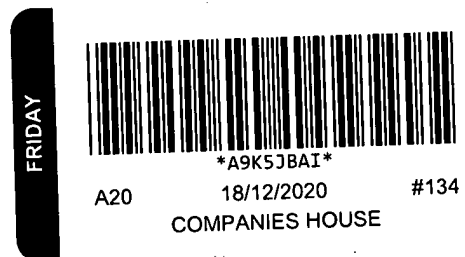


**LEARNING COMMUNITY TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr Paul Bishton (resigned 31 December 2019) Mr Michael Briscoe Mr David James Mr Dennis Jones Dr Mahadeva Ganesh (appointed 1 May 2019)
<b>Trustees</b>	Mr Michael Briscoe, Chair and Member Mrs Christine Davies Dr Gill Eatough, Chief Executive and Accounting Officer Mr Andrew Harris Mr Graham Hutchinson Mr David James, Member Mrs Beverly Tyley Mr Nathan Wallis Dr David Woods Mr David Wootton
<b>Company registered number</b>	10846393
<b>Company name</b>	Learning Community Trust
<b>Principal and registered office</b>	C/O Hadley Learning Community Waterloo Road Hadley Telford TF1 5NU
<b>Company secretary</b>	Miss Veronica Croft
<b>Chief executive officer</b>	Dr Gill Eatough
<b>Senior management team</b>	Dr Gill Eatough, Chief Executive Officer Mr Paul Jones, Chief Operating Officer Mrs Tracey Williams, Head of Finance Mr Paul Roberts, HLC Principal Mrs Maddie Griffin, HLC Head of Primary Mr Nigel Griffiths, Queensway Head Teacher Mr Chay Davis, Ercall Wood Head Teacher (resigned 31/12/19) Mr Richard Gummery, Ercall Wood Head Teacher (appointed 1/6/20) Mr Andrew McNaughton, Charlton School Head Teacher Mr Adrian Pembleton, Wrekin View Head Teacher (appointed (1/12/19)
<b>Independent auditors</b>	WR Partners Belmont House Shrewsbury Business Park Shrewsbury SY2 6LG

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**LEARNING COMMUNITY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Bankers</b>	Lloyds Bank Queens Square Wolverhampton West Midlands WV1 1RF
<b>Solicitors</b>	Browne Jacobson 15th floor 6 Bevis Marks London EC3A 7BA

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**LEARNING COMMUNITY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

The Trust commenced in operation from the 1 March 2018.

The Multi Academy Trust (the Trust) operates 2 primary, 3 secondary and 1 special academy in North Telford. Its academies have a combined pupil capacity of 4,203 and had a roll of 4,172 across the academies on 31st August 2020. Our academies are popular and often oversubscribed.

The principal activity of the Trust is the operation of six academies as follows:

Hadley Learning Community, Secondary Phase NOR 971.  
Hadley Learning Community, Primary Phase NOR 600  
Ercall Wood Academy NOR – 899  
Charlton Secondary School – NOR 1,130  
Queensway NOR – 124  
Wrekin View Primary School NOR 445

**Structure, governance and management**

**a. Constitution**

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

The charitable company's Trust deed is the primary governing document of the Trust.

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

The charitable company is known as Learning Community Trust.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

There are no disclosures with regard to qualifying third party indemnity provisions.

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of Trustees**

Our Trustees were all appointed as the Trust was set up and incorporated in 2017. The Trustees were approved as part of the application process with the Department of Education to ensure we had a strong board with a wide range of skills and expertise in education and school improvement but also in finance, HR and the business sector.

We are very fortunate in that all our original Trustees are still in place and we have not had to recruit new Trustees. Should this be necessary, the recruitment process will be managed by the Chair and Members and may include advertisement or a direct approach.

The Members may agree unanimously in writing to appoint such additional Members as they think fit and may unanimously (save that the agreement of the Member(s) to be removed shall not be required) in writing agree to remove any such additional Members.

When a vacancy arises, the Members and Trustees will seek to make an appointment that would maximise the relevant skills and experience on the Board as a whole and enable it to comprise appropriately qualified and experienced Trustees.

