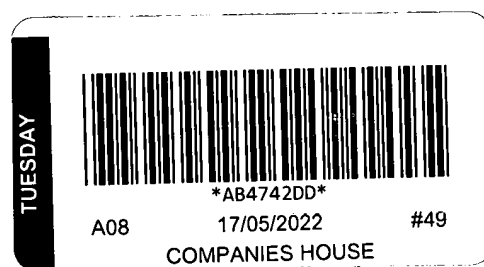


Company Registration Number: 10377760 (England & Wales)

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3
Statement of Trustees' Responsibilities	23
Independent Auditors' Report on the Financial Statements	24 - 27
Independent Reporting Accountant's Report on Regularity	28 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements	33 - 62

REFERENCE AND ADMINISTRATIVE DETAILS

Members	I McGregor S Bradshaw A Raikes, MBE M Tanner M Bisp
Trustees	J Allen (resigned 31 August 2021) J Baker H Bond (appointed 3 June 2021) S Bradshaw, Chair of Trustees D Brown (appointed 29 March 2021) P Evans, Chief Executive Officer (resigned 31 August 2021) ¹ E Flynn G Grimshaw ¹ A Hill (resigned 2 November 2020) ¹ T Kempster A Marshall (appointed 4 August 2021) R Moorcroft, Chair of Audit, Finance, and Resources Committee ¹ V Roberts (appointed 12 March 2021, resigned 2 August 2021) J Southall, Chief Executive Officer (appointed 1 September 2021) A Ward (resigned 15 December 2020) A Wills, Vice Chair of Trustees P Young (appointed 4 August 2021) ¹ Audit, Finance and Resources Committee
Company registered number	10377760
Company name	Learn@ MAT
Principal and registered office	Knowle D G E Leaning Centre Leinster Avenue Bristol BS4 1NN
Chief Executive Officer	J Southall
Leadership Team	P Evans, Chief Executive Officer (resigned 31 August 2021) J Southall, Chief Executive Officer (appointed 1 September 2021) R Watkin, Chief Finance and Operations Officer D Ewings, Knowle DGE Academy Headteacher (resigned 31 August 2021) K Lee-Wells, Knowle DGE Academy Headteacher (appointed 1 September 2021) N Lee-Wells, Lansdown Park Academy Headteacher M Reysenn, Notton House Academy Headteacher C Abbs, Soundwell Academy Headteacher A Morrison, St Matthias Academy Headteacher D Simons, The Sky Academy Headteacher J Jones, Central ALP Lead

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent Auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank PLC 55 Corn Street Bristol BS1 1JQ
Solicitors	Veale Wasbrough Vizards Narrow Quay Bristol BS1 4QA

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 4 special academies and 2 alternative provisions in Bristol, Bath and North East Somerset, Somerset, South Gloucestershire and Wiltshire; Knowle DGE Academy, Lansdown Park Academy, Notton House Academy, Soundwell Academy, The Sky Academy and St Matthias Academy. Up until 31 March 2021 its academies had a combined pupil capacity of 381 and had a roll of 345 in the school census on 21 January 2021. When The Sky Academy joined on 1 April 2021 capacity increased by another 80 places.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust was incorporated on 15 September 2016 and opened as a Trust on 1 September 2017. The 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 Trust.

The Trustees of Learn@ MAT are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Learn@ MAT.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trust shall have a minimum of 3 trustees and up to 14 trustees, of which 8 are appointed by the Members as set out in its Articles of Association and funding agreement. The Trust's Articles of Association also allows for trustees to be co-opted. If the Trust disbanded its Academy Councils, then there would also be a requirement to have a minimum of 2 parent trustees.

Providing that the Chief Executive Officer agrees so to act, the Members may appoint the Chief Executive Officer as a Trustee. The total number of Trustees who are employees of the Trust shall not exceed one third of the total number of Trustees.

Trustees are appointed for a four-year period, except that this time limit does not apply to any post that is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will consider the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

The Board has been actively recruiting this year in order to increase the total number of Trustees on the Board to 14 and to ensure that there are representatives from the new regions in which the Trust is expanding into. During the year the Co-ordinator of the Gloucestershire Parent Carer Forum has been appointed as a Trustee which provides representation for the Gloucestershire area (where Learn@ MAT is due to open a

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

new school 1 September 2022) as well as bringing a parent/ carers voice to the Board of Trustees. The Sky Academy joined Learn@ MAT on 1 April 2021 and to ensure that the Somerset area was fully represented the Chair of their Local Governing Body was invited to join the Board of Trustees. Desmond Brown has also been appointed as a new Trustee due to his background in police and community matters which compliments the knowledge and skills already on the Board of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a focus on safeguarding training using the Safeguarding Handbook a tour of the Academies within the Trust and a chance to meet head teachers, staff, parents and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, governance documents and other documents that they will need to undertake their role as Trustees. Key documentation such as the Trust Development Plan and annual targets are talked through in an induction meeting with the Executive Team. As there are normally only two or three new Trustees a year, induction tends to be done in part by the Executive Team and in part by an appointed buddy from the existing experienced Trustees and is tailored specifically to the individual. This does include partnering the new Trustee with an experienced Trustee for the first year to meet outside of the formal meetings and be available to answer questions and clarify our working practices to help the new Trustee be as up to date as possible with the Trust and its practices. Advantage is taken of specific courses offered by the National Governance Association, the Local Authority and other bodies.

All new Trustees are subject to a DBS check and where relevant other specific checks as part of the Trust's Safeguarding (Child Protection) Policy and procedures. This Policy is a key aspect of their induction process along with the Code of Conduct, which must be read and understood before any visits to Academies. Trustees are expected to complete a Child Protection Course up to Level 2 and a Safer Recruitment Course.

Organisational Structure

The Board of Trustees normally meets six times a year. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale. This year they set up the Equality, Diversity and Inclusion Committee to co-ordinate and oversee the development of this work across all the Academies.

There are three committees as follows:

- Audit, Finance and Resources Committee - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, premises management, staffing, compliance with reporting and regulatory requirements, receiving Internal Assurance reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. The full terms of reference are available on the Learn@ MAT website.
- Quality and Standards Committee – this committee meets at least six times a year and is responsible for monitoring the quality of teaching and learning, pupil progress, pupil outcomes and achievement, behaviour and attendance, the Academies' Development Plans and progress against targets set. The full terms of reference are available on the Learn@ MAT website.
- Strategy and Growth Committee – this committee meets six times a year and is responsible for guiding and managing the Trust growth plan of both external and internal growth. This committee oversee all due diligence on prospective expansions and partnership work.

The following decisions are reserved to the Board of Trustees:

- To change the name of the Academies
- To determine the educational character, mission or ethos of the Academies
- To adopt or alter the constitution and terms of reference of any committee of the Board of Trustees
- To amend the Scheme of Governance
- To terminate a supplemental funding agreement for an Academy
- To establish a trading company

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

- To sell, purchase, mortgage or charge any land in which the Trust has an interest
- To approve the annual estimates of income and expenditure (budgets) and major projects
- To appoint investment advisors
- To sign off the annual accounts
- To appoint or dismiss the Director of Finance, the Chief Executive Officer, the Principals, the Company Secretary or the Clerk to the Trustees
- To settle the division of executive responsibilities between the Trustees on the one hand and Chief Executive Officer, the Principals and the Finance Director on the other hand.
- To do any other act which the Funding Agreement expressly reserves to the Board of Trustees or to another body (including for the avoidance of doubt, terminating the Funding Agreement or any part of it).
- To do any other act which the Articles expressly reserve to the Board of Trustees or to another body
- To do any other act which the Board of Trustees determine to be a Reserved Matter from time to time.

