

Company Registration No. 10514293 (England and Wales)

**LEVERHULME ACADEMY CHURCH
OF ENGLAND AND COMMUNITY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021



LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the accounts	22 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 51

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Knowles
R Gauld
S Horan
A Blackburn (Appointed 21 September 2020)

Trustees

S Horan (Chair)
P Roach (Accounting officer)
E Quigley
J Marsden
C Atkinson (Resigned 20 September 2020)
E Steele
A Rosler
A White (Appointed 21 September 2020)
J Bromley (Appointed 22 October 2021)

Senior management team

- Chief Executive / Headteacher	P Roach
- Chief Finance Officer	C Davies
- Director of School Improvement	S Mitchell
- Headteacher	S Gribbon (Resigned 31 August 2021)
- Head of School	S Vickery
- Deputy Headteacher	J Brennan (Appointed 1 January 2021)
- Deputy Headteacher	R Beattie (Appointed 1 January 2021)
- Deputy Headteacher	A Dalton-Bunker
- Deputy Headteacher	A Tipney
- Deputy Headteacher	S Cain (Resigned 30 October 2020)
- Operations Manager	H Monk
- Director of Resources	M Jefferies

Company registration number 10514293 (England and Wales)

Principal address Rivington & Blackrod High School
Rivington Lane
Rivington
Bolton
BL6 7RU

Academies operated
Harper Green School
Rivington and Blackrod High School

Location
Bolton
Bolton

Principal
S A Vickery
P Roach

Independent auditor

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
Hotel Street
Bolton
BL1 1DB

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 secondary academies in Bolton admitting pupils aged 11 to 18 years. Our academies have a combined pupil capacity of 3,040 age 11 to 16 years and sixth form provision for 320 and had a roll of 2,658 pupils age 11 to 16 years, and 271 students age 16 to 18 in the school census in October 2020.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Leverhulme Academy Church of England and Community Trust.

The trustees of Leverhulme Academy Church of England and Community Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy has purchased indemnity insurance to protect trustees, governors and officers from claims arising in connection with academy business. The insurance provides governors liability up to £10,000,000 on any one loss and any one membership year. This is purchased through the risk protection arrangement (RPA) provided by the Department for Education.

Method of recruitment and appointment or election of trustees

Each Trustee's role is linked to a core strand of the business, for example secondary education, risk, finance, community engagement etc. Recruitment activity is driven by a recruitment and selection process which includes the formation of role profiles linked to required skill sets or areas of expertise needed.

Applicants are required to demonstrate how they meet the criteria and will be interviewed by a selection panel. A competitive recruitment process will help to ensure the strongest candidates are considered for vacant posts with the intention of adding value to the board.

The articles of association require members of the trust to appoint at least three trustees to be responsible for the statutory and constitutional affairs and the management of the academy.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. All trustees are provided with access to academy documentation on appointment. On site induction training is provided by the chief executive and chief finance officer. Ongoing training is provided through Bolton Council governor services and other appropriate providers.

The clerk to the Trust will disseminate relevant legal and educational updates termly. The trustees will undertake an annual skills audit. The audit results provide a clear picture of training requirements. Appropriate internal and external training is organised to strengthen the trustees' skills.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The trust is governed by the Board of Trustees, whose members are directors of the charitable company for the purposes of the Companies Act 2006, trustees for the purposes of charity legislation and governors of the academy trust. The organisational structure of the trust consists of five levels: Members, Board of Trustees, Local Governing Body, Executive Management Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members oversee the achievement of the objectives of the company, take part in annual and extraordinary general meetings, and have the power to ultimately to remove the trustees.

The Board of Trustees is responsible for setting key policies and the strategic direction of the trust. They are responsible for holding school leaders to account and driving forward improvements in performance, attainment and progress.

Local Governing Bodies are the local leaders of the trust. The Board of Trustees has established a Local Governing Body for each academy. Its role is to exercise leadership on behalf of the trust in the running of each individual academy. In line with the overall vision, strategy, ethos and broad policy framework of the trust the Local Governing Body sets the direction for each academy, acts as a critical friend and holds leaders to account for the pace and rate of improvement, and the achievement of all pupils, and meets the needs of parents and the wider local community.

The Trust Board appoint the majority of Governors and the Chair of each Local Governing Body. Parents elect parent Governors and the staff in each academy elects staff Governors.

The Chief Executive is also the Accounting Officer. The Accounting Officer has the responsibility for financial and administrative matters and is personally responsible to the Board of Trustees for Regularity (dealing with all items of income and expenditure in accordance with legislation and any applicable delegated authority), propriety (operating appropriate standards of conduct, behaviour and corporate governance including fairness, integrity, avoidance of conflict of interest, even-handedness and open competition) and value for money (efficient and effective use of available resources, avoidance of waste and extravagance, prudent and economical administration of the financial affairs of the academy including the day to day organisation, staffing and management of the academy).

The Chief Financial Officer, is also the Deputy Chief Executive and is responsible for the maintenance of effective systems of internal financial control including the development of appropriate financial regulations to control, disburse and monitor academy trust funds. The management of financial processes including the buying and ordering of academy trust supplies and services to ensure value for money is achieved; the management of the academy trust's financial position at a strategic and operational level, including the development of an annual budget and forecasts for future years as part of the academy trust's three-year plan.

Arrangements for setting pay and remuneration of key management personnel

The Trust Board approves pay policies for all employees annually. Pay recommendations for members of the executive management team are approved by the board.

Performance management reviews are conducted by the chief executive, or delegated, via the Scheme of Delegation, annually for the senior management personnel. The result of these reviews are then provided to the board for approval.

The Trust has a process of annual performance review, appraisal, for all staff. Pay is linked to the outcome of the appraisals to the level indicated on the teaching and support staff contracts and terms and conditions.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	4.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	388
Total pay bill	14,913,206
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Engagement with employees

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences, and we strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

The Trust complies with the requirements of the Equality Act (2010) and is committed to ensuring that throughout our recruitment and selection processes no applicant is disadvantaged or discriminated against because of the protected characteristics of age, disability, gender, gender re-assignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief and sexual orientation.

