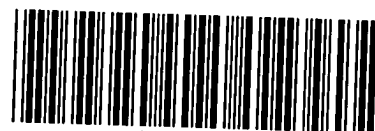


LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J W Thompson Mr A I Thompson Mr D Coombes (appointed 19 August 2020) Mrs J Goldstraw (appointed 19 August 2020) Mrs P J Keech (appointed 19 August 2020) Mr T Gallagher (appointed 19 August 2020) Mrs T Farwell (appointed 19 August 2020)
Trustees	Mr G M Earney (resigned 18 June 2020) Mr P A Harrison (resigned 17 February 2021) Mr B Oakley (resigned 17 July 2020) Mr A Ejaz (resigned 4 June 2020) Mr R I Holmes (resigned 20 August 2020) Mr C J Rodwell (resigned 20 August 2020) Mr R A C Vaughan (resigned 11 September 2020) Mr J Paveley (appointed 19 August 2020, resigned 25 March 2021) Mr M Williams (appointed 19 August 2020, resigned 25 November 2020) Mr P Tomkins (appointed 19 August 2020, resigned 25 March 2021) Mr S Srivathsan (appointed 19 August 2020, resigned 25 March 2021) Mrs T Farwell (appointed 19 September 2020) Mr T Gallagher (appointed 19 August 2020, resigned 24 September 2020) Mrs S Tomlinson (appointed 7 October 2020, resigned 11 January 2021) Mr J Mann (appointed 14 January 2021) Mrs P Garrington (appointed 14 January 2021) Mrs J A Wootton (appointed 31 March 2021) Mr G Forrester (appointed 12 April 2021)
Company registered number	11002860
Company name	Learning Link Multi Academy Trust
Principal and registered office	C/o MLG Education Services LTD Unit 7 Home Farm Courtyard Mendon Road Berkswell Coventry CV7 7SH
Senior management team	Paul Harrison, CEO/AO (resigned 17 February 2021) Claire Thompson, Acting CEO (resigned 28 February 2021) Stacey Morgan, Company Secretary Selwyn Calvin, Chief Operating Officer Alex Richardson, Interim CFO (resigned 23 January 2021) Michael Giddings, Acting CFO (appointed 22 January 2021) Hazel Pulley, CEO/AO (appointed 1 April 2021)
Independent auditors	Bishop Fleming LLP Chartered Accountants 1-3 College Yard Worcester WR1 2LB

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

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

As at 31 August 2019 the Learning Link Multi Academy Trust consists of four large and "good" primary schools (Dudley Wood Primary School, Kates Hill Primary School, Netherbrook Primary School, and Sledmere Primary School) all operating in close proximity within Dudley in the West Midlands.

The Trust academies have a combined pupil capacity of over 2,000 children and opened as the Learning Link Multi Academy Trust (LLMAT) on 1st November 2017.

Two of the academies, Netherbrook and Dudley Wood, serve children who are just below what is typically average for children in England. The other two academies, Sledmere and Kates Hill, are located in more diverse areas where numbers of children of other ethnic backgrounds make up significant proportions of the school population and who come from homes where English is not the main spoken language. Mobility is higher because of the numbers who start at schools at nonstandard times and are new arrivals to the UK.

In the year LLMAT struggled with some issues surrounding governance arrangements and there was a breakdown in relationships between the Trust Board, Members and Local Governing Boards.

A financial notice to improve (FNTI) was served on the Trust on the 2nd January 2020 and in response we have been going through significant changes. Post the 2019 year end the Trust has worked hard to rectify governance, separation of roles and oversight problems and in August 2020 fully replaced the Trust Board and recruited additional Members.

The Trust had been taking urgent action to resolve the issues, including greater consideration given to the robustness of financial management, governance arrangements and oversight by the Board, including but not exclusively to create a system of leadership whereby clear definitions between executive leadership and governance boards are being set.

There has been a significant change in the constitution of the Board with one Trustee being appointed in August 2020, two in January 2021, one in March 2021 and one in April 2021, the current Chair and Vice Chair were appointed 31st March 2021.

Whilst the board have made all endeavours to ensure the probity, accuracy and veracity of statements made in this Report there are significant elements of which the Board are solely relying on the accuracy and completeness of the information recorded at the time and thus this information cannot be independently verified by the auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

Learning Link Multi Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Learning Link Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Learning Link Multi Academy Trust.

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 page.

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was included in the total insurance cost and could not be separately identified.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

These are set out in the articles of association and funding agreement. It is an expectation of LLMAT that Members and Trustees will have:

- A commitment to the Trust and its objects, ethos and values;
- A willingness to devote the necessary time and effort to the Trust's business;
- Effective communication skills and a willingness to ensure effective communication between Academies within the Trust;
- An ability to hold others to account for their professional practice;
- Good independent judgement; and,
- An understanding and acceptance of the legal duties, responsibilities and liabilities of Members and Trustees within company and charitable law.

Trustees are appointed by the Board of Trustees and are identified in a variety of ways – using a number of identified national sources and organisations.

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Training and induction can be provided for each new Trustee depending on their existing experience. This could include training on charity, educational, legal, and financial matters.

The Trust will periodically perform a skills audit of Trustees and, should any gaps be identified, external training courses will be offered to address these issues.

f. ORGANISATIONAL STRUCTURE

The Chief Executive Officer is the Accounting Officer of the LLMAT, the scheme of delegation details which decisions are reserved for the Board of Trustees, and those that are delegated to executive management, and the role of Chief Executive Officer and / or Head Teacher and senior management team and other relevant individuals. Since incorporation of the Trust, it has been managed by a very small team, which in 2019 grew to try to reduce the burden on just the CEO. These executive team members were initially consultants but became substantive employees in the 2019 year.

Learning Link Multi Academy Trust currently consists of the following academies:

- Dudley Wood Primary School,
- Kates Hill Primary School,
- Netherbrook Primary School, and

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

- Sledmere Primary School.

The Members have ultimate responsibility for the Trust achieving its charitable objectives. They approve the articles of association and have power to appoint and remove Trustees, ensuring an appropriate balance of skills and effectiveness.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, approving the statutory accounts, monitoring each Academy's performance using budgets and other data, and making major decisions about the direction of each Academy's capital expenditure. Trustees are responsible for the appointment of the Senior Management positions within the organisation and can appoint further Trustees.

The Chief Executive Officer is supported by the MAT Executive Management Team and the Head Teacher and Senior Leadership Team of each Academy. This group control the Academies at an executive level implementing the strategy and policies laid down by the Trustees and reporting back to them. As an executive group they are responsible for the authorisation of spending and appointment of staff.