It is also necessary at times for the Board of Trustees to set up specific committees to challenge and support on issues that have arisen at regional and/or national level. For example, during the year an emergency Health and Safety Committee was set up representing Trustees and Academy Councils, which met regularly with the Chief Executive Officer and Chief Finance and Operations Officer, to monitor and check the Trust's response to the COVID-19 pandemic. This Committee began meeting in April 2020 and continued meeting on a fortnightly basis whilst the heightened health and safety concerns caused by COVID-19 were in place. They paused from June 2021 as the Government started to ease the country back into full re-opening. However, with an increase of COVID cases across the Trust a monthly meeting has been re-instated as a support to the Headteachers.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust using budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Trust to the Chief Executive Officer, Chief Finance and Operations Officer, HR Business Manager & Caseworker and the Headteachers. This Leadership Team implement the policies laid down by the Trustees and report back to them on performance.

The Trust comprises four special academies - Knowle DGE Academy, Notton House Academy, Soundwell Academy and The Sky Academy, and two alternative provisions – Lansdown Park Academy and St Matthias Academy. Each Academy has its own Academy Council responsible for day-to-day operations and management of the Academy's budget.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Leadership Team to comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. With the exception of the Chief Executive Officer.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The posts of the Chief Executive Officer (CEO) and Chief Finance and Operations Officer (CFOO) are paid on a spot salary which will be reviewed annually. Factors that will be taken into consideration for setting and revising the CEO's and CFOO's salary are as follows: comparison with similar organisations, experience of the individuals in those posts and achievements and performance throughout the year. The HR Business Manager & Caseworker is currently seconded from an outside organisation.

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

The determination of Headteachers' pay is in line with the School Teachers' Pay and Conditions Document. The Headteachers' pay range at each Academy has seven incremental points and will not exceed the top of the range for the group size of the Academy as set out in the School Teachers' Pay and Conditions Document except in exceptional circumstances. Headteachers' progression up the leadership pay scale is dependent on performance.

Trade union facility time

There were 3 full time employees who were relevant union officials during the relevant period. The 3 employees spent between 1% - 50% of their time on trade facility time. The total cost of the facility time of these employees was £10,061, 0.10% of the total pay bill spent on facility time (£10,396,855) and all union time was spent on trade union activities.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Learn@ MAT. There are three Trustees who have close family who are employees of the Trust; more details of these transactions are in note 28. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, such as growth and expansion, including engaging with the relevant union officials.
- Having two staff representatives on each Academy Council.
- Providing regular information to all employees on matters of concern to them through regular newsletters, e-mails and consultation meetings.
- Annual staff audit and questionnaire which covers work-life balance and the mental health and wellbeing of staff.
- Regular updates to all staff members, via termly updates and newsletters, including covering both financial and non-financial performance.
- Two annual conference days led by the Trust for all employees focussing on the main areas of development across the Trust.
- An Equality, Diversity and Inclusion Committee which has staff representatives from all across the Trust and is chaired by a lead Trustee who feeds information and progress reports at each Academy back to the Board of Trustees.
- Appointing a business manager and human resources caseworker to oversee relationships with all employees, and support all employees in ensuring they receive their rights and entitlements in regard to their roles and responsibilities as set out in current legislation.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust communicates with the parents/ carers of the pupils that attend its schools on a regular basis. Each pupil is allocated a key person in the Trust and that key person fosters a relationship with the family. On a wider scale each school issues frequent letters and newsletters to its parents/ carers to keep them up to date with current news at the school. The Trust uses Class DoJo for sharing achievements with parent/ carers and Teachers2Parents to communicate operational issues.

The Trust fosters positive relationships with all of its suppliers. During the COVID-19 pandemic the Trusts schools were still open and therefore where it was safe to do so the Trust continued to receive services and goods from suppliers as previously. Where it was not possible for suppliers to provide a service, the Trust worked with them to carry forward those services to the current year.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Trust is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing academies which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

The Trust's aim is to create a learning environment which recognises that all young people are different, but all deserve equal opportunities to achieve to their full potential. The Trust will deliver a highly effective, inclusive, personalised curriculum through a multi-disciplinary approach in order to equip the young people with the skills and experiences needed to embrace life-long learning.

Objectives, Strategies and Activities

The main objectives, and the strategies for achieving them, of the Trust during the year ended 31 August 2021 are summarised below:

- All young people to make at least expected progress in core subjects and at least 40% more than expected progress.
- All young people to make measurable improvements in their social and emotional skills, through an agreed nationally recognised assessment tool.
- A rising number of young people in the Alternative Provisions to return successfully (complete 12-week transition period) to appropriate schooling.
- All young people to have clear improvements in attendance from their previous school or the previous school year on a person-by-person basis. The overall attendance target for each Academy to be 90%.
- All young people to achieve a positive post school transition, which includes careers planning, so that no students become Not in Education, Employment or Training (NEETs)
- 100% of teaching and learning to be assessed as being at least "Good". The Trust will work with its School Improvement Partners to identify areas of development. To see a year-on-year increase in the amount of Outstanding teaching observed across the Trust with at least 25% being currently Outstanding.
- To develop the role and positive involvement of Parent/Carers in the governance and directional steer of the Trust at Board and Academy Council levels.
- To develop the Academy sites to enable young people to achieve their full potential through a holistic learning approach using and offering a wide range of outdoor learning opportunities.
- To ensure that every young person receives the specialised support, resources, and intervention necessary to meet their Special Educational Needs and Disability (SEND) in line with their Education, Health and Care Plan (EHCP).
- To improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review and ensuring a personalised approach for each young person.
- To ensure all students achieve 5 GCSEs or equivalent, including nationally recognised qualifications in English and Maths.
- To provide value for money for the funds expended. This will be achieved by all of the Academies within the Trust working together to combine contracts and bulk purchase.
- To develop greater coherence, clarity, and effectiveness in Academy systems, including finance, Human Resources and payroll.
- To comply with all appropriate statutory and curriculum requirements.
- To develop the Trust's capacity to manage change.
- To successfully establish the expansion of Lansdown Park Academy opening a new Primary Satellite base for Bath and North East Somerset called The Key.

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

- To open and establish a new Free School, Soundwell Academy, on a temporary site for 28 pupils at Patchway, Bristol, and ensuring its permanent refurbished provision is on track to open for pupils from September 2021.
- To ensure the planning and preparation for the new special school for Gloucestershire County Council to open in Brockworth through the presumptive route is on track for opening in September 2022.
- To work with the Headteacher and Academy Council of Knowle DGE in preparing for the completion and opening of its new Sixth Form and Independent Living Houses during the 2021/22 academic year.
- To work with North Somerset Council in planning for a new Free School to open in Churchill in September 2023. This includes the possibility of a temporary provision for a limited number of students opening a year earlier.
- To support Bristol City Council, St Matthias, and Soundwell Academies in working with the Diocese of Bristol Academy Trust at Easton Church of England Academy to set up a specialist support base for 16 young people.
- To conduct the Trust's business in accordance with the highest standards of integrity, probity, and openness.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Bristol, Bath and North East Somerset, Gloucestershire, South Gloucestershire Somerset and Wiltshire and the surrounding area. In particular, but without prejudice to the generality of the forgoing, by establishing, maintaining, carrying on, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of supporting young people with Social, Emotional and Mental Health needs and Speech, Language and Communication needs.

The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As a Trust there is a duty to support other schools. The Trust has two Specialist Leaders of Education who work through the Bristol Primary Teaching School Alliance and Cathedral Schools Trust Teaching School Alliance. The Trust has a Maths Mastery Regional Lead, based with the Boolean Maths Hub in South West England, who supports a wide range of schools and other Trusts in the region.