The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust works with employee trade unions and professional associations across all our academies and engages in consultation, as required, to ensure that all aspects of the Charitable Company affecting its employees, including financial and economic factor, is discussed, conveyed and consulted on with them. This engagement is captured within a formal Trade Union Recognition and Machinery for Consultation agreement is intended to promote and assist in the establishment of:

- jointly agreed pay and conditions of employment as nationally negotiated
- good practice with regard to matters of employment and health and safety
- effective communication within agreed frameworks
- participation and involvement of staff
- effective and prompt resolution of issues and disputes
- equal opportunities in employment
- arrangements for discussion of professional issues concerning teaching and learning, including issues relating curriculum, behaviour policy etc.

The Trust has an appraisal, performance management policy in place which sets out the framework for a clear and consistent assessment of the overall performance of individual staff and for supporting their development within the context of the school's plan for improving educational provision and performance.

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

The Trust engagement with suppliers has proved critical during the last twelve months as the Trust faced the challenges of the Coronavirus pandemic. Fostering clear lines of communication and early engagement was vital to supply chain relationships.

The Trust had regard to the issue that small suppliers may face cash flow issues and may be increasingly dependent on the Trust for business' survival. Providing reassurance to these suppliers that the finance functions of the Trust and bank payments would continue as usual with speedy payment during lockdown periods was important.

At the start of the pandemic in March 2020, the Trust contacted key suppliers to ensure that they understood the Trust's desire to fully support the needs of workers within our supply chains, as well as managing our supply so that we understood the challenge in their supply chain, and could ensure the day to day operations on the other side of the pandemic would not be disrupted. This was important to be able to consider any additional potential logistical issues associated with both local and international supply networks.

During lockdown periods, minimising pressures on supply chains was paramount to ensure that any suppliers at risk would be better able to cope with the crisis and ensure service continuity and delivery during and after schools returned to on site provision. The Trust worked with suppliers to understand the specific pressures they faced and identify potential solutions on a case-by-case basis, including providing early clarity on the treatment of existing orders, introduction of Covid safe operations in delivery methods for some services including new social distancing and hygiene requirements.

The Trust fostered business relationships with key suppliers and was able to ensure that during the lockdown period works on capital projects continued and on reopening suppliers were able to support the smooth operational running, and the schools were unaffected by potential disruption to the supply chain.

Related parties and other connected charities and organisations

The Trust is presently made up of two academies and does not formally work with any other organisations but is developing links with other schools, academies, colleges and other businesses where these partnerships assist in the Trust's objectives.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principal object and activity of the trust is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum.

Objectives, strategies and activities

The main aims of the Trust are:

- To ensure that leadership and management at all levels focus on ensuring all students have the learning environment, culture and resources to achieve their full potential. This will be achieved through a clear set of principles that underpin all we do. There will be the opportunity for all leaders to engage in continuous professional development that will enable them to gain a wide range of leadership skills and be self-reflective practitioners.
- To ensure that the curriculum provides all students with a broad range of opportunities that allows them to have the right qualification for further education and employment. It should ensure that the curriculum and extra curriculum opportunities develop the spiritual, moral, social and cultural development of all students.
- To develop teaching and learning that is creative, engaging and inspiring for all students. The learning experience for all students should enable them to acquire knowledge and develop the learning skills for life-long learning and employability.
- To develop a pastoral system across the trust that provides students with a secure and supportive place to learn and develop. It should focus on the needs of the individuals and allow for students to express themselves as unique individuals whilst upholding the core values of the trust.
- As a trust we aim to centralise the core services of the schools. A number of functions have been centralised including finances, HR advice, marketing support and ICT systems. We will look to develop this across other aspects of the trust including procurement and site management.

Public benefit

The trust has complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

During last year, the COVID-19 pandemic dominated operational activity and severely impacted on all schools, pupils, and education across the country; changes to the key performance measures of externally assessed examinations cannot be used to judge school and Trust performance during this year.

Whilst all pupils and schools were closed for the same period and thereby equally affected during the first lockdown, the same is not true for its consequences, which have hit the most vulnerable. For a long period the Bolton area suffered the highest Covid infection rates nationally, resulting in high pupil and staff absence rates in both schools.

The lockdowns in response to COVID-19 interrupted conventional schooling with school closures. Both Harper Green School and Rivington and Blackrod High School put supportive measures in place for all students to access education during this period as far as possible, and have since provided extensive covid catch up sessions for students in Year 10 and above, and provided summer schools for Year 6 pupils in preparation for the move to secondary school in September 21.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

However, students from more privileged backgrounds, supported by their parents and eager and able to learn, could find their way past closed school doors to alternative learning opportunities. It has been nationally reported that those students from disadvantaged backgrounds suffered disproportionately compared to their peers. The Trust has taken steps to mitigate this impact as far as possible and has targeted additional resources, for example, broadband access, ICT equipment and opportunities to access learning such as summer schools, to those students in the greatest need.

While the schools and Trust have made concerted efforts to maintain learning continuity during this period, the reality is large numbers of our students have missed their usual learning. In particular, learners in the most marginalised groups, who don't have access to digital learning resources or lack the resilience and engagement to learn on their own, are at risk of falling behind.

Teachers also had to adapt to new pedagogical concepts and modes of delivery of teaching.

Statisticians have used historical growth regressions to estimate the long-run economic impact of this loss of learning as equivalent to one-third of a year of schooling for the current student cohort. Because learning loss will lead to skill loss, and the skills people have relate to their productivity, gross domestic product (GDP) could be 1.5% lower on average for the remainder of the century.

A measure of the performance last year is that, both schools adapted quickly to the pandemic, delivering remote learning and providing ICT resources to the students most in need, in advance of Government devices. Both schools remained open to the pupils of key workers and the most vulnerable students through lockdown periods, including opening through holiday periods. The Trust was able to complete adaptation and modifications to the buildings, and secure supplies and PPE equipment to ensure they could open safely to all students as soon as permitted by the Government.

Key performance indicators

Due to the Coronavirus pandemic, GCSE results in the summer of 2021 were based on teacher assessed grades. Whilst these, therefore, cannot be directly compared to previous years, there is a continuation of the trend of improving outcomes.