Each Local Governing Body receives delegated authority from the Academy Trust Board to support the Trustees in fulfilling their obligations in the areas of finance, welfare and outcomes for children, curriculum and community

The Trustees are aware that investigations by the ESFA are currently ongoing, relating to historic financial processes in use at the academy trust before they were appointed. Until those investigations are complete, we are unable to provide any more information relating to these matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

The ESFA investigation started in October 2019 and there currently has been no report published. After the investigation started, the Trust received a formal Financial Notice to Improve (FNtI), when the Trust failed to submit financial statements and the accounts return to ESFA by the December 2019 deadline on 2nd January 2020.

Subsequent to the FNtI, which was issued on 10th January 2020, all 4 primary schools were issued with Termination Warning Notices (TWNs) outlining the remedial actions which had to be addressed.

The Academy constituent parts will be transferred to multiple new Trusts. Given the challenges the trust has had, and the difficulties faced by the new trustees to move on from historic issues, the new trustees fully support the RSC decision and are committed to ensuring the four schools are placed within new trusts once appropriate due diligence has taken place.

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees understand the need to ensure that both pay and performance development reviews are independently moderated for the Chief Executive Officer, Executive Headteacher and Chief Financial Officer roles.

h. ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)

All employees can discuss issues of concern by means of regular staff meetings and have been kept informed on specific matters directly by management.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS) (CONTINUED)

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

i. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

During the year related party transactions were undertaken with the following corporate entities.

AVT associates: This party is related as it is a company that Claire Thompson, Chief Executive Officer for part of the year, has an interest in. Expenditure of £4,950 (2019: £Nil) was incurred during the year. There were no balances outstanding at the year-end.

Mint PA: This party is related as it is a company that the wife of Paul Harrison is known to have received payments from. Expenditure of £Nil (2019: £12,908) was incurred during the year. There were no balances outstanding at the year-end.

API Innovation Ltd: This company is owned by Paul Harrison, Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £Nil (2019: £10,500) was incurred during the year. This expenditure was incurred as a result of the purchase of products from API Innovation Ltd. At the year end there were no outstanding balances (2019: £12,600) owed to API Innovation Ltd.

iED (UK) Limited: This company is owned by Paul Harrison Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £Nil (2019: £17,300) was incurred during the year. This expenditure was incurred as a result of invoices for the work completed by Paul Harrison's wife. At the year end there were no outstanding balances (2019: £Nil) owed to iED (UK) Limited.

INCO: This company is owned by Paul Harrison Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £7,800 (2019: £500) was incurred during the year. This expenditure was incurred for website development. At the year end there were no outstanding balances (2019: £Nil).

Millhall consultants: This company is the employer of Alex Richardson the Trust's acting CFO during the year. Expenditure of £76,543 (2019: £Nil) was incurred during the year. This expenditure was incurred for financial consultancy. At the year end there were no outstanding balances (2019: £Nil).

The salary of Sally Thompson, also fits the criteria of related party due to her close relation with one of the Members, Arthur Thompson. Her salary is between £30,000 and £35,000.

The salary of Sara Rodwell, also fits the criteria of related party due to her close relation with one of the Trustees, Christopher Rodwell. Her salary is between £5,000 - £10,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

OBJECTIVES AND ACTIVITIES

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

We aim to provide access to the best opportunities we can to ensure that the children in our care can thrive and achieve.

We will do this by facilitating in a professional manner the transfer of all our schools to new Trusts.

We will ensure good financial management.

We acknowledge that health, safety and wellbeing of our staff and of our children is the highest priority.

b. PUBLIC BENEFIT

The Trustees have complied with their duty in Section 4 of the Charities Act 2006, to have due regard to Public Benefit guidance published by the Charity Commission in exercising their powers and duties. LLMAT fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. Trustees consider how planned activities will contribute to the aims and objectives they have set. Community based projects are undertaken throughout the year by staff and pupils which further enhances the public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Due to the national pandemic which closed schools in March 2020 except for the children of keyworkers and also vulnerable pupils, no statutory assessment took place in schools across England. As schools were not functioning in their normal manner, accurate teacher assessment data is unable to be provided. There is therefore no outcome data that can be provided. However, there are still a number of indicators that demonstrate that the schools have moved forward.

Netherbrook School

There has been good parental engagement with remote learning throughout the lockdown periods.

Behaviour across the school is excellent; incidents of low-level disruption in classrooms have dropped significantly due to the pupils sitting in pairs, in rows facing the front. Playground behaviour is also improved due to classes being kept isolated in bubbles.

The small lockdown class sizes allowed us to know the children far more, have conversations with them about themselves and their lives and some pupils really shone in this environment. It has turned a few challenging behaviour boys around as they have now developed strong bonds and a culture of positivity towards their teachers and their work.

We have 75 laptops that are able to be used in school and at home by the pupils. We also have 12 iPads that are available for teachers to use in lessons now. This has vastly improved our IT capability.

100% of parents are engaged with our Class Dojo app which enables us to communicate instantly with parents and share rewards issued in class. It can also ensure parents can communicate with teachers more easily and has been universally welcomed by staff and parents alike.

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

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Dudley Wood School

From September 2019, the introduction of a coaching programme facilitated continuous improvement in teaching and learning. Teachers focused on effective classroom routines and procedures; effective lesson planning in response to gaps in learning; improved opportunity for independent practice; and rich experiences for children to talk. Learning was relevant, personalised, and memorable.

The curriculum was remodelled and the intent, implementation and impact was defined. The curriculum was engaging, creative, relevant and aspirational for all pupils. It encompassed not only the subject-specific, but also acknowledged the importance of the local and the hidden curriculum. It encouraged talk, investigation and exploration.

The environment was also remodelled and designed to create optimum conditions for communication, learning and engagement through the Elizabeth Jarman Communication Friendly Spaces Project.

Good behaviour was sustained and supported by a focus on strengthening child culture. There continued a positive ethos, and children were proud of their achievements and their school.

Throughout the 2020 lockdowns, the school was commended for its commitment to the health and safety of pupils, their families and staff, and also for its remote education offer and for the education of the pupils attending. In July 2020, an online programme of transition was designed and launched. It was accessed by over 80% of children so they were supported for their return to school in September 2020 and felt safe, happy and ready to learn.

Kates Hill School.

In December 2019 we were granted The Optimus Quality Mark Award for Mental Health and Wellbeing. Accreditors shared with us that we were one of the top schools nationally and we will appear in a National Optimus magazine. The school was recognised for its commitment to staff wellbeing and pupil wellbeing. Holistic, embedded practices were praised.

The school embarked in the Teaching Coaches Programme in September 2019; this had immediate impact on teaching and learning routines and expectations. Teachers praised the introduction of immediate, instant feedback in lessons which had direct impact on standards. 90% of teachers improved as a direct result of the coaching programme.