The Trust has established food banks or a food parcel provision where the need is evident for the families of young people that attend its schools.

The CEO, CFOO and school leaders sit on a wide range on regional and national bodies representing young people and their needs, ensuring that the Trust contributes to improvements and developments in education at local and national level.

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

STRATEGIC REPORT

Achievements and Performance

The Trust is in its third year of operation. The total number of students on roll on the January 2021 census was 345.

Young People

Impact of COVID-19 Pandemic

The past 18 months has been an unprecedented period of uncertainty and ill health caused by a pandemic which has challenged the Government and society in general in many ways. There have been three country wide lockdowns and many localised restrictions, but all Learn@ MAT provisions have continued to offer on-site education and learning throughout this period. Large numbers of both staff and children and young people have had to isolate or in a few cases hospitalised, none more so than in the last few months of the summer term due to more people being told to isolate through the NHS app. This whole academic year has seen occupancy effected by fewer referrals to Alternative Provisions as mainstream schools have been closed so therefore not referring needy children. School attendance has fluctuated massively due to parental concerns of sending their children to school and/or on public transport, schools having to close or partially close due to the management of preventing spread within identified bubbles and mixed messages from the Government leading to many young people thinking they did not legally have to be in school. Due to all these challenges the usual way to measure and monitor impact on young people and what positive outcomes are being achieved have been greatly affected.

Progress and Qualifications

When a young person joins the Trust, their abilities are assessed to establish a base line. A target of expected progress is then set for each young person. Their progress against that target is measured against the Trust target for pupil progress which is all young people making at least expected progress and at least 40% achieving more than expected progress over this past year the actual progress was:

- English: 78% of young people are making at least expected progress. 42% of young people are making more than expected progress.
- Maths: 87% of young people are making at least expected progress. 45% of young people are making more than expected progress.
- Science: 90% of young people are making at least expected progress. 36% of young people are making more than expected progress.

A new Assessment Tool was established across the Trust during the year, PRISUM which is continuing to be developed. This provides detailed information on all children and young people's progress against both baseline and previous National Testing/Assessments. It provides clear data for monitoring purposes to school leaders, Academy Councillors and Trustees at least three times a year.

Teaching and Learning

One of the key factors to ensuring that the Trust's young people make as much progress as possible is to ensure that the teaching and learning that is delivered is as effective as possible. To ensure that standards are continually assessed, the Trust operates a programme of lesson observations, which are undertaken by the senior leadership team, subject leads and school improvement officers in each Academy. Members of staff undertaking the lesson observations have been trained through the Cambridge Education Course 'Effective Classroom: Lesson Observations'.

Teaching staff have continued to develop new skills this past year as they have continued to teach some lessons virtually and through platforms such as Teams and Zoom. A small significant number of young people have engaged more in learning through virtual platforms than they have done in the past in classrooms in school. For some this has been a preferred way of learning and for others they have focussed better without the distractions of peers around them. All the Academies are looking at incorporating some of the lessons they have learnt from teaching children remotely into their blended teaching offer. Monitoring of the quality of these remote learning lessons is done by senior staff/line managers joining a virtual session and observing.

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

Learn@ MAT have now established a working subject lead model for the three core subjects and this is mirrored by all other subjects with joint subject teacher staff meetings now happening formally 3 times a year, providing opportunities for subject development, monitoring and evaluation, supporting each other and sharing resources and ideas.

The Trust will be looking to appoint new headteachers to the new schools at Brockworth and Churchill ready for Easter 2022. In addition, following the resignation of a headteacher due to change in family circumstances the substantive post will be advertised ready for the start of the next academic year. An interim headteacher is in place.

Attendance

Over 80% of all young people have made improvements in their attendance from their previous educational setting. Multi agency support plans are in place for those very complex cases where young people and their families need higher levels of support and a more personalised learning programme.

Despite the on-going challenges faced during the year most of the academies have achieved levels of pupil attendance which are above average nationally for their need type.

Over the past two years a Learn@ MAT Attendance and Welfare Officer has been post who has helped improve strategies and practices across the Academies for improving pupil attendance. This role has now ceased due to the current post holder moving on to a local City Councillor role and has not be replaced. However, attendance will remain a Trust priority and will be monitored through visits by the CEO, SEMH Adviser, positive relationship lead and School Improvement Partner.

Curriculum

All the Academies have completed a full review of their Curriculum, consulting with all stakeholders including young people and their families. Each had a blended curriculum in place for September 2020 which puts literacy, communication and mental health and wellbeing at the heart, and took account of the issues caused by lockdown and the pandemic. The School Improvement Partner has focussed on supporting subject leaders in ensuring they have a clear curriculum offer, with planned sequencing of what is taught and when and a deep understanding of their subjects. However, in light with the changes in safeguarding legislation there will be a significant focus in 2021/22 on work around harmful sexual behaviours and the implication this has on vulnerable young people.

The Trust has worked extensively with partners to ensure that every young person receives specialised support, resources, and intervention necessary to meet their SEND in line with their EHCP. The Trust has widened the curriculum through partnerships with Child Speech (Speech and Language Therapy) and the Educational Psychology Services of three different local authorities: Bristol, South Gloucestershire, and Somerset.

Notton House Academy was inspected by Ofsted Care and received an overall 'Good' grading with 'Good' in all areas of inspection. Their best inspection report for many years. The inspectors said: 'Children feel safe, and are they are kept safe by staff. Staff identify and manage risk well. For example, the actions that staff take reduce harmful behaviours effectively and enable children to develop more positive ways to express and manage their anxieties.'

All the academies within Learn@ MAT are rated 'good' by Ofsted with Knowle DGE Academy having an Outstanding Sixth Form. However, these inspections are quite historic, and judgements were made against the previous Ofsted framework. Ofsted are expected imminently when routine inspections have recommenced.

A Recovery Curriculum was developed for those young people returning to school following lockdown, although most Academies have found young people just want to get back into settled routines of learning so opportunities for individual support are offered through mentoring teams. All the Academies continue to operate stringent risk assessments throughout while COVID continues and report to the Department for Education when required.

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

Parents/ Carers

During the year parents/ carers have been involved with the Trust at all levels of governance ensuring that the voice of parents/ carers is heard and to help guide the direction of the Trust. Parent voice is represented on all our Academy Councils and the Co-ordinator of Gloucestershire Parent Carer Forum is a Trustee.

Parent/ carer groups have been affected by the pandemic and the restrictions that have had to be made to visitors on site. Regular coffee mornings where there is a focus on topics and issues that parents/ carers identify are now recommencing, the first being at Notton House Academy in October 2021.

Premises

The Trust was awarded funding for 100% of the bids that it submitted for the Condition Improvement Fund (CIF) in 2019/20. These projects have continued throughout 2020/21 and details were included in the 2019/20 report. The Trust has been awarded funding for two further roof refurbishment projects in 2020/21 at Knowle DGE Academy and St Matthias Academy. These projects were partially completed as at 31 August 2021 and will be completed in 2021/22.

In October 2021 the Trust was awarded funding for a further CIF bid on appeal for the replacement of a heating system at St Matthias Academy.

Building work on the new sixth form building at Knowle DGE Academy commenced during the year. This is a Bristol City Council project and is expected to be concluded during 2021/22.

Further site improvements have taken place at Notton House Academy with a sensory garden being established.

Building work on the permanent site for Soundwell Academy continued during the year. The initial hand over date was 12 July 2021, but due to factors outside of the Trust's control handover of the building commenced 24 September 2021 and is likely to not conclude until January 2022.

St Matthias Academy have established a Design and Technology classroom during the year, funded by the John James Foundation.