The following data refers to the last year of externally assessed grades - 2019/20

School	NOR	Attainment 8	English and maths 4 +	English and maths 5 +	ALPS
Rivington and Blackrod	1684	4.4	70 %	48 %	2
Harper Green School	1325	4.1	57.8 %	30.5 %	N/A

English and maths 4+ indicates the percentage of students who achieved grade 4 and above in four or more GCSE's (Summer 2019)

English and maths 5+ indicates the percentage of students who achieved grade 4 and above in five or more GCSE's (Summer 2019)

ALPS (A Level performance system) score is a national measurement of "A" level performance for value added. An ALPS grade 1 relates to the best performing sixth form college in the country and this gradually decreases to an ALPS grade 9 which is the lowest performing college in the country for progression.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Both schools were inspected by Ofsted early in 2020. The Ofsted judgement grades were:

	Harper Green School	Rivington and Blackrod High School
Overall effectiveness	Requires improvement	Requires improvement
Behaviour and attitudes	Good	Requires improvement
Personal development	Good	Good
Leadership and management	Good	Good

Both schools have responded to the report and have implemented robust action plans to bring about improvement. These judgements reflect the changes, progress and improvement journey of each school since conversion. Leadership and management of each school is good and is focussed on driving through rapid improvement, building on the strong foundations developed over the past three years.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Promoting the success of the academy trust

The Trust promotes the success of the trust through achieving its charitable purposes. This has been of particular importance during the Coronavirus pandemic, with the Trust placing the health, safety and wellbeing of students, their families, staff and the wider community underpinning each decision.

The health and wellbeing of Trust employees has been supported by enabling staff to work from home where possible and providing 100% pay to those staff who were furloughed during the pandemic. The Trust has a Covid risk assessment in place which was developed in conjunction with union representatives, discussed and shared with all staff, with adaptations of the building carried out and PPE provided for all staff to ensure staff could return to a safe working environment. A personal risk assessment was completed for those staff identified as clinically vulnerable or extremely clinically vulnerable prior to their return to the school.

The Trust fostered business relationships with key suppliers to ensure that on reopening these suppliers were able to ensure the operational running of the schools was unaffected by the disruption to the supply chain. The Trust maintained clear communication with suppliers and provided payments in line with the Government guidance on procurement during the pandemic. The Trust also supported the wider economy by undertaking major capital investment in the buildings over the summer period facilitated in Covid safe environment.

The Trust supports the community through voluntary work and fundraising for a number of charities. Whilst these activities have been limited during the last year, the Trust has supported the wider community during the pandemic for example by supplying food hampers and parcels to those in need in the local community.

The Trust has regard for its impact on the environment and has a programme of reducing its carbon footprint over time, (refer to the Streamlined energy and carbon report).

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The trust has delivered another strong financial performance during 2020/21.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets. In accordance with 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) (SORP 2019), such grants 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 expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £20.5m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds & pension deficits) was £0.6m.

During the year the Trust has recognised actuarial losses in relation to the local government pension scheme of £2.0m, and has also recognised a loss in respect of revaluation completed by the DFE of Rivington and Blackrod High School land and building assets of £ 9.3m.

At 31 August 2021 the net book value of tangible fixed assets was £41m and movements in fixed assets are shown in notes 13 to the financial statements. The value of fixed assets includes the assets that had previously been "donated" by Bolton MBC as part of the transfer agreements as set out below:

- The leasehold land and buildings at Rivington and Blackrod are occupied under a 125 year lease from the local authority. These are included in the balance sheet at a value of £21m, together with other fixed assets.
- The leasehold land and buildings at Harper Green are occupied under a 125 year lease from the local authority. These are included in the balance sheet at a value of £22m, together with other fixed assets.

During the year the Trust undertook significant investment to improve the facilities and to support the local economy. In total the Trust invested £1.5 million on fixed assets.

The major items of expenditure at Rivington and Blackrod included flat roof replacements, major refurbishment of sixth form, investment in new library facilities, creation of a new music classroom, replacement of windows, investment in grounds safety with new fencing, resurfacing of large areas and installation of new external steps to catering area. Other improvements to the student facilities included installation of new external canopies, refurbishment of ICT class rooms and additional Apple iPad tablets. The school also invested in new recycling bins across the site to support the Green agenda.

The major items of expenditure at Harper Green School included upgrades to the fire safety systems, and alarm systems, toilet refurbishments, improvements to external grounds, and investment in high quality video conferencing facilities. The school also invested in the development of a bid to build a new block for dance facilities and classrooms; this bid was successful and the school has now started work on the construction of the new block.

The Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). One of the most significant other items in the current year is the increase in liabilities against this scheme. The balance at 31 August 2021 was a net liability of £ 11.1m. This had increased from the balance at 31 August 2020 which was £8.2m. This increase in deficit was due to a combination of the current market volatility on investments and the general increase in life expectancy.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The deficits in the Local Government Pension Schemes (LGPS) which were inherited on conversion in March 2017 are recognised on the balance sheet in accordance with the provisions of FRS 102.

The Academy Trust understands that its biggest expense is staffing costs and that this must be carefully monitored. The Academy Trust expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2021 staff costs were 80.8% of incoming revenue resources. The Academy Trust benchmarks all revenue expenditure and strives to provide value for money in delivering high quality education for all its students.

The Academy Trust produces monthly budget to actual reports to monitor its on-going progress against target. The financial results for the year were as expected, and continued careful financial management had enabled the Academy Trust to operate with a surplus balance.

At 31 August 2021 balances on the unrestricted and restricted funds excluding pension reserve and fixed asset reserves of £4.5m surplus (2020: £4.3m surplus) were carried forward.

The assets were used exclusively for providing education and the associated support services to the pupils of all the academies.

During 20/21 the Trust received £69,600 (2020: £102,743) in respect of job retention scheme grant funding to support the salary costs of catering staff who were furloughed during the pandemic.

Reserves policy

The policy of the trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

Individual academies are expected to produce at least breakeven budgets each year, but the trust also recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the ESFA. In these cases, the trust supports those academies in deficit and works with them to return the academy to a surplus position. Reserves of the trust are pooled for the benefit of the trust as a whole and the consolidated trust budget is set as at least a breakeven budget.