**e. Policies adopted for the induction and training of Trustees**

Following initial induction into the Trust, training and induction provided for new Trustees and Governors has depended on their existing experience and knowledge. The Trust has provided additional training and briefing for Trustees as part of our meeting structure on areas such as data analysis and school improvement strategies. All Trustees are supported and provided with the information needed (including reports, policies, minutes, budgets, etc.) to effectively undertake their role as Trustees. All papers for meetings are sent out well in advance of meetings so Trustees have time to review the documents and prepare for the meetings, Trustees have access to the Chair and Executive at any time.

We have held a joint visioning session with Members and Trustees to develop the vision and strategy for the Trust which is now part of our documentation.

As part of our wider commitment to open governance, we hold an annual joint meeting with all Governors from all our academies to maintain good communications at all levels of Governance and ensure Governors are part of the vision and strategy for the Trust. It is an opportunity to update Governors on the key developments and challenges for the Trust, our growth strategy as well as provide training and support on key areas of Governance.

The Chair of the Trust and CEO meets with the Chairs of our Local Governing Bodies termly to provide a forum for discussion and consultation, and the Executive or Trustees are able to attend LGB meetings as appropriate. There is a programme of training for Governors as part of the service the Trust buys from Telford and Wrekin. All Trustees and Governors have had very recent safeguarding training to ensure they are very clear on their responsibilities and have up to date knowledge on safeguarding.

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Structure, governance and management (continued)**

**f. Organisational structure**

The Board of Trustees comprise those persons appointed under the Articles of Association as described earlier herein. Trustees delegate specific responsibilities to the Business and Personnel Committee, Audit and Risk and Local Governing Bodies, the activities of which are reported to and discussed at the Board of Trustees' meetings.

Day to day management of the company is undertaken by the Chief Executive Officer supported by the Chief Operating Officer. The day to day running of each Academy is undertaken by the Principal or Head Teacher supported by their Senior Leadership Team.

The Chief Executive Officer is the Accounting Officer, and the Chief Operating Officer is the Chief Finance Officer. To support growth and effectively implement financial controls the Trust has formed a central finance team that is managed by the Head of Finance. The team comprises of 3 Finance Officers that support multiple academies. In addition to the central finance team the Trust has implemented Operational Managers that work across academies supporting Heads in all operational activities whilst delivering Trust required outcomes.

**g. Pay policy for key management personnel**

The Trustees make determinations of pay in accordance with the Trust's Pay Policy. The Board of Trustees has fully delegated powers and is established in accordance with the appropriate school governance regulations.

The Trust Executive Team and our Academy Principals/Headteachers and their Senior Leadership Teams are the key management personnel of the Trust. Three Trustees are also Directors and therefore play a significant role in supporting the Trust. Trustees receive no pay or other remuneration in respect of their role as Trustees.

The Board of Trustees sets the pay of the Chief Executive Officer annually. The Chief Executive Officer must demonstrate sustained high quality of performance, with particular regard to leadership, management and school improvement across the Trust's schools. Pay of Trust Principals/Headteachers and Senior Leadership team members are also set by the Board of Trustees again having regard to performance against previously agreed objectives and recommendations made by the Chief Executive Officer.

**h. Connected organisations, including related party relationships**

The Trust is not part of any other networks, charities and organisations which impact on the Trust's operating policies.

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Structure, governance and management (continued)**

**i. Engagement with employees (including disabled persons)**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

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

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

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

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

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

The Trust has formed excellent relationships with service providers and customers (pupils and parents).

The Trust has built up over a number of years excellent working relationships with our suppliers which has helped deliver excellent quality and professionalism for services amongst our schools. Some of the key engagements includes:

- Telford & Wrekin Council – Delivery of Human Resources and payroll, ICT managed services, Health & Safety audits, GDPR audits, Catering and cleaning
- Interserve Facilities Management – Facilities Management and project management across PFI schools
- Brown Jacobson – Legal advice and support
- WR Partners – Accountancy and audit services
- Barker Associates – Building and project management consultancy

**k. Trade union facility time**

The Trust does not have any employees who undertake this role currently. It can be noted that the Trust maintains positive relationships with Trade unions and has established a local Trade Union Forum. There are Trade Union representatives on the staff of our academies.

**Objectives and activities**

**a. Vision and aims**

We have a single clear vision for our Trust which is "To provide an outstanding education for all of our children and young people that prepares them to be successful in all they do both now and in the future".