Staffing

Learn@ MAT is continuing to expand so will be carefully and rigorously recruiting new leaders and staff for Gloucestershire Free School and North Somerset Free School. Leadership Coaching continues to be provided to all headteachers and Senior Executive Leaders through the Alexander Partnership.

The retirement of the CEO, Peter Evans on 31 August 2021 was carefully planned. The process began at the end of 2020 with a clear recruitment and selection process being planned by the Board of Trustees, overseen by the Members. A successful process took place (despite the pandemic) in the early part of 2021 following a wide recruitment campaign including national recruitment agencies, Times Educational Supplement (TES) and appropriate websites and social media platforms. 4 strong candidates were shortlisted who met the specifications and after 3 days of interviews and tasks were able to appoint Jen Southall. Jen is currently an HMI with the Department for Education but started with Learn@ MAT from 1 August 2021 to enable a thorough induction programme with the outgoing CEO. Additional transitional support has also been identified during term 1 and 2 of next academic year for the incoming CEO through the release of one of the Trust's most experienced headteachers as a temporary part of the Executive Team.

All the Academy Headteachers and leaders performed stoically throughout the lockdown period caused by the COVID-19 and the Trust's provisions were not closed at any stage.

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

COVID-19

Staff delivered school lunches to young people eligible for free school meals in the period before the Government established a national school meal voucher system. Staffing has not been reduced throughout this period, nor any staff furloughed. Investments have been made in staff training and developing safe and appropriate ways of working with young people throughout a prolonged period of safe, face and space. Each Academy has ongoing updated risk assessments in place to ensure the safety of pupils, staff and, where allowed, appropriate visitors.

Growth

Soundwell Academy opened 1 September 2020 on a temporary site with 28 commissioned places. This academy will grow in September 2021 to 88 places.

The Trust submitted a business case to the Regional Schools Commissioner during the year to establish 'The LEAP'. This is a provision that has been set up in partnership with the Diocese of Bristol Academies Trust and Bristol City Council to provide an additional 8 places for children and young people with Education, Health and Care Plans and 8 alternative provision places. The business case was approved, and the provision opened 1 September 2021.

The Trust submitted a business case to the Regional Schools Commissioner during the year to increase the number of places at Knowle DGE Academy's sixth form. The business case was approved and there is capacity for an additional 12 places from 1 September 2021, which will increase to 20 from 1 September 2022.

Sky College submitted an application to join Learn@ MAT. This application was approved by the Department for Education and Sky College (now The Sky Academy) joined Learn@ MAT on 1 April 2021.

Key Performance Indicators

Learn@ MAT is funded based on places commissioned by Local Authorities. General Annual Grant funding is based on the number of commissioned places and High Needs Top Up funding is based on the pupils that are on roll. A key performance indicator is the occupancy percentage of the Academies. The occupancy percentage based on the January 2021 census for the Trust was 91%.

Another key financial performance indicator is staffing costs as a percentage of total revenue income (excluding amounts transferred to the restricted fixed asset fund and amounts transferred on conversion). For 2021 this was 74%.

The main financial target that was set for the year was that the Trust would ensure that it had reserves of £1,454,939 at the end of the year. This target was met with the Trust finishing the year with revenue reserves of £2,544,646. The target at the start of the year did not take into account the inclusion of The Sky Academy which is contributing £490,130 to the end of year reserves position. In addition, the award of the Trust Capacity Fund of £150,000 has enabled the central reserves to accumulate which will assist with the expansion of the Central Team in future years to support the growth of the Trust. The reserves target that was set for Soundwell Academy at the start of the year was conservative being a new academy and it well exceeded that target. However, it has significantly grown from 1 September 2021 and therefore the additional reserves accumulated in 2020/21 will assist meeting its reserves target in 2021/22.

Going Concern

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

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

FINANCIAL REVIEW

Financial Review

The majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency and from Local Authorities in the form of grants linked to commissioned places and the pupils that are on roll. The use of these grants is restricted to particular purposes. The grants received from the DfE and Local Authorities during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2021, the Trust received total income of £25,297,825 (2020: £13,718,247) and incurred total expenditure of £16,043,574 (2020: £12,596,487). The excess of income over expenditure was £9,254,251 (2020: £1,121,760). Excluding transfers on conversion, adjustments in respect of LGPS pension and fixed assets the surplus for the year was £678,792 (2020: £923,436). The Trust spent revenue reserves totalling £287,255 (2020: £347,575) on fixed assets and received revenue reserves on the conversion of Sky Academy totalling £423,553 (2020: £Nil), resulting in a net movement on revenue reserves of a surplus of £799,919 (2020: £575,861).

At 31 August 2021 the net book value of fixed assets was £54,528,703 (2020: £42,783,887) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the young people of the Trust.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, CFOO, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The 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. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately equal to one months' worth of expenditure which for 2020/21 was £1,041,478. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition a target of £413,461 has been set as a premises development reserve. Total reserves of the Trust amount to £44,620,782, although £42,182,074 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £2,438,708 (representing £950,010 unrestricted funds and £1,488,698 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2.3 months of normal recurring expenditure. However, in 2021/22 the reserves target (including premises development) increases to £1,879,183 and 3 of the academies and the Central Team set in year deficit budgets in order to utilise reserves brought forward. By 31 August 2022 Trust revenue reserves are expected to be £1,982,089.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

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

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Trust has considerable reliance on the commissioning of places from Local Authorities. Places are commissioned on a year-by-year basis which results in uncertainties for future years. However, current demand for places is high in Bristol and the surrounding area. The Trust is also reliant on continued Government funding through the ESFA. In the last year in excess of 97% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Core funding from the ESFA has remained at £10,000 per pupil since the introduction of EHCPs many years ago and for the whole period that Learn@ MAT has been established without any review by DFE or uplift based on inflation, increasing pay and pension contribution costs. This has been raised for successive years with the DFE and ESFA without any practical response. Trustees are aware of the pressure this puts the Trusts specialist provisions under to keep finding the means to meet each young person's needs.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on Local Authorities continuing to want to place young people in the Trust. To mitigate this risk Trustees, ensure that student progress and attendance are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. All of the Academies participate in an external audit of their Safeguarding procedures with Bristol City Council.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an external consultant to carry out checks on financial systems and records as required by the Academies Financial Handbook (now Academy Trust Handbook). All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The Trust has agreed a Risk Management Policy and a Risk Register. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk remains, they have ensured they have adequate insurance cover.

Whilst the Trust is close to 100% occupancy rates, risks to revenue funding from a falling roll are small. However, funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Audit, Finance and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	2,157,270	1,724,568
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	240	213
Owned transport – mini-buses	22	34
Total scope 1	262	247
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	129	130
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	3	6
Total gross emissions in metric tonnes CO2e	394	383
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	1.04	1.19

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

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

Measures taken to improve energy efficiency

Use of video conferencing technology has been increased for staff meetings, to reduce the need for travel between sites.

The Trust has investigated the possibility of using electric vehicles in the schools but currently the lease costs and/ or purchase costs are significantly higher than petrol/ diesel fuelled vehicles.

Two of the schools have had new flat roofs installed which have much better insulation than what was previously in place which should result in a reduction in energy usage. In addition, a new boiler and heating system was installed at St Matthias Academy which is more efficient than its predecessor and therefore should result in reduction of energy usage.

PLANS FOR FUTURE PERIODS

The Trust will ensure there is a strong culture of safeguarding across all academies and alternative provisions by undertaking a range of Trust wide initiatives to include a safeguarding review, tackling recommendations successfully, putting in place more secure electronic entry systems and procedures and audit of prevalence of Harmful Sexual Behaviour.

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its young people at all levels.

Soundwell Academy will open on its permanent site in September 2021 with further growth planned for September 2022.