The current forecast for the next three years, based on our current delivery model, shows an overall surplus position for 21/22, 22/23 and 23/24.

The reserves of the academy are broken down into Fixed Asset Reserves (restricted), Unrestricted Reserves (free reserves); Restricted General Reserves and the Pension reserves.

Restricted General Reserves

Restricted Income Funds are the restricted general reserves balance from income and costs purely for the provision of education, or to help fund capital projects purely for the better education of students and children. The restricted income funds of the trust as at 31 August 2021 are £2.389m. The trust board are aware that these reserves appear high, but are cognisant of potential future funding reductions as a result of possible changes in the funding formula and, therefore, wish to maintain a reserve against the uncertainty of future funding.

Unrestricted Reserves

Unrestricted income funds are those funds that the trust can spend how they believe appropriate. As at 31 August 2021 the unrestricted reserves of the trust are £2.146m.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Combined Reserves

The combined reserves of the trust for restricted income funds and unrestricted income funds (excluding pension deficits) are £4.536m. The Trust has assessed that it requires approximately £1.0m safety reserves to fund any deficits, allow for any unforeseen conditions and sustain the Trusts' effective delivery model. It also allows for potential capacity building.

Under DfE guidelines, certain academies are only allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the period. The academies within the Trust which converted in March 2017 have no restriction on GAG carried forward.

The pension deficit reserve of £11.109m represents an inherited deficit on conversion in respect of the Local Government Pension Scheme. The trust does not have an obligation to settle the full liability immediately and there are no indications that it will crystallise in the foreseeable future, in addition in July 2013, the Department for Education gave a guarantee concerning LGPS liabilities if an academy were to close.

Investment policy

The general policy objective is to invest the surplus funds prudently, all investments are agreed by the Board of Trustees, which has regard to the Charity Commission guidance in relation to charity investment policy. The trust understands the need to ensure all funds invested are safe and risk free. The trustees have adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always access to sufficient cash to meet short and medium term requirements. Trustees will further investigate alternative accounts from 30-day notice account to one year fixed term account and the interest rates these accounts attract in respect to accounting flexibility and rewards.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The key risks have been categorised with four broad headings:

- Student / parent experience: for example, risks associated with student attainment / progression / quality of teaching and learning.
- Sustainability: for example, uncertainty in future funding levels, ability to recruit appropriately skilled staff, potential changes in pension deficit due to the demographic risks, mortality and market conditions.
- Regulatory / legal: for example, risks associated with potential failure to comply with legislation, including health and safety legislation.
- Market / reputational: for example, risks which may be associated with the Trust receiving negative reports through the media e.g. safeguarding issue reported in the media.

During 2020/21 the global pandemic continued to be the greatest risk to the Trust.

The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching and health and safety) and in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls. The risks are formally reviewed by the Audit and Risk Committee and trustees termly. Where significant financial risk still remains the trustees have ensured they have adequate insurance cover.

The internal financial systems are based on the Academies Financial Handbook and are documented in the academy trust's manual of financial procedures. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Chief Executive Officer on a regular basis and the Board of Trustees on a termly basis.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial and risk management objectives and policies

Fundraising

The Trust has not undertaken any fundraising activities to generate income for the Trust nor worked with any commercial participators / professional fundraisers.

Streamlined energy and carbon reporting

Fundraising

The Trust has not undertaken any fundraising activities to generate income for the Trust nor worked with any commercial participators / professional fundraisers.

Streamlined energy and carbon reporting

The Leverhulme Academy Church of England and Community Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes the 2 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	2,819,332	
- Fuel consumed for transport	1,592,307	
- Electricity purchased	3,952	
		<u>4,415,591</u>
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	516.50	
- Fuel consumed for owned transport	0.70	
		<u>517.20</u>
Scope 2 - indirect emissions		
- Electricity purchased		338.10
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		0.30
Total gross emissions		<u>855.60</u>
<i>Intensity ratio</i>		
Tonnes CO2e per square meter floor area		0.035
Tonnes CO2e per pupil		<u>0.30</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas data were all compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet; and total mileage figures were used for scope 1 transport throughout the reporting year. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the combustion of fuels and the operation of facilities, purchased electricity and in-direct emissions that occur as a consequence of company activities.

Intensity measurement

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Measures taken to improve energy efficiency

Energy efficiency action during current financial year:

Energy consumption was expected to rise this year with a return to more typical occupancy levels following the easing of COVID-19 restrictions. Furthermore, the requirement to maintain good levels of ventilation to reduce the potential spread of the virus over winter 2020/21 meant increased heat losses and a greater heating demand.

Despite the challenges during the pandemic, the Trust have improved the thermal performance of the buildings at Rivington and Blackrod High School this year with the replacement of a number of windows and roofs, reducing heat losses. Additionally, the Trust have continued with a rolling programme of lighting replacements to energy efficient LEDs during classroom and corridor refurbishments.

Plans for future periods

Leverhulme Academy Church of England and Community Trust will continue to work to enhance the educational outcomes of students. Improving the life chances of the students is central to the strategic direction of the academy trust. The Trust has responded to the recent Ofsted inspections and despite the impact of the Covid pandemic the Trust has already seen progress through the robust improvement plans. The Trust has plans in place to provide remote learning for students throughout any periods of self-isolation or site closure.

As a relatively recently formed organisation the academy trust will continue to embed high quality teaching and high aspirations for its students and will continue to grow its family of academies in order to continue to support children, some of whom come from challenging backgrounds.

The Trust aims to provide the highest educational opportunities for all children as well as providing professional development for all teaching and support staff so that each academy continues to be self-developing and self-supporting in the future.