We keep our aims at the forefront of all we do, they represent our values as well as our intentions:



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

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**Objectives and activities (continued)**

To focus, across our schools, on excellence by achieving the best possible educational outcomes for our children and students by engaging and inspiring them, building their resilience and preparing them for work and adult life.

To drive a collaborative culture across our schools which drives and supports improvement and develops all our staff as leading professionals.

To provide the highest levels of care and support for our children so they can succeed, including those that are the most disadvantaged, vulnerable or with special needs in our community.

To ensure our schools are at the heart of the community they serve and are truly inclusive organisations with equality for all across our community.

To engage positively with our families and wider community, building partnerships and programmes that develop opportunities beyond the school sector.

Our Trust brings schools together into one organisation so that school leaders; teachers, learners and our community can work and thrive together, gaining from and supporting each other. As a local Multi Academy Trust operating from our school-based office in North Telford, the Learning Community Trust (LCT) was incorporated in June 2017 following approvals by the DfE, we are delighted to be an Academy sponsor.

Our approach is built around a clear vision of inclusive education and a relentless drive for raising standards we keep our focus on our learners, ensuring they are supported by great teachers, outstanding leaders and excellent facilities.

We believe in strong local management and governance, our Trust is led by our Members, our outstanding Board of Trustees and each Academy has a Local Governing Board.

The Trust Executive Function is designed to be lean and focused, providing unwavering attention on getting the best outcomes for our learners, staff and community.

We focus on research and evidence led school improvements strategies, we develop our leaders and staff and ensure we have excellent and leading practice in our teaching, support and management practices.

Our support and management functions are wholly focused on supporting our schools, with exemplary financial management, excellent human resource support and a continuous drive for value for money, efficiency and effectiveness.

**b. Objectives, strategies and activities**

We have established four strategic objectives, with members and Trustees, for our Trust with linked KPIs:

**1. Our Learners are Engaged and Successful**

- Progress and achievement improve annually to national measures and beyond
- Attendance rises well above national measures
- We have low exclusions
- All our learners experience and enjoy a rich and engaging curriculum
- Learners tell us they want to be at our Academies, our Academies are popular and often oversubscribed

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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**Objectives and activities (continued)**

**2. We have High Quality Staff across our Trust**

- Teaching in our Academies is good or better and always improving
- All staff have access to high quality professional development
- All our staff have opportunities to develop their careers and share their practise
- We retain the highest calibre staff, and our recruitment levels are high
- We have a culture of shared mobility and high staff attendance

**3. We have a Culture of Continuous Improvement**

- We continuously review performance targets and areas for improvement
- All our Academies are supported and challenged to demonstrate excellence with clear areas of outstanding practice
- Any of our Academies with difficulties are supported to improve and sustain performance levels within two years
- We have a Trust wide culture of collaboration focussed on improvement

**4. Our Leadership and Governance is Exemplary**

- Our Trust is sustainable and highly effective
- We develop, recruit and retain outstanding leaders and Governors
- Financial management is effective, innovative and adds value to outcomes
- Growth of the Trust is well planned, well led and well managed
- High quality Policies and Practises are firmly embedded across our Trust

Although it is necessary for us to have arrangements in place to run the Trust effectively, support and challenge schools and engage with our communities, our core purpose is to do the best for our learners. Alongside great teaching and pastoral care we have a commitment to:

- Raising the aspirations of all young people in our Trust to be the very best they can be.
- Making our schools welcoming, inclusive and enjoyable for our students every day.
- Providing world class opportunities for our learners that extends their learning and experiences within and beyond Telford.
- Giving, encouraging and acting upon the voice of our learners, so they play a significant role in our Academies and Trust.
- Promoting student leadership in our Academies and across our Trust so they are part of our vision and values.
- Engaging learners in their own learning so they know how to succeed.
- Developing confidence, resilience and determination in our young people, whatever their age.
- Ensuring a safe, supportive and caring environment in our Academies so students are treated with kindness, respect and live safely in our community.

**Why our Trust exists**

Our Trust exists because we have a commitment and passion for providing great schools for our community. We consider that a locally led and accountable Trust provides the best outcomes for learners and our communities, this includes supporting schools facing challenges and ensuring the best schools become even better.