2019-20 analysis of behaviour has seen exclusions reduce along with aspects of behaviour at lunchtimes. Bespoke counselling, pastoral support and individual behaviour plans have been a success. Rewards were remodified, introducing class dojos across the school. Pupils are more engaging and love the electronic instant form of success.

Kates Hill had regular features in the newspaper, especially linked to being a STEM Ambassador school. 5 grants through STEM were secured, which led to numerous Science shows, visitors, and competitions for pupils. We continue to be a leading STEM school and have superb links to the Royal College of Science and Wolverhampton University.

The school was lucky to be given 80 DFE laptops, which have all been loaned out to disadvantaged pupils during lockdown. Due to this support from the DFE, it has enabled us to further improve our ICT lessons and boost our infrastructure.

In September 2019-20 Kates Hill benefitted from work with Elizabeth Jarman, a leading education specialist with an expertise in researching learning environments. All reading corners were transformed across the school with annexes for pupils to immerse themselves in a book brought to life. Rainbow readers were introduced as a result and reading attainment across the school was boosted by 15% in most year groups.

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

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The curriculum was remodelled, and a thematic approach introduced. A big question was introduced to make topics flow and have meaning, along with wow in/out days to capture the theme being explored. Seasonal illnesses were greatly reduced and the school had no supply all year.

Sledmere School

Urgent actions at the start of the 2019-2020 school year achieved substantial change quickly and vigorously. The whole school timetable and weekly planning formats were revised to ensure a relentless focus on the teaching of key skills in English and Mathematics. We successfully reviewed the curriculum, ensuring it was not only relevant, broad and balanced but also provided a 'cultural capital' for our children.

An 'open door' policy was introduced and very well received in September. A series of well-attended Welcome Meetings for each year group's parents and carers took place in the first 2 weeks of term. Learning expectations for the year ahead were shared.

The curriculum was enhanced by new arts provision and sporting opportunities. Our children really enjoyed and benefitted from music initiatives in the form of our Year 4 Violin Project, whole school singing assemblies and our School Choir. The School Choir performed with distinction at the Mayor's Christmas Concert at Dudley Town Hall.

Our pupils also participated in a range of after school sports clubs as well as competitive events against other schools in tag rugby, indoor athletics, tennis and football. All our Year 5 and Year 6 pupils took part in outdoor adventurous activity in the form of Bellboating, a placid water paddlesport activity, coached by a former Olympian on the Dudley Canal close to Sledmere. The experience was summed up by one of our Year 6 boys: 'This has been the best day of my life!'

Learning outcomes were further improved through the Teaching Coaches programme and the newly formed Leadership Team from January 2020 significantly increased capacity.

Our Year 6 pupils took part in the Dudley Debates on Friday 31 January at the Dudley Council House as they opposed the motion 'This house believes that plastic should be banned'. Our 4 speakers delivered with clarity and great sincerity. We took the whole research group of 30 pupils, who had prepared for the debate, to the Council House. The children supported their classmates and asked intelligent, searching questions of all the speakers when the motion was opened to the house. This was a new, memorable and very positive experience for the pupils.

a. GOING CONCERN

We draw attention to note 1.2 in the financial statements, which explains that the financial statements have been prepared on the basis that the company is no longer a going concern; the ESFA/RSC have revoked the funding agreement and have sought to re-broker the schools. The schools will continue as part of the Trust but Learning Link MAT will cease to trade once the last school has left the Trust.

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

STRATEGIC REPORT (CONTINUED)

FINANCIAL REVIEW

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £11,256k compared to total resources expended of £10,686k to give a surplus for the year of £570k.

The Trust had negative free reserves brought forward of £394k, during the year the Trust made a surplus of £589K, which led to a closing free reserves position surplus of £195k.

The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit at £7,527k.

a. RESERVES POLICY

The Board of Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

At 31 August 2020 the total funds comprised:

Restricted Fixed Asset reserve	£18,455,746
Pension reserve	(£7,527,000)
General revenue reserves	£194,987

Total Reserves	£11,123,733
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Sledmere:

The 19-20 Condition Improvement Funding project at Sledmere was completed in March 2021. The roof in the Nursery and Early Years Foundation areas has been replaced. Previously there was significant disruption to learning in these areas.

Kates Hill:

The 19-20 Condition Improvement Funding project was also completed in March 2021. A part of the school building has been re roofed and this has considerably improved the learning environment.

b. INVESTMENT POLICY

There are no material investments held by LLMAT.

The Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. The Trust's investment policy is to invest any surplus funds into a low risk bank account.

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

c. PRINCIPLE RISKS AND UNCERTAINTIES

The Trust holds a Risk Register which is reviewed so systems and procedures can be established to mitigate against them.

The Trust recognises that the academies are in a transition period as they move to new trusts, and that maintaining the stability of the academies is of utmost importance and represents a significant risk if not maintained.

FUNDRAISING

LLMAT has no commercial fund raising arrangements in place. Each Academy within the Trust works in partnership with their School Parents Association to raise funds to wholly benefit the education of its pupils. The local association is accountable to the parent community reporting on the funds they have raised.

PLANS FOR FUTURE PERIODS

The Trust received on 13 October 2020 a notice of funding agreement termination from the Regional Schools Commissioner of the Department for Education, Andrew Warren, on behalf of the Secretary of State. The Academy constituent parts will be transferred to multiple new Trusts. Up until the academies are re-brokered, LLMAT will work with the new Trusts to continue to deliver the following in all of its Academies:

- Providing access to the best opportunities we can to ensure that the children in our care can thrive and achieve.
- We will do this by facilitating, in a professional and timely manner, the transfer of all of our schools to new trusts
- Ensuring good financial and business management
- Acknowledging that the health, safety and wellbeing of our staff and of our children is the highest priority

Trustees and Members continue to review the organisational structure to ensure it meets the requirements of a Multi-Academy Trust guidance as per the Academies Financial Handbook.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

None.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware.

The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 May 2021 and signed on its behalf by:



Pamela Garrington
Chair of Trustees

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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 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 Learning Link Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

As mentioned in the Trustees report on page 2 there have been significant governance issues faced by the MAT which have led to a termination of the funding agreement with the ESFA being issued and served to the MAT.

Whilst the Board have made all endeavours to ensure the probity, accuracy and veracity of statements made in this Report there are significant elements of which the Board are solely relying on the accuracy and completeness of the information recorded at the time and thus this information cannot be independently verified by the auditors.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 10 times during the year.