Funds held as custodian trustee on behalf of others

The Academy does not hold funds as Custodian on behalf of others.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the trustees are aware:

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

A resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



S Horan
Chair

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Leverhulme Academy Church Of England And Community Trust and the Secretary of State for Education. The accounting officer is 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. Due to the Coronavirus pandemic the board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Board meetings

Trustees	Meetings attended	Out of possible
S Horan (Chair)	4	4
P Roach (Accounting officer)	4	4
E Quigley	4	4
J Marsden	4	4
C Atkinson (Resigned 20 September 2020)	0	0
E Steele	1	4
A Rosler	4	4
A White (Appointed 21 September 2020)	3	4
J Bromley (Appointed 22 October 2021)	0	0

The trustees acknowledge their responsibility to ensure the trust has an effective system to evaluate and monitor the trustees' governance. This included completing a financial management and governance self-assessment; the outcomes of which are also reported to the Education Skills Funding Agency.

The trust completed a brief review of its skill mix and effectiveness during 2018/19 prior to the appointment of two new trustees. In particular, the new trustee appointments strengthened the Board's financial and governance skills and knowledge.

The trust started a review of the effectiveness of the board; however, as a consequence of the global pandemic, this was deferred. The trust intends to complete this review and conduct a governance self-evaluation during 2021/22.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of value for money

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

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

Key actions taken by the Trust during the year include tendering for internal audit services and procurement for major capital investment projects.

Philosophy and strategy

Mission, Vision and Values

During the past year the Trust has reviewed its mission, vision and values.

The mission of the Trust is "Discovering dreams, achieving ambitions, transforming lives

The Trust vision is provision of the highest quality education that creates a community of happy, successful and well-rounded individuals who can flourish and make a difference in our world.

The Trust values are:

- Students first- we put our students at the heart of all our decisions
- High expectations - we have high expectation of both ourselves and others
- Integrity - we do the right thing

These values are an intrinsic part of who we are as an organisation and all our staff evidence they embody these values within their personal performance management reviews.

The academies place students at the centre of everything they do, with a focus on maintaining a culture of success, a positive climate for learning and student attainment, achievement and social and emotional development.

In raising standards for its own students the Trust contributes to the raising of educational standards and achievement generally across the communities we serve through the mutual sharing of knowledge, expertise and resources across the education, business, industry and voluntary sectors in the wider regional context. The chief executive plays a full and active role in developing a school led, self-improving educational system.

It is the absolute priority that every student, irrespective of their starting point, succeeds and achieves. In order to do this, a high quality educational experience, in an environment which is conducive to learning, is an entitlement for every student at the academies with all parties; parents/carers and the wider stakeholders working together to achieve these goals for young people. Students with special needs are fully included and benefit from the focus on personalised learning and individual plans.

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance and to develop the whole child, whilst at the same time engaging and collaborating with other schools to help improve the life chances of all young people locally, nationally and globally.

In relation to the process of teaching and achieving good outcomes for students, the Trust uses a model for teaching which has been developed and refined over several years. This has been shown to achieve excellent results. The model is continuously developed; one of the many benefits of being a Multi Academy Trust is the ability to draw upon a wide range of teachers and support staff to enhance best practice.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Management of Costs

The largest single element of cost is the payroll cost of teaching and support staff. The Trust undertook a review of the staffing structures during the previous academic year and implemented a restructure to provide a more streamline structure which is fit purpose.

The Trust has introduced a single finance system that operates across the academies and integrates as much administration as possible into this system. The Trust operates electronic ordering and online processes and payments as far as possible.

The Trust continues to review often expensive inherited historic service level agreements and is rolling out the benefits of central procurement processes.

The Trust is constantly examining ways to achieve value for money for the taxpayer.

The purpose of the system of internal control

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

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed TIAA as internal auditor.

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

- Risk management framework
- High level finance - Payroll, payments and debtors
- Estates management
- Student attendance data

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The auditor reports to the board of trustees, through the risk and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 14 December 2021 and signed on its behalf by:



S Horan
Chair



P Roach
Accounting officer

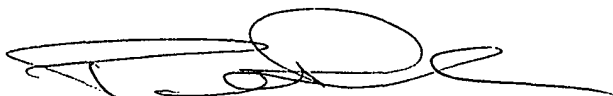
LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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



P Roach
Accounting Officer

14 December 2021

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

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

The trustees (who are also the directors of Leverhulme Academy Church of England and Community Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 14 December 2021 and signed on its behalf by:



.....
S Horan
Chair

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Leverhulme Academy Church of England and Community 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy 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.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Extent to which the audit was considered capable of detecting irregularities including fraud

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.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- The nature of the industry and sector, control environment and business performance.
- Any matters we identified having obtained and reviewed the company'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 non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and industry 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 and identified the greatest potential for fraud in the following areas: recognition of income and misappropriation of funds. 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 the academy operates in, focussing 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 UK Companies Act and Academies Accounts Direction.

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 academy's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- 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;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In addressing the risk of fraud through inappropriate recording of income, we review the existence and completeness of ESFA income and reconcile all other material income streams to third party evidence;
- We carry out a detailed review of deferred income, including a review of amounts released to income in the year.
- We review a sample of expenditure to ensure it has been appropriately authorised and that tender process have been followed where applicable;
- We carry out a review of the register of interests and minutes to ensure that all related parties have been disclosed adequately;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

There are inherent limitations in the audit procedures described above 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. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

14 December 2021

**Chartered Accountants
Statutory Auditor**

St James Building
79 Oxford Street
Manchester
M1 6HT

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter 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 Leverhulme Academy Church of England and Community Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Leverhulme Academy Church of England and Community Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Leverhulme Academy Church of England and Community Trust's funding agreement with the Secretary of State for Education dated 23 February 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 period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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


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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.