Our aspirations are solely to support and improve our schools. Alongside those that become part of our Trust, we will consider associate arrangements for schools and other educational organisations that meet our aims and would benefit from such an arrangement and support for other forms of provision where there are clear benefits for all parties.

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Objectives and activities (continued)**

Across all our schools and community, we provide strategic direction; support; specialist expertise; shared development and services focused on local needs. This is increasingly important at a time when the traditional Local Authority role is diminishing, resources and funding are severely constrained and support services are hard to access.

We are convinced of the importance of and value for local schools to work closely together and have designed our Trust to do just that.

We have a sound model in place and our schools gain significant benefit from opportunities to have all phases of education Secondary, Primary and Special – working and learning together with the expertise that brings into the Trust.

Our Trust also sponsors schools and has already demonstrated how effective leadership from the Trust has helped improve schools through direct challenge and support and by working closely with fellow schools. We are proud of our successes in our second full year of operation despite the significant challenges that the Covid-19 pandemic and the national lockdown had on our schools from March to the end of the academic year.

**The scope of our Trust**

Our involvement ranges from early years through to secondary provision where we deliver, influence and support provision at all stages.

We directly lead and support secondary schools, primary schools and SEND provision (we lead, and support SEND provision through one merged school and partnership arrangements for specific provision). We have an interest in post compulsory education and work closely with local providers while also considering the best provision for our learners post 16.

We support schools that are high performing, and those moving from (Ofsted) categories, therefore schools facing challenges and those looking for new arrangements to improve further are welcome to see what we offer and if we can help.

We work closely with a wide range of stakeholders at strategic and operational levels, this includes collaborative and formal partnership arrangements with key partners (e.g. RSC/DfE, other West Midlands MATs, HE, Teaching School Alliances, the Local Authority for SEND and Telford College for post 16 provision).

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

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**Objectives and activities (continued)**

**Our Structure**

We have in place a clear and accountable model for governance at all levels that meets all the legal and best practice expectations and demonstrates robust and transparent arrangements for leading our Trust and schools. Our model:

- Ensures we have strong capability and capacity within our Governance structures and staff appointed to the Trust
- Retains a clear model of accountability and delegated governance, holding the CEO and key operational officers to account so the Trust runs efficiently and effectively
- Maintains knowledge and expertise on system improvement and outcomes for learners of all ages and settings e.g. Special, EYFS, primary, secondary and applying sound Quality Assurance practices
- Demonstrates a clear understanding of Trust Budgets and meeting responsibilities for budget controls and accounting procedures across the Trust with sound risk assessment procedures in place
- Has a commitment to continuous and appropriate self-review and training of our Members and Trustees to ensure they fulfil their key functions
- Ensures LGBs and schools within the Trust are fit for purpose with essential skill sets of Governors, meet clear schemes of delegation and can focus on the core business of education
- Leads and develops the Trust so it grows and becomes sustainable, has due diligence processes that are effective and new schools joining the Trust are well supported and challenged
- Protects the integrity and future of the Trust including regular self-review, succession and business planning.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**Strategic report**

**Achievements and performance**

**Covid-19 pandemic**

This has not been a normal year in education or in our society. The onset of the pandemic in March and the closure of schools has been an unprecedented time in our professional lives.

The role of the Trust in supporting our schools through months of uncertainty and challenge cannot be underestimated. It is important to recognise what an incredible job our Headteachers, leadership teams and staff did in making sure we did the very best for our children, young people, and their families.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

The key highlights are: -

- All our schools remained open to vulnerable children and those of key workers from March to July including all holiday periods
- Home Learning was established very quickly, staff were supported and trained to use the technology to set high quality resources and effective home learning. In our primary schools and Special school, it was quickly realised that parents need proper work packs, and these were provided throughout the summer term.
- Significant work was done by our pastoral teams and SEND teams to support children and families who needed often daily help and guidance.
- There were keeping in touch calls and class activities to keep all children in engaged in school and to have contact with their teachers.
- We responded swiftly to government guidance and implemented procedures with new ways of working, often with very short notice.
- We supported our staff who were anxious and struggling with home working and lockdown.
- In June, our schools partially reopened as soon as possible to bring as many children back into school before the summer holidays as was allowed. We went far beyond what was required.
- We established effective systems, procedures, risk assessment, operational plans and training to ensure staff and children were safe in schools and to give parents confidence to send their children to school.
- Trade Union meetings were held regularly to update and review systems and procedures.
- Outstanding communications were critical, and we provided weekly updates to all our staff and parents across the Trust, so messages were consistent.
- The summer holidays were focused on ensuring the successful full reopening of our schools in line with national guidelines with full risks assessments and building adaptations in place.