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

Trustee	Meetings attended	Out of a possible
G Earney	7	7
S Harris	0	0
B Oakley	0	1
P Harrison	2	10
R Vaughan	9	10
R Holmes	8	10
A Ejaz	1	7
C Rodwell	6	9
J Paveley	1	1
M Williams	1	1
P Tomkins	1	1
S Srivathsan	1	1
T Farwell	1	1
T Gallagher	1	1

This has been an exceptionally demanding year for the Board of Trustees to address issues in the Academy Trust and deal with various challenges throughout the year. Some of these challenges in particular have been:

- Recruiting experienced, motivated and capable Trustees.
- Ongoing oversight of the educational performance of all the schools in the Trust.
- Creating effective communication protocols between the Trust Board and the Local Governing Bodies.

All the Academies within the Trust have their own Local Governing Body with some delegated authority as per the scheme of delegation.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

New Trustees had been sought via Academy Ambassadors, ISBL and LinkedIn since January 2020.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, from 1 April 2021 Hazel Pulley has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Improve the educational outcomes throughout the Trust, maximising the number of pupils attending at each academy;
- Improve the purchasing power of the Trust by investigating how services can be purchased at Trust level rather than at individual academies to benefit where possible from economies of scale;
- Improve the organisational structures and reduce any staff duplication wherever possible.

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 Learning Link Multi-Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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. The academy trust failed to uphold this in the year but from the financial year September 2020 and onwards this framework has been improved in particular to include:

- Improved, comprehensive budgeting and monitoring systems with an annual budget and periodic financial reporting reviewed and agreed by the Board of Trustees;
- Financial performance management at a Trust level, reviewing individual Academy performance;
- Improved delegation of authority and segregation of duties;
- Clearly defined purchasing;
- Identification and management of risk.

The Trust failed to appoint anyone to carry out internal audit during the year.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. As no internal auditor was appointed during the year no

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

internal assurance checks were carried out at any point in the year nor to the date of this report.

REVIEW OF EFFECTIVENESS

As Accounting Officer, Hazel Pulley 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 Board of Trustees;
- the work of the external auditors;
- the work of the executive team members, including Head Teachers within the Academy Trust

During the year ended 31 August 2020 no specific reviews on the effectiveness of the system of internal control were carried out. The Accounting Officer is aware that inadequate controls and inadequate checks on those controls were carried out and a plan to address this is being put in place going forwards.

In a letter dated 13 October 2020, the RSC gave notice to the Trust that the ESFA are revoking the funding agreement and seeking to re-broker the Academies. The Academies will continue as part of the new Trusts but Learning Link MAT will cease to trade once the last Academy has left the Trust. The proposal made by the RSC was subsequently ratified through a meeting of the Headteachers' Board on 17 December 2020.

Approved by order of the members of the Board of Trustees on 30 May 2021 and signed on their behalf by:



Pamela Garrington
Chair of Trustees

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Learning Link Multi-Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity. There has been a significant change in the constitution of the Board and the current Acting Accounting, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

There has been a significant change in the constitution of the Board and the current Acting Accounting Officer has only been in post since 1 April 2021. Given the changes in the Board and Accounting Officer, the numerous issues identified are set out below. Whilst the Board and I have made all endeavours to ensure the probity, accuracy and veracity of statements made in this Report there are significant elements of which the Board are solely relying on the accuracy and completeness of the information recorded at the time and thus this information cannot be independently verified by the auditors. With the exception of the items listed below we have not identified any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

- There were instances of Trust procurement policies and the Academies Financial Handbook 2019 not being followed in respect of obtaining approval for related party transactions connected with the CEO and no 'at cost' certificates were obtained;
- There were instances of Trust procurement policies and the Academies Financial Handbook 2019 not being followed in respect of obtaining approval for executive team consultancy contracts;
- Board approval was not given in advance of amendments made to the former CEO's (Paul Harrison) employment package in the prior year which has continued to be paid in the current year, which is not in line with the AFH;
- There were instances where procurement was not in accordance with Annex 4.6 Managing Public Money. The full extent of this cannot be reliably quantified at present;
- Finance leases for minibuses were in existence for part of the year, which were taken out before the schools became an academy. These ended during the period but are prohibited under the AFH and no ESFA approval has ever been obtained;
- Proper accounting records were not fully maintained throughout the period, as a result of this it has not been possible to accurately disclose the analysis of revenue funds by school;
- Proper accounting records were not fully maintained throughout the period, as a result of this it has not been possible to accurately disclose trade creditors within the accounts. This has resulted in a qualification within the audit report
- Failing to establish and communicate a robust control framework in line with internal control principles within the AFH. This resulted in a number of journals being posted that were not properly authorised by the board, Salix loans and equal pay award loans being repaid in early, and bank account transfers being completed without proper authorisation by the board;
- There was inadequate control over related party transactions. Declaration of interest forms were not obtained for all Board members or the senior leadership team, which means we cannot confirm full disclosures of such transactions in the financial statements.
- There was no policy on budget setting. The AFH was not properly followed and as a result the budget oversight by the Board and preparation of accurate management information was inadequate;
- There were instances of poor governance of the Trust in relation to the number of Members and Trustees in post during the period, with meeting often not being quorate during the period hindering the Board's ability to conduct the Trust's affairs;
- The Trust did not publish on its website up-to-date details of its governance arrangements in a readily accessible format, as required by AFH;
- The Trust was late filing its 2020 year-end financial statements and management letter with the ESFA;
- No Internal Assurance work was carried out in respect of the period;
- Learning Link MAT continues to be under a FNTI and we are continuing to try and meet the conditions associated with that notice.

If any instances of material irregularity, impropriety or funding non-compliance are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

Hazel Pulley



Accounting Officer
Date: 30 May 2021

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 30 May 2021 and signed on its behalf by:



Pamela Garrington
Chair of Trustees

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING LINK MULTI-ACADEMY TRUST**

OPINION

We have audited the financial statements of Learning Link Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

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

BASIS FOR QUALIFIED OPINION

We were unable to obtain sufficient, appropriate audit evidence to confirm whether trade creditors, stated at £320,525 in note 16 to the financial statements were materially misstated due to the lack of information made available to us, the responses given to us and the responses received from third parties direct.

Consequently, we were unable to determine whether any adjustments to the results for the year ended 31 August 2020 were necessary in relation to trade creditors.

Furthermore, within these accounts the Trust has prepared a funds split based on School as required by the Academies Financial Handbook. However, given inadequate record keeping during the year it is not possible to confirm the accuracy of this split by school, as at 31 August 2020.

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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.2 in the financial statements, which explains that the financial statements have been prepared on the basis that the Trust is no longer a going concern as the ESFA/RSC have revoked the funding agreement and are seeking to re-broker the schools. The Trust will therefore cease to operate once the last Academy has left the Trust. Our opinion is not modified in this respect.