The Trust will work towards opening a new free school for 65 children with SEMH in North Somerset. The school is due to open on a temporary site in September 2022 before moving to a permanent site in September 2023. Recruitment for the Headteacher commenced in October 2021.

The Trust will work towards opening a new free school for 80 children and young people in Brockworth, Gloucestershire in September 2022. Recruitment for the Headteacher commenced in October 2021.

The Trust is working with BANES to establish a permanent site for Alternative Provision for KS1 – KS4. A feasibility study has been completed and the provision is planned to open in September 2023.

The Trust will continue to work with Bristol City Council to establish 8 additional SEND places at Lansdown Park Academy.

The Trust is opening a new provision based at Easton Church of England Academy for up to 16 young people. This provision will provide 8 places via a revolving door model as well as 8 places for young people with EHCPs. This is a partnership between the Diocese of Bristol Academies Trust, Soundwell Academy and St Matthias Academy.

The Sky Academy has just commenced a building project to accommodate pupil growth from 80 to 120 by September 2023.

The Trust will continue to invest in a specialist team to ensure it is providing the best possible support to its young people and therefore enabling them to reach their potential.

The Trust will work with the sector to increase knowledge and understanding of SEND and the importance of specialist Trusts and establish links with other Trusts to share operational experience.

Learn@ MAT will complete 3 more CIF projects that the Trust was awarded funding for in 2020/21: new roofs and a new heating system at St Matthias Academy. The Trust plans to submit bids for CIF funding for 3 more projects in 2021/22.

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

Full details of the Trust's plans for the future are detailed in each Academies' Development Plan, which is available from the Clerk to the Trustees.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Members will propose a motion reappointing the auditors at a meeting of the Members.

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

Stephen Bradshaw

S Bradshaw
Chair of Trustees

Date: 16 December 2021

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
J Allen	5	6
J Atherton	4	6
H Bond	1	1
S Bradshaw, Chair of Trustees	6	6
D Brown	1	3
P Evans	6	6
E Flynn	6	6
G Grimshaw	5	6
A Hill	0	1
T Kempster	3	6
R Moorcroft, Chair of Audit, Finance and Resources Committee	6	6
V Roberts	1	3
A Ward	0	2
A Wills, Vice Chair of Trustees	5	6

The Board has been successful at recruiting new people to the Board to ensure that there is a good mix of skills on the Board.

A strategy away day was held on 4 August 2021 to focus on reviewing the Board's role and identifying key areas of development over the next couple of years. A number of areas that could be improved were identified, such as: more focussed agendas, executive summaries on Board papers, more reporting by exception. In addition, a commitment was made to review the role of the Academy Councils in the following year.

The Board of Trustees have made progress in recruiting new Trustees to fill skills gaps on the Board during the year. However, there is still a need for more premises and health and safety experience. This will be a target for 2021/22.

The Audit, Finance and Resources Committee is a subcommittee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, premises management, staffing, compliance with reporting and regulatory requirements, receiving Internal Assurance reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Atherton	5	6
G Grimshaw	5	6
A Hill	0	1
R Moorcroft, Chair of Audit, Finance and Resource Committee	6	6

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management. The Trust has built up reserves to get to its target level by close monitoring of budgets and all members of staff being as economical as possible.
- Value for money purchased. The Trust has taken advantage of economies of scale in some areas of purchasing. This is a long-term project as contracts entered into before becoming a Trust need to come to an end, enabling contracts across the Trust to be amalgamated. Savings have been achieved in relation to photocopiers during the year.
- There has been an on-going review of financial controls during the year and incremental improvements made.
- Match funded CIF projects which helped secure funding for the Trust.
- Undertaken a full procurement exercise for the purchase of ICT equipment for the new free school established during the year.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Audit, Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a suitably qualified external consultant (Audit West) to perform checks on internal controls.

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

- A review of HR and payroll systems to ensure that members of staff were being paid the correct rates and that there were appropriate authorisations in place and documentation on personnel files.
- A review of budgetary control ensuring that there were appropriate schemes of delegation in place and approval of the budget.
- Ensuring that there are robust controls in place to mitigate fraud risk.
- Ensuring that there are robust controls in place to manage inventory.

At the end of each visit, the external consultant reports to the Board of Trustees through the Audit, Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external consultant delivered their schedule of work as planned. The following recommendations were made: 4 low risk, 6 medium risk and 5 high risk. The high-risk recommendations were in relation to policies not being up to date with the controls that were actually being undertaken in practice. The relevant policies have now been updated, with the exception of a recommendation that related to the roles of Academy Councils which requires significant consultation before any changes can be made.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Stephen Bradshaw

S Bradshaw
Chair of Trustees

J Southall

J Southall
Accounting Officer

Date: 16 December 2021

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



J Southall
Accounting Officer

Date: 16 December 2021

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

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

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

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

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

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

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

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

Stephen Bradshaw

S Bradshaw
Chair of Trustees

Date: 16 December 2021

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN@ MAT

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN@ MAT (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Trust in relation to these areas;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN@ MAT (CONTINUED)

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

22 December 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARN@ MAT AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learn@ MAT during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF LEARN@ MAT'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Learn@ MAT's funding agreement with the Secretary of State for Education dated 24 August 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions. The date of the funding agreement also needs to be entered.

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

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

CONCLUSION

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



David Butler FCA DChA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 22 December 2021

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer on conversion		380,332	(2,136,779)	11,727,573	9,971,126	-
Other donations and capital grants		24,357	-	749,251	773,608	1,818,022
Other trading activities	5	2,503	-	-	2,503	3,894
Investments	6	164	-	-	164	1,712
Charitable activities	4	368,406	14,182,018	-	14,550,424	11,894,619
Total income		775,762	12,045,239	12,476,824	25,297,825	13,718,247
Expenditure on:						
Charitable activities		220,006	14,655,821	1,167,747	16,043,574	12,596,487
Total expenditure		220,006	14,655,821	1,167,747	16,043,574	12,596,487
NET INCOME / (EXPENDITURE)		555,756	(2,610,582)	11,309,077	9,254,251	1,121,760
Transfers between funds	17	-	(287,255)	287,255	-	-
Net movement in funds before other recognised gains/(losses)		555,756	(2,897,837)	11,596,332	9,254,251	1,121,760
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,533,000)	-	(1,533,000)	616,000
Net movement in funds		555,756	(4,430,837)	11,596,332	7,721,251	1,737,760
Reconciliation of funds:						
Total funds brought forward		394,254	(6,767,527)	43,272,804	36,899,531	35,161,771
Net movement in funds		555,756	(4,430,837)	11,596,332	7,721,251	1,737,760
Total funds carried forward		950,010	(11,198,364)	54,869,136	44,620,782	36,899,531

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 33 to 62 form part of these financial statements.