We are very proud of the work we did in our community – we delivered food parcels each week to families in great need, made visors for the local Hospice, provided min-buses to local organisations to support the elderly and vulnerable.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Achievements and progress of LCT and our Academies**

Despite the challenges we have faced with the pandemic the Trust has just celebrated its second full year of operation and is now well established in the community with an excellent local and regional reputation.

We have spent this year developing the new LCT central finance team as well as refining our systems and processes so that the Trust is well led and managed at all levels.

The Trust has grown with the addition of a large, local primary school in December 2019, Wrekin View and we are just about to welcome a third primary school, Crudgington into the Trust on the 1st January 2021 as a converter academy. Our growth has been manageable and timely meeting our vision and strategy for establishing a local MAT for the community we serve.

We had our second Trust Review with RSC West Midlands in February 2020 and this was extremely positive, and the Trust was congratulated on its achievements to date.

We are delighted with the progress many of our academies have made in the last 12 months and the way they have embraced the Trust.

Our focus had been to support and challenge our schools, but the significant achievement has been building collaboration and identifying strong practice across the Trust and disseminating this to drive school improvement.

We have held our 3rd Trust PD Day in January 2020 which bring all our staff together annually with presentations on the trust to ensure all staff understand what we are and what we are achieving together. There are also keynotes and workshops of value to our staff; we are planning our 4th in day in January 2021.

There has been significant investment in staff training and over 55 middle and senior leaders have been involved in achieving National Professional Qualifications to support their development.

We have increased the capacity of the Trust to deliver school improvement and have a senior leader from one of our academies seconded to lead this area with the CEO. There is a half termly system of joint monitoring by the trust and each academy involving learning walks, work scrutiny, student interviews and subject reviews to identify strengths and key areas of improvement.

All our academies have templates for Raising Achievement Plans and School Evaluation Forms, and these are reviewed regularly by the CEO and the Local Governing Bodies to monitor progress towards individual academy priorities.

The Trust works closely with Telford College and there is a formal Memorandum of Understanding between our two organisations. this work is making exciting progress in terms of curriculum, post 16 destinations and other identified areas. At the request of the DfE and the College LCT is providing school improvement for the Key Stage 4 Pupil Referral Unit which the College currently sponsors.

The information below is a brief overview of our academies. We are unable to report the 2020 outcomes because primary testing was abandoned, and GCSE examinations cancelled because of school closures in March 2020.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

Our Y11 students were awarded Centre Assessed Grades (CAGs) by our schools. There are therefore no national performance tables for 2020 primary and secondary results. Our internal data up until March was indicating good improvements in SATS and GCSE performance.

Three of our schools were in Ofsted "windows" in summer 2020 but inspections were postponed because of school closures.

**Our schools: -**

**Hadley Learning Community, Primary Phase** (reception – Y6, with a 60-place nursery) joined the Trust as a convertor Academy on the 1st March 2018 and is currently graded "Good" by Ofsted. Our primary phase is very popular and oversubscribed. There is planned growth over the next few years as we have increased the PAN to 90, from 60 in each year group. New classrooms and a new dining hall have been added under basic need funding.

**Hadley Learning Community, Secondary Phase** (11- 16) joined the Trust as a convertor Academy on the 1st March 2018 and is currently graded "Good" by Ofsted. Our secondary phase is very popular and significantly oversubscribed each year. The demand for places has resulted in an increase in PAN from 180 to 240 from September 2019, there has been significant building adaptations in the summer to ensure this growth can be accommodated. HLC Secondary remains a high performing school and 2019 GCSE placed HLC as the top performing comprehensive in Telford.

HLC operates as an all through school in a purpose built £70 million PFI campus which has significant community use. HLC is led by an Executive Principal and a federated Governing Body, there is a Headteacher of the Primary and Secondary Phase.