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING LINK MULTI-ACADEMY TRUST (CONTINUED)**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In 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 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 to report to you if, in opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, with the exception of the item noted above; 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 operations, or have no realistic alternative but to do so.

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING LINK MULTI-ACADEMY TRUST (CONTINUED)**

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 opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of 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 auditors' report.

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 audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard

Worcester
WR1 2LB

30 May 2021

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING
LINK MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Link Multi-Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF LEARNING LINK MULTI-ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Learning Link Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING
LINK MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, we identified a number of breaches of the Academies Financial Handbook 2019 as summarised below.

- There were instances of Trust procurement policies and the Academies Financial Handbook 2019 not being followed in respect of obtaining approval for related party transactions connected with the CEO and no 'at cost' certificates were obtained;
- There were instances of Trust procurement policies and the Academies Financial Handbook 2019 not being followed in respect of obtaining approval for executive team consultancy contracts;
- Board approval was not given in advance of amendments made to the former CEO's employment package in the prior year which has continued to be paid in the current year, which is not in line with the AFH;
- There were instances where procurement was not in accordance with Annex 4.6 Managing Public Money. The full extent of this cannot be reliably quantified at present;
- Finance leases for minibuses were in existence for part of the year, which were taken out before the schools became an academy. These ended during the period but are prohibited under the AFH and no ESFA approval has ever been obtained;
- Proper accounting records were not fully maintained throughout the period, as a result of this it has not been possible to accurately disclose the analysis of revenue funds by school;
- Proper accounting records were not fully maintained throughout the period, as a result of this it has not been possible to accurately disclose trade creditors within the accounts. This has resulted in a qualification within the audit report
- Failing to establish and communicate a robust control framework in line with internal control principles within the AFH. This resulted in a number of journals being posted that were not properly authorised by the board, Salix loans and equal pay award loans being repaid in early, and bank account transfers being completed without proper authorisation by the board;
- There was inadequate control over related party transactions. Declaration of interest forms were not obtained for all Board members or the senior leadership team, which means we cannot confirm full disclosures of such transactions in the financial statements.
- There was no policy on budget setting. The AFH was not properly followed and as a result the budget oversight by the Board and preparation of accurate management information was inadequate;
- There were instances of poor governance of the Trust in relation to the number of Members and Trustees in post during the period, with meeting often not being quorate during the period hindering the Board's ability to conduct the Trust's affairs;
- The Trust did not publish on its website up-to-date details of its governance arrangements in a readily accessible format, as required by AFH;
- The Trust was late filing its 2020 year-end financial statements and management letter with the ESFA;
- No Internal Assurance work was carried out in respect of the period;

The value in respect of the transactions identified during the course of our work cannot be reliably estimated.



Andrew Wood FCCA, Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 30 May 2021

LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	-	-	549,138	549,138	477,342
Charitable activities	4	28,554	10,322,706	-	10,351,260	9,866,267
Other trading activities	5	355,869	-	-	355,869	283,105
TOTAL INCOME		384,423	10,322,706	549,138	11,256,267	10,626,714
EXPENDITURE ON:						
Charitable activities	6	-	10,325,060	361,094	10,686,154	11,410,717
TOTAL EXPENDITURE		-	10,325,060	361,094	10,686,154	11,410,717
NET INCOME/ (EXPENDITURE)		384,423	(2,354)	188,044	570,113	(784,003)
Transfers between funds	19	(189,436)	189,436	-	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		194,987	187,082	188,044	570,113	(784,003)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	26	-	(707,000)	-	(707,000)	(1,000,000)
NET MOVEMENT IN FUNDS		194,987	(519,918)	188,044	(136,887)	(1,784,003)
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(7,007,082)	18,267,702	11,260,620	13,044,623
Net movement in funds		194,987	(519,918)	188,044	(136,887)	(1,784,003)
TOTAL FUNDS CARRIED FORWARD		194,987	(7,527,000)	18,455,746	11,123,733	11,260,620

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

The notes on pages 24 to 50 form part of these financial statements.

LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 11002860

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	17,804,564	17,719,385
CURRENT ASSETS			
Stocks	14	-	14,706
Debtors	15	1,332,232	1,093,971
Cash at bank and in hand		300,985	581,745
		<u>1,633,217</u>	<u>1,690,422</u>
Creditors: amounts falling due within one year	16	(787,048)	(1,073,566)
NET CURRENT ASSETS		<u>846,169</u>	<u>616,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,650,733</u>	<u>18,336,241</u>
Creditors: amounts falling due after more than one year	17	-	(462,621)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>18,650,733</u>	<u>17,873,620</u>
Defined benefit pension scheme liability	26	(7,527,000)	(6,613,000)
TOTAL NET ASSETS		<u>11,123,733</u>	<u>11,260,620</u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	18,455,746	18,267,702
Restricted income funds	19	-	(394,082)
Pension reserve	19	(7,527,000)	(6,613,000)
Total restricted funds	19	<u>10,928,746</u>	<u>11,260,620</u>
Unrestricted income funds	19	<u>194,987</u>	<u>-</u>
TOTAL FUNDS		<u>11,123,733</u>	<u>11,260,620</u>

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 30 May 2021 and are signed on their behalf, by:



Hazel Pulley
Accounting Officer

The notes on pages 24 to 50 form part of these financial statements.

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	55,029	(645,852)
CASH FLOWS FROM INVESTING ACTIVITIES	23	102,866	449,629
CASH FLOWS FROM FINANCING ACTIVITIES	22	(438,655)	(14,021)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(280,760)	(210,244)
Cash and cash equivalents at the beginning of the year		581,745	791,989
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	300,985	581,745

The notes on pages 24 to 50 form part of these financial statements

**LEARNING LINK MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

As explained in note 31 and the Trustees' Report, the decision has been made to transfer the academies within the Trust to different academies. The schools will continue as part of those Trusts but Learning Link MAT will cease to trade once the last school has left the Trust. As required by UK accounting standards, the Trustees have prepared the financial statements on the basis that the Trust is no longer a going concern. No material adjustments have arisen as a result of ceasing to apply the going concern basis.

The ESFA have confirmed that it will continue to provide funding for reasonable operational costs to allow the orderly wind up of the Trust.

1.3 INCOME

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

• **Grants**

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

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

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

• **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.

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Land and buildings	- No depreciation on land and straight line over 50 years on buildings
Furniture and equipment	- Straight line over 4 years
Computer equipment	- Straight line over 4 years

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.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

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

1. ACCOUNTING POLICIES (continued)

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 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.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 notes 16 and 17. 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.