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10377760

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	54,528,703	42,783,887
		<u>54,528,703</u>	<u>42,783,887</u>
Current assets			
Debtors	15	2,162,978	2,595,533
Cash at bank and in hand		2,465,428	1,807,991
		<u>4,628,406</u>	<u>4,403,524</u>
Creditors: amounts falling due within one year	16	(1,743,327)	(2,169,880)
Net current assets		<u>2,885,079</u>	<u>2,233,644</u>
Total assets less current liabilities		<u>57,413,782</u>	<u>45,017,531</u>
Defined benefit pension scheme liability	26	(12,793,000)	(8,118,000)
Total net assets		<u><u>44,620,782</u></u>	<u><u>36,899,531</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	54,869,136	43,272,804
Restricted income funds	17	1,594,636	1,350,473
		<u>56,463,772</u>	<u>44,623,277</u>
Restricted funds excluding pension asset	17	56,463,772	44,623,277
Pension reserve	17	(12,793,000)	(8,118,000)
Total restricted funds	17	<u>43,670,772</u>	<u>36,505,277</u>
Unrestricted income funds	17	<u>950,010</u>	<u>394,254</u>
Total funds		<u><u>44,620,782</u></u>	<u><u>36,899,531</u></u>

The financial statements on pages 30 to 62 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Stephen Bradshaw

S Bradshaw
Chair of Trustees

J Southall

J Southall
Chief Executive Officer

Date: 16 December 2021

The notes on pages 33 to 62 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	182,438	940,774
Cash flows from investing activities	21	78,459	(631,167)
Cash flows from financing activities	20	396,540	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		657,437	309,607
Cash and cash equivalents at the beginning of the year		1,807,991	1,498,384
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22, 23	2,465,428	1,807,991
		<hr/>	<hr/>

The notes on pages 33 to 62 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the 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 Trust has provided the goods or services.

- **Transfer on conversion**

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

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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

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 at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- 10 - 50 years or over the life of the lease
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% straight line

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

1.6 OPERATING LEASES

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

1.7 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 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.

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

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 TAXATION

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

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

1.12 PENSIONS

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

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

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

1. ACCOUNTING POLICIES (continued)

1.13 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to a Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Sky College to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.14 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 30.

1.15 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Transfer on conversion	380,332	(2,136,779)	11,727,573	9,971,126	-
Donations	24,357	-	217,241	241,598	2,299
Capital Grants	-	-	532,010	532,010	1,815,723
SUBTOTAL	24,357	-	749,251	773,608	1,818,022
	404,689	(2,136,779)	12,476,824	10,744,734	1,818,022
TOTAL 2020	2,099	200	1,815,723	1,818,022	

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

4. FUNDING FOR THE TRUST'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	4,039,534	4,039,534	3,420,000
OTHER DFE/ESFA GRANTS				
PE and Sport Premium	-	36,333	36,333	27,330
Rates reimbursement	-	11,392	11,392	11,246
Pupil Premium	-	210,601	210,601	185,686
Universal Infant Free School Meals	-	1,350	1,350	6,160
Project Development grant	-	47,253	47,253	237,000
Teachers' Pay and Pension grant	-	272,608	272,608	247,384
COVID-19 Catch Up Premium	-	101,325	101,325	-
Start Up grant	-	25,000	25,000	-
COVID-19 Free School Meals	12,992	-	12,992	-
Other DfE Group grants	-	12,000	12,000	12,000
	12,992	4,757,396	4,770,388	4,146,806
OTHER GOVERNMENT GRANTS				
High Needs	-	8,956,511	8,956,511	7,112,066
Other Government grants	92,327	27,868	120,195	401,661
	92,327	8,984,379	9,076,706	7,513,727
OTHER FUNDING				
Internal catering income	31,760	-	31,760	5,491
Sales to students	6,604	-	6,604	3,550
Other income	224,723	440,243	664,966	214,558
	263,087	440,243	703,330	223,599
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)				
Emergency Support - COVID-19	-	-	-	10,487
	-	-	-	10,487
	368,406	14,182,018	14,550,424	11,894,619
TOTAL 2020	547,795	11,346,824	11,894,619	

Following the reclassification in the Academies Accounts Direction 2020/21 some grants are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	2,503	2,503	3,894

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	164	164	1,712

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

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	10,039,726	1,167,606	1,130,113	12,337,445	9,229,169
Allocated support costs	1,746,174	1,118,395	841,560	3,706,129	3,367,318
	<u>11,785,900</u>	<u>2,286,001</u>	<u>1,971,673</u>	<u>16,043,574</u>	<u>12,596,487</u>
TOTAL 2020	<u>8,979,200</u>	<u>1,905,478</u>	<u>1,711,809</u>	<u>12,596,487</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>12,337,445</u>	<u>3,706,129</u>	<u>16,043,574</u>	<u>12,596,487</u>
TOTAL 2020	<u>9,229,169</u>	<u>3,367,318</u>	<u>12,596,487</u>	

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	110,000	84,000
Staff costs	9,778,908	7,156,511
Depreciation	1,167,606	872,399
Educational supplies	718,797	681,712
Examination fees	14,961	12,397
Staff development	103,558	84,760
Other costs	20,892	12,805
Supply staff costs	260,818	216,167
Educational consultancy	161,905	108,418
	12,337,445	9,229,169

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	72,000	72,000
Staff costs	1,746,174	1,551,142
Recruitment and support	72,552	50,039
Maintenance of premises and equipment	427,672	453,026
Cleaning	91,259	82,792
Rent and rates	133,062	51,871
Energy costs	136,808	124,624
Insurance	176,921	130,280
Security and transport	152,673	333,700
Catering	176,463	173,633
Technology costs	285,083	218,826
Office overheads	36,426	27,891
Legal and professional	193,266	92,711
Bank interest and charges	1,779	1,535
Governance costs	3,991	3,248
	3,706,129	3,367,318

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

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	73,060	76,459
Depreciation of tangible fixed assets	1,167,606	872,400
Fees paid to auditors for:		
- audit	17,400	14,500
- other services	1,510	4,000
	<u>17,910</u>	<u>18,500</u>

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	8,045,375	6,235,445
Social security costs	754,568	563,364
Pension costs	2,580,078	1,908,844
	<u>11,380,021</u>	<u>8,707,653</u>
Agency staff costs	260,818	271,547
Staff restructuring costs	145,061	-
	<u>11,785,900</u>	<u>8,979,200</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	107,284	-
Severance payments	37,777	-
	<u>145,061</u>	<u>-</u>

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

There were 3 non-contractual severance payments made in the year totalling £37,777, individually they were £20,000, £7,969, and £9,808.

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

10. STAFF (CONTINUED)

c. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	68	48
Educational Support	108	87
Care	39	35
Administration and support	62	52
Leadership	21	15
	<hr/>	<hr/>
	298	237
	<hr/>	<hr/>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	62	43
Educational support	86	68
Care	33	30
Administration and support	43	35
Leadership	21	15
	<hr/>	<hr/>
	245	191
	<hr/>	<hr/>

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

10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1
In the band £130,001 - £140,000	1	1

The above employees participated in the Teachers' Pension Scheme with the exception of one employee who participated in the Local Government Pension Scheme. Annual equivalent pension contributions during the period for these staff members amounted to £137,393 (2020: £64,714).

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the 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 Trust was £843,872 (2020 £700,934).

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

11. CENTRAL SERVICES

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

- Educational Psychologist
- Speech and Language Therapy
- School Improvement Partners
- Finance
- Human Resources
- Legal
- Information Technology
- Training and CPD
- Health and Safety
- Payroll
- Mental Health Specialist
- Careers, Education, Information, Advice and Guidance

The Trust charges for these services on the following basis:

7.5% (5% for new converter schools) of General Annual Grant and High Needs funding calculated on budgeted values. If an Academy requires a specific service then this is recharged to them and included in the central fund contribution.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Knowle DGE Academy	317,246	266,796
Lansdown Park Academy	172,827	108,415
Notton House Academy	263,344	220,736
St Matthias Academy	106,070	84,579
Soundwell Academy	60,209	-
The Sky Academy	49,543	-
TOTAL	969,239	680,526

12. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer is the only staff Trustee of the Trust, and receives remuneration in respect of services provided in undertaking the role of Chief Executive Officer, and not in respect of their services as a Trustee. The value of Trustees remuneration and expenses was as follows: P Evans: Remuneration £135,000 - £140,000 (2020: £135,000 - £140,000), Employer's pension contributions £15,000 - 20,000 (2020: £Nil).