**Ercall Wood Academy** (11-16) joined the Trust as a convertor Academy on the 1st July 2018 and currently is graded "Requires Improvement" by Ofsted prior to conversion. The Academy is housed in a superb new building built under BSF, has a rapidly rising roll and is now at its PAN of 900 due to its popularity locally. The Trust implemented a significant intervention at leadership level in autumn 2019 and a new Principal joined the academy in June 2020. The Academy is now improving rapidly, the Trust is confident that key improvements are being made which will lead to improved outcomes over the next two years.

**Queensway School** (Y5 - Y11) joined the Trust as part convertor and part sponsored on the 1st March 2018 as a merger of two existing provisions. It is a special school which operates on two sites with different specialisms, under the leadership of one Headteacher. Queensway North has 60 students aged from Y6 –Y11 with a significant diagnosis of autism and Queensway South has 60 students from Y5 – Y11 with a significant diagnosis of social and emotional behaviour. All students have an EHCP and places are commissioned by the local authority. The Trust has appointed a new Headteacher from September 2020 following the retirement in August of the previous Head.

**Charlton Secondary School** – (11- 16) joined the Trust on 1st December 2018 as a sponsored academy following a long and complex conversion linked to land issues. Charlton has been on a significant school improvement journey and outcomes in 2019 GCSEs were very positive. We believe this improvement would have continued 2020. Charlton is a rapidly improving school and the Principal, senior leaders, staff, and Governors have worked tirelessly to achieve this with the support of LCT.

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

**Wrekin View Primary School** (Reception – Y6 with a 60-place nursery) joined the Trust on the 1st December 2019 as a convertor academy following a smooth conversion. It is a large primary school located in Wellington and the majority of Y6 transfer to one of our secondary academies. The school was graded "Good" by Ofsted in November 2016. The Key Stage 2 outcomes are a focus to achieve at least national averages. The school is popular with parents and the Head has been in post for five years.

**b. Key performance indicators**

The Trust is committed to supporting and challenging our academies to build on their strengths and to address areas for improvement. We believe in collaboration across our family of schools and identifying great practice which can be shared and developed across the Trust but also to look beyond the Trust for innovation and creativity in the sector.

We have established clear key KPI's for our academies. Supported by the Trust Executive Team, each Academy leader is responsible for the delivery of these KPIs, held accountable locally by the Local Governing Body (LGB). At their scheduled meetings, Trustees and Members consider overall performance and strategic progress of each academy ensuring the Trust provides high levels of challenge and support.

Below is a short summary of progress on our KPIs across our academies:

Progress and attainment to be at a minimum of national averages in key measures or rapidly improving towards national – this is the case with the majority of our academies, we have highly focussed improvement strategies and monitoring in place in one academy that we need to support to achieve this.

Attendance to be at least at national averages but aiming for 95% as a minimum – all our schools take attendance very seriously and attendance is at or above national across our schools. We employ a Trust Education Welfare Officer who works in our schools weekly with attendance officers to ensure the best possible attendance from our students. The impact of Covid has disrupted school attendance since March.

Low levels of fixed term exclusions, below the national average – all our schools have exclusions figures 2019 /20 well below national and we have worked hard to challenge schools where this was not the case.

Student numbers are high with no significant surplus places demonstrating that our schools are popular, the first choice for parents in our community – all our schools are popular and many are oversubscribed and we have had to increase capacity in two schools in agreement with the LA.

Staff attendance is high and staff turnover is relatively low because staff enjoy working in our academies – we are very fortunate to have outstanding attendance from our staff and we have good systems in place to support staff attendance. We had very low staff turnover and we have been able to increase staffing in schools where there is significant growth

Recruitment and retention ensures that we have a highly skilled workforce and that we do not have vacancies or have teachers teaching outside their specialist areas – recruitment of high quality teachers is paramount and all our academies recruited well for September 2020 despite the challenges of lockdown. We have made some excellent appointment at Headteacher and senior leaders positions for the new academic year.

Ofsted inspections of our academies demonstrate our academies are at a minimum "Good" and identify significant areas of outstanding – none of our academies has had an Ofsted inspection since joining LCT but many were due during the summer and autumn of 2020. Inspections were postponed because of the pandemic and we expect to see these return in 2021. Our schools are well prepared for future inspections.