Stephen Grayson FCCA (Senior Statutory Auditor)
Reporting Accountant
UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated: 14 December 2021

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	4,308	-	719,863	724,171	2,723,642
Charitable activities:						
- Funding for educational operations	4	-	19,816,324	-	19,816,324	18,695,519
Other trading activities	5	510,049	44,728	-	554,777	705,528
Investments	6	459	-	-	459	6,425
Total		514,816	19,861,052	719,863	21,095,731	22,131,114
Expenditure on:						
Charitable activities:						
- Educational operations	9	6,120	19,613,926	831,260	20,451,306	20,527,055
Total	7	6,120	19,613,926	831,260	20,451,306	20,527,055
Net income/(expenditure)		508,696	247,126	(111,397)	644,425	1,604,059
Transfers between funds	18	-	(1,395,541)	1,395,541	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(1,992,000)	-	(1,992,000)	(1,165,000)
Revaluation of fixed assets	13	-	-	(9,294,662)	(9,294,662)	-
Net movement in funds		508,696	(3,140,415)	(8,010,518)	(10,642,237)	439,059
Reconciliation of funds						
Total funds brought forward		1,637,866	(5,578,652)	48,996,491	45,055,705	44,616,646
Total funds carried forward		2,146,562	(8,719,067)	40,985,973	34,413,468	45,055,705

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds	Restricted funds:		Total 2020
		£	General	Fixed asset	£
Income and endowments from:					
Donations and capital grants	3	350	-	2,723,292	2,723,642
Charitable activities:					
- Funding for educational operations	4	-	18,695,519	-	18,695,519
Other trading activities	5	524,386	181,142	-	705,528
Investments	6	6,425	-	-	6,425
Total		<u>531,161</u>	<u>18,876,661</u>	<u>2,723,292</u>	<u>22,131,114</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	212,041	18,376,436	1,938,578	20,527,055
Total	7	<u>212,041</u>	<u>18,376,436</u>	<u>1,938,578</u>	<u>20,527,055</u>
Net income		319,120	500,225	784,714	1,604,059
Transfers between funds	18	-	(725,551)	725,551	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,165,000)	-	(1,165,000)
Net movement in funds		<u>319,120</u>	<u>(1,390,326)</u>	<u>1,510,265</u>	<u>439,059</u>
Reconciliation of funds					
Total funds brought forward		1,318,746	(4,188,326)	47,486,226	44,616,646
Total funds carried forward		<u>1,637,866</u>	<u>(5,578,652)</u>	<u>48,996,491</u>	<u>45,055,705</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	41,262,197		49,912,853	
Current assets					
Stocks	14	4,219		8,989	
Debtors	15	672,304		602,443	
Cash at bank and in hand		4,531,436		4,342,005	
		5,207,959		4,953,437	
Current liabilities					
Creditors: amounts falling due within one year	16	(947,688)		(1,576,585)	
Net current assets		4,260,271		3,376,852	
Net assets excluding pension liability		45,522,468		53,289,705	
Defined benefit pension scheme liability	20	(11,109,000)		(8,234,000)	
Total net assets		34,413,468		45,055,705	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		40,985,973		48,996,491	
- Restricted income funds		2,389,933		2,655,348	
- Pension reserve		(11,109,000)		(8,234,000)	
Total restricted funds		32,266,906		43,417,839	
Unrestricted income funds	18	2,146,562		1,637,866	
Total funds		34,413,468		45,055,705	

The accounts on pages 28 to 51 were approved by the trustees and authorised for issue on 14 December 2021 and are signed on their behalf by:



S Horan
Chair

Company Number 10514293

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		944,375		1,441,823
Cash flows from investing activities					
Dividends, interest and rents from investments		459		6,425	
Capital grants from DfE Group		695,086		2,723,292	
Capital funding received from sponsors and others		24,777		-	
Purchase of tangible fixed assets		(1,475,266)		(4,300,542)	
Net cash used in investing activities			(754,944)		(1,570,825)
Net increase/(decrease) in cash and cash equivalents in the reporting period			189,431		(129,002)
Cash and cash equivalents at beginning of the year			4,342,005		4,471,007
Cash and cash equivalents at end of the year			4,531,436		4,342,005

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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

During the year the trust received government grants in the respect of Coronavirus Job Retention Scheme (CJRS) of £69,600 (2020 - £102,743.)

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

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

Sponsorship income

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life on the following bases:

Leasehold buildings	25/125 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	20% straight line

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

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The 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 are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. 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.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

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

1.13 Agency arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	719,863	719,863	2,723,292
Other donations	4,308	-	4,308	350
	<u>4,308</u>	<u>719,863</u>	<u>724,171</u>	<u>2,723,642</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	18,057,095	18,057,095	17,291,904
Other DfE / ESFA grants:				
Others	-	835,734	835,734	849,993
	<u>-</u>	<u>18,892,829</u>	<u>18,892,829</u>	<u>18,141,897</u>
Other government grants				
Local authority grants	-	443,455	443,455	450,879
HMRC JRS grant	-	69,600	69,600	102,743
	<u>-</u>	<u>513,055</u>	<u>513,055</u>	<u>553,622</u>
Exceptional government funding				
Other Coronavirus funding	-	410,440	410,440	-
	<u>-</u>	<u>410,440</u>	<u>410,440</u>	<u>-</u>
Total funding	<u>-</u>	<u>19,816,324</u>	<u>19,816,324</u>	<u>18,695,519</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	15,682	-	15,682	1,685
Catering income	396,343	-	396,343	412,945
Restricted trips income	-	44,728	44,728	181,142
Other income	98,024	-	98,024	109,756
	<u>510,049</u>	<u>44,728</u>	<u>554,777</u>	<u>705,528</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	459	-	459	6,425

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	13,002,369	-	907,031	13,909,400	13,444,496
- Allocated support costs	3,200,837	1,882,887	1,458,182	6,541,906	7,082,559
	16,203,206	1,882,887	2,365,213	20,451,306	20,527,055

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	13,500	13,500
- Other services	8,835	7,729
Operating lease rentals	42,785	7,105
Depreciation of tangible fixed assets	830,979	814,494
Loss on disposal of fixed assets	281	1,124,084
Net interest on defined benefit pension liability	146,000	126,000

8 Central services

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

- human resources
- financial services
- legal services
- educational support services
- IT

The academy trust charges for these services on a flat 5% of GAG income.