During the year ended 31 August 2021, expenses totalling £384 were reimbursed or paid directly to 1 Trustee (2020 - £646 to 3 Trustees).

Other related party transactions involving the Trustees are set out in note 26.

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

13. TRUSTEES' AND OFFICERS' INSURANCE

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	44,733,846	127,050	347,843	48,694	45,257,433
Additions	905,275	75,954	203,761	-	1,184,990
Acquired on conversion	11,594,874	58,781	54,392	19,526	11,727,573
Disposals	-	-	(189)	-	(189)
At 31 August 2021	57,233,995	261,785	605,807	68,220	58,169,807
DEPRECIATION					
At 1 September 2020	2,385,095	8,004	53,638	26,809	2,473,546
Charge for the year	997,568	22,770	135,892	11,376	1,167,606
On disposals	-	-	(48)	-	(48)
At 31 August 2021	3,382,663	30,774	189,482	38,185	3,641,104
NET BOOK VALUE					
At 31 August 2021	53,851,332	231,011	416,325	30,035	54,528,703
At 31 August 2020	42,348,751	119,046	294,205	21,885	42,783,887

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

15. DEBTORS

	2021	2020
	£	£
Trade debtors	258,731	101,578
Other debtors	2,000	60
Prepayments and accrued income	1,741,555	2,227,434
Tax recoverable	160,692	266,461
	2,162,978	2,595,533

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	240,731	783,175
Other taxation and social security	204,342	139,958
Other creditors	349,737	147,012
Accruals and deferred income	948,517	1,099,735
	1,743,327	2,169,880

	2021	2020
	£	£
Opening deferred income balance at the start of the period	6,642	53,857
Resources deferred during the year	58,960	6,642
Amounts released from previous periods	(6,642)	(53,857)
	58,960	6,642

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

17. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	394,254	775,762	(220,006)	-	-	950,010
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,166,258	4,039,534	(3,556,128)	(158,273)	-	1,491,391
Pupil Premium	-	210,601	(204,681)	(5,920)	-	-
PE and Sport Premium	1,312	36,333	(24,374)	(1,497)	-	11,774
Rates Relief	-	11,392	(11,392)	-	-	-
Project Development Grant	132,539	47,253	(123,359)	(1,282)	-	55,151
High Needs	-	8,956,511	(8,956,511)	-	-	-
Start up Grants	-	25,000	(25,000)	-	-	-
Trust Capacity Fund	-	150,000	(74,475)	(75,525)	-	-
Other Local Authority grants	1,880	48,075	(41,622)	-	-	8,333
Transferred on conversion	-	43,221	(32,655)	(8,146)	-	2,420
Teachers' Pay and Pension Grants	-	272,608	(272,608)	-	-	-
COVID-19 Catch Up Premium	-	97,200	(95,475)	(1,725)	-	-
COVID Mass Testing	-	143,110	(143,110)	-	-	-
John James Foundation	37,098	5,000	(4,315)	(19,340)	-	18,443
Other restricted	11,386	43,901	(32,616)	(15,547)	-	7,124
Post-opening Grant	-	95,500	(95,500)	-	-	-
Pension reserve	(8,118,000)	(2,180,000)	(962,000)	-	(1,533,000)	(12,793,000)
	(6,767,527)	12,045,239	(14,655,821)	(287,255)	(1,533,000)	(11,198,364)

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

17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	40,779,300	11,727,573	(879,243)	-	-	51,627,630
Fixed assets purchased from GAG and other restricted	2,493,504	749,251	(288,504)	287,255	-	3,241,506
	<u>43,272,804</u>	<u>12,476,824</u>	<u>(1,167,747)</u>	<u>287,255</u>	<u>-</u>	<u>54,869,136</u>
TOTAL RESTRICTED FUNDS	<u>36,505,277</u>	<u>24,522,063</u>	<u>(15,823,568)</u>	<u>-</u>	<u>(1,533,000)</u>	<u>43,670,772</u>
TOTAL FUNDS	<u>36,899,531</u>	<u>25,297,825</u>	<u>(16,043,574)</u>	<u>-</u>	<u>(1,533,000)</u>	<u>44,620,782</u>

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

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Post-opening Grant (POG) – income from the ESFA which is to be used to fund the additional costs in establishing a new publicly-funded school which cannot be met through the GAG. The POG provides funding in two elements as the free school grows: non-staffing resources, paid on a per place basis, and a leadership grant. These titles reflect the basis on which the funding is calculated, but the grant can be spent on any legitimate purpose of the school.

Pupil Premium - represents funding received from the ESFA for children that qualify for free school meals and who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, or child arrangements order to enable the Trust to address the current underlying inequalities.

PE and Sport Premium - funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Rates Relief - reimbursed rates incurred by the Trust.

Project Development Fund - funding received from the ESFA and Gloucestershire County Council for pre-opening costs of Soundwell Academy and two free special schools that are due to open in September 2022.

COVID-19 Catch-up Premium – funding from the ESFA to support children and young people to catch up on missed learning caused by COVID-19.

COVID-19 Mass Testing Funding – funding from the ESFA for the additional costs incurred to facilitate the rapid COVID-19 testing of staff and pupils from January 2021.

Trust Capacity Fund – funding from the ESFA to facilitate growth.

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

17. STATEMENT OF FUNDS (CONTINUED)

Start-up Grant – funding received from the ESFA for the conversion costs associated with The Sky Academy.

Teachers' Pay and Teachers' Pension Grant - Government funding received to help cover the increase in teachers' pay and pension costs.

High Needs - funding received from Local Authorities to fund further support for young people with additional needs.

John James Foundation - This represents funding received from the John James Foundation to create new Design and Technology classrooms and for rewards for young people.

Transferred on Conversion – unspent grants held by The Sky Academy at the point of conversion. Funds include Devolved Formula Capital, COVID-19 Mass Testing Funding and other restricted funds.

Other Local Authority grants - This represents funding from the Local Authority for Looked After Children, funding for a parent and family support worker and funding for an outreach programme.

Other restricted - This represents other restricted funds.

Pension reserve - This represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the building and equipment donated to the Trust on conversion to academy status.

Fixed assets purchased from GAG and other restricted - This represents amounts spent on fixed assets from the GAG funding received from the ESFA and income from other sources specifically for the purchase of fixed assets, including fixed assets donated to the Trust.

OTHER INFORMATION

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

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

17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	202,626	555,500	(363,872)	-	-	394,254
RESTRICTED FUNDS						
General Annual Grant (GAG)	940,620	3,420,000	(2,870,476)	(323,886)	-	1,166,258
Pupil Premium	-	183,620	(179,785)	(3,835)	-	-
PE and Sport Premium	7,559	28,251	(19,154)	(15,344)	-	1,312
Rates Relief	-	11,246	(11,246)	-	-	-
Project Development Grant	778	237,000	(105,239)	-	-	132,539
High Needs	-	7,112,066	(7,112,066)	-	-	-
CIF - Repairs	14,730	-	(14,730)	-	-	-
Other Local Authority grants	-	28,509	(26,629)	-	-	1,880
Year 7 Catch-Up	421	8,444	(8,865)	-	-	-
Teachers' Pay Grant	-	59,846	(59,846)	-	-	-
Teachers' Pension Grant	-	187,537	(187,537)	-	-	-
Coronavirus Exceptional Support	-	10,487	(10,487)	-	-	-
John James Foundation	-	40,000	(2,902)	-	-	37,098
Other restricted	2,132	20,018	(6,254)	(4,510)	-	11,386
Pension reserve	(7,989,000)	-	(745,000)	-	616,000	(8,118,000)
	(7,022,760)	11,347,024	(11,360,216)	(347,575)	616,000	(6,767,527)