1.11 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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1. ACCOUNTING POLICIES (continued)

1.12 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 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.

1.13 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.

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 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

The allocation of funds by school has been prepared using the information available, but due to certain issues surrounding record keeping, the Trustee's have been unable to confirm the allocation is correct and reliance should not be place on the allocation.

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FOR THE YEAR ENDED 31 AUGUST 2020**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital Grants	549,138	549,138	477,342
TOTAL 2019	477,342	477,342	

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION - DIRECT COSTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	7,961,585	7,961,585	7,761,937
Other DfE/ESFA group grants	-	1,509,340	1,509,340	1,226,355
	-	9,470,925	9,470,925	8,988,292
OTHER GOVERNMENT GRANTS				
Local authority grants	-	704,571	704,571	666,353
Special educational projects	-	88,362	88,362	120,500
Rates reimbursement	-	58,848	58,848	28,185
	-	851,781	851,781	815,038
OTHER FUNDING				
Catering income	5,023	-	5,023	24,789
Income from other trading activities	23,531	-	23,531	38,148
	28,554	10,322,706	10,351,260	9,866,267
TOTAL 2019	50,149	9,816,118	9,866,267	

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	5,774	-	5,774	43,029
School Fund	207,093	-	207,093	26,279
Other income	71,228	-	71,228	132,446
Time for Twos funding	71,774	-	71,774	81,351
	<u>355,869</u>	<u>-</u>	<u>355,869</u>	<u>283,105</u>
TOTAL 2019	<u>237,130</u>	<u>45,975</u>	<u>283,105</u>	

6. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational activities:					
Direct costs	4,959,344	-	407,523	5,366,867	5,035,961
Support costs	3,241,151	895,868	1,182,268	5,319,287	6,374,756
	<u>8,200,495</u>	<u>895,868</u>	<u>1,589,791</u>	<u>10,686,154</u>	<u>11,410,717</u>
TOTAL 2019	<u>8,757,718</u>	<u>895,868</u>	<u>1,757,131</u>	<u>11,410,717</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	<u>5,366,867</u>	<u>5,319,287</u>	<u>10,686,154</u>	<u>11,410,717</u>
TOTAL 2019	<u>5,035,961</u>	<u>6,374,756</u>	<u>11,410,717</u>	

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

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	4,972,477	3,958,508
Educational costs	272,315	321,458
Staff development	13,502	21,725
MAT support costs	1,958	245,161
Agency costs	1,867	424,061
Travel and subsistence	8,612	22,943
Technology consumables	96,136	42,105
	<u>5,366,867</u>	<u>5,035,961</u>

Analysis of support costs

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs (continued)

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	119,000	130,000
Staff costs	3,226,151	4,339,960
Depreciation	361,094	348,828
Staff development	-	6,239
Other support costs	385,169	154,220
Recruitment & support	15,232	106,718
Premises costs	221,405	155,892
Cleaning	7,203	43,102
Rent & rates	7,637	80,205
Energy costs	61,832	104,985
Insurance	66,072	162,234
Security & transport	1,149	621
Catering	454,717	347,826
Technology costs	107,028	174,851
Office overheads	47,161	97,825
Legal & professional	17,755	36,040
Bank interest & charges	1,004	1,107
Governance costs	219,678	84,103
	<u>5,319,287</u>	<u>6,374,756</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	361,093	348,829
Fees paid to auditors for:		
- audit	50,835	38,765
- other services	-	9,160
	<u>50,835</u>	<u>47,925</u>

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9. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	6,250,463	6,278,308
Social security costs	572,951	497,464
Pension costs	1,375,214	1,522,696
	<u>8,198,628</u>	<u>8,298,468</u>
Agency staff costs	1,867	424,061
Staff restructuring costs	-	35,189
	<u>1,867</u>	<u>459,250</u>
Total staff expenditure	<u>8,200,495</u>	<u>8,757,718</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £20,000). Individually, the payments were: £Nil (2019: £20,000).

c. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	81	93
Administration and support	177	165
Management	18	10
	<u>276</u>	<u>268</u>

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9. STAFF (CONTINUED)

d. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,000 - £70,000	1	2
In the band £70,001 - £80,000	4	2
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	1

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £355,056 (2019: £142,983).

The increase in key management personal expenditure in 2020 is as a result of a number of key management personnel who were previously paid as self employed individuals being brought on to the payroll so their costs are now included in the disclosure above.

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10. CENTRAL SERVICES

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

- Financial Management and planning
- School improvement support
- Legal services
- Estate Management
- Training
- Health and Safety
- Safeguarding
- Inspection, review and planning
- Governance and leadership
- Areas of specific training
- Preparation of academy improvement plans

The Academy Trust charges for these services on the following basis:

6% of GAG for each school.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Dudley Wood Primary School	102,282	64,281
Kates Hill Primary School	119,935	68,469
Sledmere Primary School	161,369	75,593
Netherbrook Primary School	97,974	63,326
TOTAL	481,560	271,669

11. 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: P Harrison: remuneration £120,000 - £125,000 (2019: £125,000 - £130,000), employer's pension contribution £nil (2019: £5,000 - £10,000)

During the year ended 31 August 2020, expenses totalling £2,372 were reimbursed or paid directly to 2 Trustees (2019 - £NIL to Trustees). Due to inadequate record keeping in the Trust we have not been able to confirm what these expenses were incurred in relation to.

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NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £365 (2019 - £365). The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2019	18,325,000	20,060	7,653	18,352,713
Additions	354,077	43,999	48,196	446,272
At 31 August 2020	<u>18,679,077</u>	<u>64,059</u>	<u>55,849</u>	<u>18,798,985</u>
DEPRECIATION				
At 1 September 2019	626,399	5,015	1,914	633,328
Charge for the year	341,899	5,511	13,683	361,093
At 31 August 2020	<u>968,298</u>	<u>10,526</u>	<u>15,597</u>	<u>994,421</u>
NET BOOK VALUE				
At 31 August 2020	<u>17,710,779</u>	<u>53,533</u>	<u>40,252</u>	<u>17,804,564</u>
At 31 August 2019	<u>17,698,601</u>	<u>15,045</u>	<u>5,739</u>	<u>17,719,385</u>

14. STOCKS

	2020 £	2019 £
Stock held for resale	-	14,706

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

15. DEBTORS

	2020 £	2019 £
Trade debtors	-	3,174
Other debtors	49,212	-
Prepayments and accrued income	958,277	693,157
VAT recoverable	324,743	397,640
	<u>1,332,232</u>	<u>1,093,971</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans	43,000	19,034
Trade creditors	320,525	591,862
Other taxation and social security	138,949	133,323
Other creditors	6,212	138,327
Accruals and deferred income	278,362	191,020
	<u>787,048</u>	<u>1,073,566</u>

	2020 £	2019 £
Deferred income at 1 September 2019	75,281	108,004
Resources deferred during the year	128,899	75,281
Amounts released from previous periods	(75,281)	(108,004)
	<u>128,899</u>	<u>75,281</u>

Included in deferred income are grants received in advance from the ESFA.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other loans	-	462,621
	<u>-</u>	<u>462,621</u>

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

18. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	300,985	581,745
	<u><u>300,985</u></u>	<u><u>581,745</u></u>
	2020 £	2019 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(519,200)	(1,301,024)
	<u><u>(519,200)</u></u>	<u><u>(1,301,024)</u></u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank.