The amounts charged during the year were as follows:

	2021 £	2020 £
Harper Green School	395,828	369,420
Rivington and Blackrod High School	436,294	428,166
	832,122	797,586

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities				
	Unrestricted funds	Restricted funds	Total	Total
	£	£	2021	2020
			£	£
Direct costs				
Educational operations	6,120	13,903,280	13,909,400	13,444,496
Support costs				
Educational operations	-	6,541,625	6,541,625	7,082,559
	<u>6,120</u>	<u>20,444,905</u>	<u>20,451,025</u>	<u>20,527,055</u>
			2021	2020
			£	£
Analysis of support costs				
Support staff costs			3,377,810	3,144,508
Depreciation			830,979	1,938,578
Technology costs			318,379	214,069
Premises costs			1,051,627	1,031,315
Legal costs			74,573	53,577
Other support costs			852,427	666,398
Governance costs			35,830	34,114
			<u>6,541,625</u>	<u>7,082,559</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	11,437,526	11,026,550
Social security costs	1,155,650	1,092,363
Pension costs	3,220,144	2,939,189
Staff costs - employees	15,813,320	15,058,102
Agency staff costs	325,003	283,121
Staff restructuring costs	64,883	-
	16,203,206	15,341,223
Staff development and other staff costs	261,660	247,570
Total staff expenditure	16,464,866	15,588,793

Staff restructuring costs comprise:

Severance payments	64,883	-
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60,725 (2020: £nil). Individually, the payments were: £29,000 and £31,275.

Staff numbers

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

	2021 Number	2020 Number
Teachers	165	173
Administration and support	153	158
Management	21	17
	339	348

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,000 - £70,000	7	7
£70,000 - £80,000	5	2
£80,000 - £90,000	-	2
£90,000 - £100,000	3	1
£140,000 - £150,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,171,841 (2020: £1,253,042).

11 Trustees' remuneration and expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

P Roach (Chief Executive Officer and Head Teacher):

Remuneration £145,000 - £150,000 (2020: £145,000 - £150,000)

Employer's pension contributions (annual) £30,000 - £35,000 (2020: £30,000 - £35,000)

12 Trustees' and officers' insurance

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Leasehold buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	50,168,831	470,534	792,095	428,504	20,675	51,880,639
Transfer	390,116	(390,116)	-	-	-	-
Additions	1,194,743	-	176,850	98,523	5,150	1,475,266
Revaluation	(9,843,322)	-	-	-	-	(9,843,322)
Disposals	-	-	(843)	-	-	(843)
At 31 August 2021	41,910,368	80,418	968,102	527,027	25,825	43,511,740
Depreciation						
At 1 September 2020	1,308,103	-	498,410	149,361	11,912	1,967,786
Revaluation	(548,660)	-	-	-	-	(548,660)
On disposals	-	-	(562)	-	-	(562)
Charge for the year	507,167	-	239,594	79,053	5,165	830,979
At 31 August 2021	1,266,610	-	737,442	228,414	17,077	2,249,543
Net book value						
At 31 August 2021	40,643,758	80,418	230,660	298,613	8,748	41,262,197
At 31 August 2020	48,860,728	470,534	293,685	279,143	8,763	49,912,853

The academy trust transactions relating to land and building:

Additions include:

- New windows at Rivington & Blackrod at £267,623
- Refurbishment of Sixth Form at Rivington & Blackrod at £52,345
- Roof refurbishment at Rivington and Blackrod at £311,309
- Replacement block at Harper Green at £131,047

During the year the land and buildings at Rivington & Blackrod were revalued.

14 Stocks

	2021 £	2020 £
Catering stock	4,219	8,989

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Debtors

	2021 £	2020 £
Trade debtors	14,319	1,187
VAT recoverable	315,015	257,204
Prepayments and accrued income	342,970	344,052
	<u>672,304</u>	<u>602,443</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	206,424	423,038
Other creditors	1,969	6,441
Accruals and deferred income	739,295	1,147,106
	<u>947,688</u>	<u>1,576,585</u>

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>330,515</u>	<u>30,631</u>
Deferred income at 1 September 2020	30,631	1,144,147
Released from previous years	(30,631)	(1,144,147)
Resources deferred in the year	<u>330,515</u>	<u>30,631</u>
Deferred income at 31 August 2021	<u>330,515</u>	<u>30,631</u>

At the balance sheet date the academy trust was holding funds received in advance for catering income £12,252 (2020: £11,717), ring-fenced bursary £21,694 (2020: £11,799), CIF funding £276,227 (2020: £nil) and school fund £20,342 (2020: £7,115) for the autumn term 2022.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,361,749	18,057,095	(16,912,213)	(1,395,541)	1,111,090
Other DfE / ESFA grants	-	835,734	(835,734)	-	-
Other government grants	-	923,495	(923,495)	-	-
Other restricted funds	1,293,599	44,728	(59,484)	-	1,278,843
Pension reserve	(8,234,000)	-	(883,000)	(1,992,000)	(11,109,000)
	<u>(5,578,652)</u>	<u>19,861,052</u>	<u>(19,613,926)</u>	<u>(3,387,541)</u>	<u>(8,719,067)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>48,996,491</u>	<u>719,863</u>	<u>(831,260)</u>	<u>(7,899,121)</u>	<u>40,985,973</u>
Total restricted funds	<u>43,417,839</u>	<u>20,580,915</u>	<u>(20,445,186)</u>	<u>(11,286,662)</u>	<u>32,266,906</u>
Unrestricted funds					
General funds	1,618,105	510,508	(6,120)	-	2,122,493
Other funds	19,761	4,308	-	-	24,069
	<u>1,637,866</u>	<u>514,816</u>	<u>(6,120)</u>	<u>-</u>	<u>2,146,562</u>
Total funds	<u>45,055,705</u>	<u>21,095,731</u>	<u>(20,451,306)</u>	<u>(11,286,662)</u>	<u>34,413,468</u>

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other government grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted fund tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.