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

17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	41,563,596	-	(784,296)	-	-	40,779,300
Fixed assets purchased from GAG and other restricted	418,309	1,815,723	(88,103)	347,575	-	2,493,504
	<u>41,981,905</u>	<u>1,815,723</u>	<u>(872,399)</u>	<u>347,575</u>	<u>-</u>	<u>43,272,804</u>
TOTAL RESTRICTED FUNDS	<u>34,959,145</u>	<u>13,162,747</u>	<u>(12,232,615)</u>	<u>-</u>	<u>616,000</u>	<u>36,505,277</u>
TOTAL FUNDS	<u><u>35,161,771</u></u>	<u><u>13,718,247</u></u>	<u><u>(12,596,487)</u></u>	<u><u>-</u></u>	<u><u>616,000</u></u>	<u><u>36,899,531</u></u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Knowle DGE Academy	678,441	701,504
Lansdown Park Academy	270,589	206,604
Notton House Academy	506,270	478,410
St Matthias Academy	140,503	162,645
Soundwell Academy	73,981	-
The Sky Academy	490,130	-
Central Services	384,732	195,564
Total before fixed asset funds and pension reserve	<u>2,544,646</u>	<u>1,744,727</u>
Restricted fixed asset fund	54,869,136	43,272,804
Pension reserve	(12,793,000)	(8,118,000)
TOTAL	<u><u>44,620,782</u></u>	<u><u>36,899,531</u></u>

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

17. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Knowle DGE Academy	2,439,850	686,587	241,330	1,050,384	4,418,151	4,490,483
Lansdown Park Academy	1,123,773	444,882	147,422	587,327	2,303,404	1,631,678
Notton House Academy	1,821,329	629,768	245,695	1,005,146	3,701,938	3,447,445
St Matthias Academy	668,178	342,937	99,272	330,067	1,440,454	1,367,589
Soundwell Academy	515,824	143,608	98,355	138,160	895,947	-
The Sky Academy	489,318	277,142	106,688	233,355	1,106,503	-
Central Services	340,513	498,553	235,976	(65,471)	1,009,571	784,307
TRUST	7,398,785	3,023,477	1,174,738	3,278,968	14,875,968	11,721,502

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	54,528,703	54,528,703
Current assets	1,133,875	3,154,098	340,433	4,628,406
Creditors due within one year	(183,865)	(1,559,462)	-	(1,743,327)
Provisions for liabilities and charges	-	(12,793,000)	-	(12,793,000)
TOTAL	950,010	(11,198,364)	54,869,136	44,620,782

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	42,783,887	42,783,887
Current assets	540,511	3,374,096	488,917	4,403,524
Creditors due within one year	(146,257)	(2,023,623)	-	(2,169,880)
Provisions for liabilities and charges	-	(8,118,000)	-	(8,118,000)
TOTAL	394,254	(6,767,527)	43,272,804	36,899,531

19. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	9,254,251	1,121,760
ADJUSTMENTS FOR:		
Loss on disposal of fixed asset	141	-
Depreciation	1,167,606	872,400
Capital grants from DfE and other capital income	(532,010)	(1,815,723)
Interest receivable	(164)	(1,712)
Net assets and liabilities from Local Authority on conversion	(9,971,126)	-
Defined benefit pension scheme cost less contributions payable	780,000	601,000
Defined benefit pension scheme finance cost	182,000	137,000
Defined benefit pension scheme past finance cost	-	7,000
Increase in debtors	(396,200)	(439,171)
(Decrease)/increase in creditors	(302,060)	458,220
NET CASH PROVIDED BY OPERATING ACTIVITIES	182,438	940,774

20. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Net cash received on conversion to an Academy Trust	396,540	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	396,540	-

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

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	164	1,712
Purchase of tangible fixed assets	(1,310,520)	(994,581)
Capital grants from DfE/ESFA	1,388,815	361,702
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	78,459	(631,167)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	2,465,428	1,807,991
TOTAL CASH AND CASH EQUIVALENTS	2,465,428	1,807,991

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,807,991	657,437	2,465,428
	1,807,991	657,437	2,465,428

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

24. CONVERSION TO AN ACADEMY TRUST

On 1 April 2021 Sky College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learn@ MAT from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Leasehold land and buildings	-	-	11,594,874	11,594,874
Other tangible fixed assets	-	-	132,699	132,699
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	381,369	22,917	-	404,286
Prepayments and accrued income	346	28,050	-	28,396
CURRENT LIABILITIES				
Accruals and deferred income	(1,383)	(7,746)	-	(9,129)
NON-CURRENT LIABILITIES				
LGPS pension deficit	-	(2,180,000)	-	(2,180,000)
NET ASSETS/(LIABILITIES)	380,332	(2,136,779)	11,727,573	9,971,126

25. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	172,479	488,916

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

26. PENSION COMMITMENTS

The 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 Learn@ MAT. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £204,107 were payable to the schemes at 31 August 2021 (2020 - £141,096) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

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 £771,835 (2020 - £540,508).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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

26. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,075,000 (2020 - £883,000), of which employer's contributions totalled £833,000 (2020 - £687,000) and employees' contributions totalled £ 242,000 (2020 - £196,000). The agreed contribution rates for future years are 16.6 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the 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 Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	4.3	3.8
Rate of increase for pensions in payment/inflation	2.9	2.4
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.8	2.3

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

	2021	2020
	Years	Years
Retiring today		
Males	23.3	23.2
Females	25.4	25.3
Retiring in 20 years		
Males	24.8	24.7
Females	27.4	27.3

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

26. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	3,114,000	2,068,000
Gilts	707,000	337,000
Other bonds	591,000	126,000
Property	459,000	412,000
Cash and other liquid assets	131,000	140,000
Other	2,289,000	1,596,000
TOTAL MARKET VALUE OF ASSETS	7,291,000	4,679,000

The actual return on scheme assets was £899,000 (2020 - £-143,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(1,610,000)	(1,269,000)
Past service cost	-	7,000
Interest income	99,000	61,000
Interest cost	(257,000)	(198,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(3,000)	-
Administrative expenses	(24,000)	(19,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,795,000)	(1,418,000)

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

	2021 £	2020 £
AT 1 SEPTEMBER	12,797,000	10,989,000
Upon conversion	2,959,000	-
Current service cost	1,613,000	1,269,000
Interest cost	257,000	198,000
Employee contributions	242,000	196,000
Actuarial losses/(gains)	2,331,000	194,000
Benefits paid	(115,000)	(56,000)
Past service cost	-	7,000
AT 31 AUGUST	20,084,000	12,797,000

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

26. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	4,679,000	3,000,000
Upon conversion	779,000	-
Interest income	99,000	61,000
Actuarial gains	798,000	810,000
Employer contributions	833,000	687,000
Employee contributions	242,000	196,000
Benefits paid	(115,000)	(56,000)
Administration expenses	(24,000)	(19,000)
AT 31 AUGUST	7,291,000	4,679,000

27. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
AMOUNTS PAYABLE:		
Within 1 year	67,984	73,060
Between 1 and 5 years	130,383	181,274
	198,367	254,334

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.

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The only related party transactions which occurred during the year were the reimbursement of expenses incurred by the Trustees, as outlined in note 12.

There are 3 employees of the Trust who are close family members of Trustees. All 3 employees were recruited via an open process and their close family members were not involved in the recruitment process. All of the employees are remunerated in line with the Trust's pay policy and are on normal pay scale for their role. No employees receive special treatment as a result of their relationship with Trustees.

30. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the Academy Trust received £3,678 (2020: £3,218) and disbursed £124 (2020: £174) from the fund. An amount of £6,772 (2020: £4,421) is included in other creditors related to undistributed funds that is repayable to the ESFA.