Financial liabilities measured at amortised cost comprise of loans, trade creditors, other creditors and accruals.

LEARNING LINK MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds - all funds	-	384,423	-	(189,436)	-	194,987
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(394,082)	7,956,562	(7,751,916)	189,436	-	-
Other DfE / ESFA grants	-	1,509,340	(1,509,340)	-	-	-
Other government grants	-	792,933	(792,933)	-	-	-
Other restricted grants	-	63,871	(63,871)	-	-	-
Pension reserve	(6,613,000)	-	(207,000)	-	(707,000)	(7,527,000)
	<u>(7,007,082)</u>	<u>10,322,706</u>	<u>(10,325,060)</u>	<u>189,436</u>	<u>(707,000)</u>	<u>(7,527,000)</u>
RESTRICTED FIXED ASSET FUNDS						
Transfer on conversion	17,753,111	-	(350,922)	-	-	17,402,189
DfE group capital grants	514,591	549,138	(10,172)	-	-	1,053,557
	<u>18,267,702</u>	<u>549,138</u>	<u>(361,094)</u>	<u>-</u>	<u>-</u>	<u>18,455,746</u>
TOTAL RESTRICTED FUNDS	<u>11,260,620</u>	<u>10,871,844</u>	<u>(10,686,154)</u>	<u>189,436</u>	<u>(707,000)</u>	<u>10,928,746</u>
TOTAL FUNDS	<u>11,260,620</u>	<u>11,256,267</u>	<u>(10,686,154)</u>	<u>-</u>	<u>(707,000)</u>	<u>11,123,733</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FUNDS:

General Annual Grant (GAG): This fund must be used for the normal running costs of the Academy Trust.

Other DfE/ESFA grants: These funds relate to other grants received from Government agencies which must be used for the specific purpose intended.

Other government grants: These funds represent other, non-DFE grants which have been awarded to the Trust, including SEN funding.

Other restricted grants: These funds relate to all other restricted funds received which must be used for the purpose intended.

RESTRICTED FIXED ASSET FUND

This fund relates to resources which must be applied for specific capital purposes imposed. The restricted fixed asset fund is currently larger than the balance that is held in fixed assets. This is due to capital funding being received that is as yet unspent. This will be carried forward in the fund.

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Dudley Wood Primary School	(93,886)	(50,140)
Kates Hill Primary School	394,511	179,590
Sledmere Primary School	711,824	105,613
Netherbrook Primary School	(337,080)	(376,101)
Central services	(480,383)	(253,045)
Total before fixed asset funds and pension reserve	194,986	(394,083)
Restricted fixed asset fund	18,455,746	18,267,702
Pension reserve	(7,527,000)	(6,613,000)
TOTAL	11,123,732	11,260,619

The allocation of expenditure between the Academies has been performed to the best of the Trustees' ability based on the information available. However, due to deficiencies in the record keeping, the Trustees are unable to confirm that the analysis by school above is correct and reliance should not be placed on it.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

The following Academies carrying a net deficit on their portion of the funds as follows:

	Deficit £
Dudley Wood Primary School	(93,886)
Netherbrook Primary School	(337,080)
Central services	(480,383)

The Trust is currently working with the two Academies that have cumulative negative reserves, and the Trustees believe that there will be a significant improvement in the 2020-21 financial year.

As noted below, the accounting records have made the split of costs across schools difficult to determine, so an amendment to the level of reserves in each school, and the centre is being considered in 2020-21.

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 2020 £	Total 2019 £
Dudley Wood Primary School	1,216,599	589,749	83,847	478,918	2,369,113	2,326,799
Kates Hill Primary School	1,199,396	725,617	89,463	442,329	2,456,805	2,540,141
Sledmere Primary School	1,501,072	725,016	50,043	558,903	2,835,034	3,121,627
Netherbrook Primary School	1,009,165	686,308	48,962	485,335	2,229,770	2,333,910
Central services	31,245	426,461	-	(230,368)	227,338	468,080
ACADEMY TRUST	4,957,477	3,153,151	272,315	1,735,117	10,118,060	10,790,557

The split of expenditure between the Schools has been performed to the best of the Trustee's abilities. However, due to deficiencies in the record keeping, the Trustees are unable to confirm that the split by school above is correct and reliance should not be placed on it. It was also not able to be audited.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds - all funds	-	275,278	-	(275,278)	-	-
Restricted general funds						
General Annual Grant (GAG)	(24,565)	7,761,937	(8,406,732)	275,278	-	(394,082)
Other DfE / ESFA grants	-	1,226,355	(1,226,355)	-	-	-
Other government grants	-	786,853	(786,853)	-	-	-
Other restricted grants	-	98,949	(98,949)	-	-	-
Pension reserve	(5,070,000)	-	(543,000)	-	(1,000,000)	(6,613,000)
	<u>(5,094,565)</u>	<u>9,874,094</u>	<u>(11,061,889)</u>	<u>275,278</u>	<u>(1,000,000)</u>	<u>(7,007,082)</u>
Restricted fixed asset funds						
Transfer on conversion	18,101,939	-	(348,828)	-	-	17,753,111
DfE group capital grants	37,249	477,342	-	-	-	514,591
	<u>18,139,188</u>	<u>477,342</u>	<u>(348,828)</u>	<u>-</u>	<u>-</u>	<u>18,267,702</u>
TOTAL RESTRICTED FUNDS	<u>13,044,623</u>	<u>10,351,436</u>	<u>(11,410,717)</u>	<u>275,278</u>	<u>(1,000,000)</u>	<u>11,260,620</u>
TOTAL FUNDS	<u>13,044,623</u>	<u>10,626,714</u>	<u>(11,410,717)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>11,260,620</u>

**LEARNING LINK MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	17,804,564	17,804,564
Current assets	194,987	787,048	651,182	1,633,217
Creditors due within one year	-	(787,048)	-	(787,048)
Provisions for liabilities and charges	-	(7,527,000)	-	(7,527,000)
TOTAL	194,987	(7,527,000)	18,455,746	11,123,733