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.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	775,773	17,291,904	(15,980,377)	(725,551)	1,361,749
Other DfE / ESFA grants	-	849,993	(849,993)	-	-
Other government grants	-	553,622	(553,622)	-	-
Other restricted funds	1,331,901	181,142	(219,444)	-	1,293,599
Pension reserve	(6,296,000)	-	(773,000)	(1,165,000)	(8,234,000)
	<u>(4,188,326)</u>	<u>18,876,661</u>	<u>(18,376,436)</u>	<u>(1,890,551)</u>	<u>(5,578,652)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>47,486,226</u>	<u>2,723,292</u>	<u>(1,938,578)</u>	<u>725,551</u>	<u>48,996,491</u>
Total restricted funds	<u>43,297,900</u>	<u>21,599,953</u>	<u>(20,315,014)</u>	<u>(1,165,000)</u>	<u>43,417,839</u>
Unrestricted funds					
General funds	1,299,335	530,811	(212,041)	-	1,618,105
Other funds	19,411	350	-	-	19,761
	<u>1,318,746</u>	<u>531,161</u>	<u>(212,041)</u>	<u>-</u>	<u>1,637,866</u>
Total funds	<u>44,616,646</u>	<u>22,131,114</u>	<u>(20,527,055)</u>	<u>(1,165,000)</u>	<u>45,055,705</u>

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Harper Green School	2,187,853	1,738,658
Rivington and Blackrod High School	1,116,302	1,271,624
Central services	1,232,340	1,282,932
Total before fixed assets fund and pension reserve	<u>4,536,495</u>	<u>4,293,214</u>
Restricted fixed asset fund	40,985,973	48,996,491
Pension reserve	(11,109,000)	(8,234,000)
Total funds	<u>34,413,468</u>	<u>45,055,705</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Harper Green School	5,974,725	1,278,762	318,946	1,038,411	8,610,844	7,746,080
Rivington and Blackrod High School	6,853,868	1,667,919	493,170	1,082,625	10,097,582	10,793,177
Central services	258,463	431,130	10,226	211,800	911,619	567,738
	<u>13,087,056</u>	<u>3,377,811</u>	<u>822,342</u>	<u>2,332,836</u>	<u>19,620,045</u>	<u>19,106,995</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	41,262,197	41,262,197
Current assets	2,146,562	3,061,397	-	5,207,959
Creditors falling due within one year	-	(671,464)	(276,224)	(947,688)
Defined benefit pension liability	-	(11,109,000)	-	(11,109,000)
Total net assets	<u>2,146,562</u>	<u>(8,719,067)</u>	<u>40,985,973</u>	<u>34,413,468</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	49,912,853	49,912,853
Current assets	1,637,865	3,315,572	-	4,953,437
Creditors falling due within one year	1	(660,224)	(916,362)	(1,576,585)
Defined benefit pension liability	-	(8,234,000)	-	(8,234,000)
Total net assets	<u>1,637,866</u>	<u>(5,578,652)</u>	<u>48,996,491</u>	<u>45,055,705</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme to which both 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% employer administration charge)
- 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. The 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 the TPS in the period amounted to £2,105,541 (2020: £1,969,346).

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.1% for employers and 5.5-12.5% for employees.

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

Total contributions made	2021 £	2020 £
Employer's contributions	603,000	488,000
Employees' contributions	178,000	163,000
Total contributions	<u>781,000</u>	<u>651,000</u>
 Principal actuarial assumptions	 2021 %	 2020 %
Rate of increase in salaries	3.65	3.00
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	<u>1.65</u>	<u>1.70</u>

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	<u>25.3</u>	<u>25.0</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

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

20 Pension and similar obligations

(Continued)

Sensitivity analysis			Approx. increase to Defined Benefit Obligation HG/RB	Approx. monetary amount HG/RB
			%	£000
0.5% decrease in the real discount rate			15 / 10	1,260 / 1,760
0.5% increase in the salary increase rate			0 / 0	175 / 170
0.5% increase in the pension increase rate			10 / 10	1,065 / 1,560

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

	2021 Fair value £	2020 Fair value £
Equities	9,350,700	7,064,520
Bonds	1,975,500	1,662,240
Property	921,900	727,230
Cash	921,900	935,010
Total market value of assets	13,170,000	10,389,000

The actual return on scheme assets was (£2,123,000) (2020 loss: £453,000).

Amount recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	1,340,000	1,121,000
Past service cost	-	14,000
Interest cost	146,000	126,000
Total operating charge	1,486,000	1,261,000

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20	Pension and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2021	
		£	
	At 1 September 2020	18,623,000	
	Current service cost	1,340,000	
	Interest cost	328,000	
	Employee contributions	178,000	
	Actuarial loss	3,933,000	
	Benefits paid	(123,000)	
	At 31 August 2021	24,279,000	
	Changes in the fair value of the academy trust's share of scheme assets	2021	
		£	
	At 1 September 2020	10,389,000	
	Interest income	182,000	
	Actuarial (gain)/loss	1,941,000	
	Employer contributions	603,000	
	Employee contributions	178,000	
	Benefits paid	(123,000)	
	At 31 August 2021	13,170,000	
21	Reconciliation of net income to net cash flow from operating activities	2021	2020
		£	£
	Net income for the reporting period (as per the statement of financial activities)	644,425	1,604,059
	Adjusted for:		
	Capital grants from DfE and other capital income	(719,863)	(2,723,292)
	Investment income receivable	(459)	(6,425)
	Defined benefit pension costs less contributions payable	737,000	647,000
	Defined benefit pension scheme finance cost	146,000	126,000
	Depreciation of tangible fixed assets	830,979	814,494
	Loss on disposal of fixed assets	281	1,124,084
	Decrease/(increase) in stocks	4,770	(5,018)
	(Increase) in debtors	(69,861)	(63,163)
	(Decrease) in creditors	(628,897)	(75,916)
	Net cash provided by operating activities	944,375	1,441,823

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	4,342,005	189,431	4,531,436

23 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	3,111	8,480
Amounts due in two and five years	144	2,196
	<u>3,255</u>	<u>10,676</u>

24 Related party transactions

Catchpenny Associates Limited, a company in which T Colluney (Governor of Harper Green) has an interest, provided counselling services to students from the academy trust totaling £nil (2020: £2,376). There were no amounts outstanding at 31 August 2021.

Anna White Education Consultant Ltd, a company in which A White (Trustee of Leverhulme Academy Church of England and Community Trust) has an interest, provided educational consultancy services to the academy trust totalling £2,000 (2020: £nil). There were no amounts outstanding at 31 August 2021.

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

25 Members' liability

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

26 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy received £26,280 (2020 - £27,420) and disbursed £16,385 (2020 - £21,982) from the fund. An amount of £21,694 (2020 - £11,799) is included in other creditors relating to undistributed funds that may be repayable to ESFA if not disbursed in the forthcoming twelve months.