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	17,719,385	17,719,385
Current assets	-	1,142,105	548,317	1,690,422
Creditors due within one year	462,621	(1,536,187)	-	(1,073,566)
Creditors due in more than one year	(462,621)	-	-	(462,621)
Provisions for liabilities and charges	-	(6,613,000)	-	(6,613,000)
TOTAL	-	(7,007,082)	18,267,702	11,260,620

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21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the period (as per statement of financial activities)	570,113	(784,003)
ADJUSTMENTS FOR:		
Depreciation	361,093	348,828
Capital grants from DfE/ESFA and other capital income	(549,138)	(477,342)
Defined benefit pension scheme cost less contributions payable	88,000	413,000
Defined benefit pension scheme finance cost	119,000	130,000
Decrease in stocks	14,706	-
(Decrease) in debtors	(238,261)	(565,212)
(Decrease)/increase in creditors	(310,484)	288,877
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	55,029	(645,852)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayment of loans	(438,655)	(14,021)
NET CASH USED IN FINANCING ACTIVITIES	(438,655)	(14,021)

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Purchase of tangible fixed assets	(446,272)	(27,713)
Capital grants from DfE	549,138	477,342
NET CASH PROVIDED BY INVESTING ACTIVITIES	102,866	449,629

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	300,985	581,745
TOTAL CASH AND CASH EQUIVALENTS	300,985	581,745

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25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	581,745	(280,760)	300,985
Debt due within 1 year	(19,034)	(23,966)	(43,000)
Debt due after 1 year	(462,621)	462,621	-
	<u>100,090</u>	<u>157,895</u>	<u>257,985</u>

26. 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 West Midlands Pension Fund. Both are multi-employer defined benefit schemes.

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

No contributions were payable to the schemes at 31 August 2020 (2019 - £58,084).

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.

26. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £792,808 (2019 - £615,718).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £659,000 (2019 - £983,000), of which employer's contributions totalled £845,000 (2019 - £537,000) and employees' contributions totalled £ 138,000 (2019 - £122,000). The agreed contribution rates for future years are 21.7 per cent for employers and 5.8 per cent for employees.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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26. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.7
Rate of increase for pensions	2.25	2.2
Discount rate for scheme liabilities	1.6	1.9

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

	2020	2019
	Years	Years
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.1

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(325)	(264)
Discount rate -0.1%	334	272
Mortality assumption + 1 year	502	380
Mortality assumption - 1 year	(483)	(366)
Salary increase + 0.1%	50	40
Salary increase - 0.1%	(50)	(40)
Pension increases + 0.1%	281	230
Pension increases - 0.1%	(274)	224

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26. PENSION COMMITMENTS (CONTINUED)

Share of scheme assets

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

	2020 £	2019 £
Equities	2,995,000	2,193,000
Gilts	579,000	346,000
Other bonds	207,000	138,000
Property	402,000	298,000
Cash	354,000	132,000
Other assets	796,000	542,000
Total market value of assets	5,333,000	3,649,000

The actual return on scheme assets was £390,000 (2019 - £212,000).

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

	2020 £	2019 £
Current service cost	(1,163,000)	(814,000)
Interest income	78,000	85,000
Interest cost	(195,000)	(213,000)
Total operating charge	(1,280,000)	(942,000)

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

	2020 £	2019 £
AT 1 SEPTEMBER	10,262,000	8,083,000
Current service cost	933,000	814,000
Interest cost	195,000	213,000
Employee contributions	138,000	122,000
Actuarial loss	1,420,000	1,127,000
Benefits paid	(88,000)	(233,000)
Losses on curtailments	-	136,000
At 31 August 2019	12,860,000	10,262,000

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26. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
AT 1 SEPTEMBER	3,649,000	3,013,000
Interest income	78,000	85,000
Actuarial gains	713,000	127,000
Employer contributions	845,000	537,000
Employee contributions	138,000	122,000
Benefits paid	(88,000)	(233,000)
Administrative expenses	(2,000)	(2,000)
At 31 August 2019	5,333,000	3,649,000

27. OPERATING LEASE COMMITMENTS

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

	2020 £	2019 £
Not later than 1 year	6,314	7,731
Later than 1 year and not later than 5 years	18,943	18,943
Later than 5 years	31,714	38,028
	56,971	64,702

28. 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.

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29. 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.

During the year related party transactions were undertaken with the following corporate entities.

AVT associates: This party is related as it is a company that Claire Thompson, Chief Executive Officer for part of the year, has an interest in. Expenditure of £4,950 (2019: £Nil) was incurred during the year. There were no balances outstanding at the year-end.

Mint PA: This party is related as it is a company that the wife of Paul Harrison is known to have received payments from. Expenditure of £Nil (2019: £12,908) was incurred during the year. There were no balances outstanding at the year-end.

API Innovation Ltd: This company is owned by Paul Harrison, Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £Nil (2019: £10,500) was incurred during the year. This expenditure was incurred as a result of the purchase of products from API Innovation Ltd. At the year end there were no outstanding balances (2019: £12,600) owed to API Innovation Ltd.

iED (UK) Limited: This company is owned by Paul Harrison Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £Nil (2019: £17,300) was incurred during the year. This expenditure was incurred as a result of invoices for the work completed by Paul Harrison's wife. At the year end there were no outstanding balances (2019: £Nil) owed to iED (UK) Limited.

INCO: This company is owned by Paul Harrison Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £7,800 (2019: £500) was incurred during the year. This expenditure was incurred for website development. At the year end there were no outstanding balances (2019: £Nil).

Millhall consultants: This company is the employer of Alex Richardson the Trust's acting CFO during the year. Expenditure of £76,543 (2019: £Nil) was incurred during the year. This expenditure was incurred for financial consultancy. At the year end there were no outstanding balances (2019: £Nil).

The salary of Sally Thompson, also fits the criteria of related party due to her close relation with one of the Members, Arthur Thompson. Her salary is between £30,000 and £35,000.

The salary of Sara Rodwell, also fits the criteria of related party due to her close relation with one of the Trustees, Christopher Rodwell. Her salary is between £5,000 - £10,000.

30. GENERAL INFORMATION

Learning Link Multi-Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is C/O Mlg Education Services Limited Unit 7 Home Farm Courtyard, Meriden Road, Coventry, United Kingdom, CV7 7SH

31. POST BALANCE SHEET EVENTS

On 14 October 2020 the Trust received notice from the RSC that all schools will be transferred out of the Trust. Following notice from the RSC a meeting of the Headteachers' Board was held on 17 December 2020 where it was agreed that each school would be re-brokered per the RSC's recommendation.