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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Strategic report (continued)**

**Achievements and performance (continued)**

The Trust operates its budget efficiently ensuring we achieve economies of scale and value for money across all our schools. Our COO has reviewed many of the services linked to supply insurance, catering, utilities, and estates ensuring we find savings and economies of scale where possible. The LCT Finance team is working efficiently and effectively with our schools to monitor and control expenditure and to provide Heads and LGBs with accurate monthly management accounts.

Each Academy is financially viable and manages its agreed budget within the Trust's scheme of delegation and Financial Regulations we have challenged our schools and set balanced budgets for 2020-21 apart from one academy that has been set clear saving targets.

**c. Promoting the success of the company**

Our schools and academies are central to the local community and it is essential that the Trust promotes and develops close relationships with all members of the local community by providing a warm welcome to pupils, parents, local businesses and members of public that may use the facilities.

The Trust places a very high priority on communication and makes every effort to ensure that all forms of communication are clear, professional and fair to all stakeholders. Partnerships have been developed and maintained across all aspects of the community.

Our staff are key to the success of the Trust and as such we ensure that all are treated fairly by having clear policies and procedures in place. When making strategic decisions the interest of our employees are always key to the decision making process.

**d. Going concern**

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

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

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**Strategic report (continued)**

**Financial review**

**a. Financial Review**

During the financial year COVID-19 presented the Trust with additional expenses that had not been budgeted for, these included additional PPE, cleaning schedules and products, physical changes to buildings, signage and hand sanitiser/cleaning stations. In addition to additional expenditure our schools also lost all third-party income from March 2020 for lettings and catering profit share contracts. The Trust fulfilled its obligations under PPN02 in that catering partners continued to be paid an average of their 3-month prior free school meal turnover which was subject to detailed reconciliations. Staff that was employed on zero-hour contracts such as minibus drivers and exam invigilators were also paid prior average salaries throughout lock down as furlough did not apply. The Trust also supplied emergency food hampers to Trust families that staff knew were struggling to feed children. On average the trust supplied 89 weekly food hamper boxes.

The Academy has achieved an in year revenue surplus of £213,163 (2019:£13,443,653) (excluding pension reserve and fixed asset movement). Total net movement in funds was a surplus of £4,713,360 (2019: £10,140,653) which includes an actuarial gain on the pension scheme of £1,783,000 (2019: £(3,303,000)).

Total assets excluding the defined benefit pension liability was £77,877,078 (2019: £73,309,718) which is an increase from the prior year. Net current assets has increased to £765,264 (2019: £285,858).

In the year, despite the impact of COVID-19, the principal sources of funding have continued to be received and expenditure managed appropriately against this. A small amount of additional funding was received in order to support the additional costs involved in reopening the school after lockdown.

Total reserves at 31 August 2020 were £65,146,078 (2019: £60,432,718). The total reserves excluding the restricted fixed asset fund and the pension reserves at 31 August 2020 was £406,285 (2019: £194,122).

The free reserves (unrestricted less designated) are £347,156 (2019: £313,298).

**b. Financial Objectives**

The Trust has the following financial objectives:

1. To safeguard the overall financial health of the Trust so that its strategic and business objectives can be met.
2. To support maximum delegation to academies and full accountability for managing their own financial affairs, whilst ensuring a clear and fair process is in place for allocating and managing resources across the Trust.
3. To establish transparent arrangements for setting budgets, monitoring financial performance, and managing balances that focus on the needs of learners and maximising their outcomes.
4. To promote compliance with best practice, meeting ESFA requirements and the Articles and terms of the Trust.

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

<b>Financial Health</b>	Annual operating surplus before depreciation, year end pension adjustments and tax as % of turnover	2%
	Cash days in hand	45 days
	Current ratio (current assets: liabilities)	2:1
	Capital investment as % of turnover	At least 2%
<b>Efficiency</b>	Employee costs as % of turnover	68%
	Teaching staff utilisation	Meet/exceed benchmarks
	Value for money	Planned reviews leading to savings
	Creditor payments	30 days
<b>Risk</b>	Financial risks	Mitigation actions fit for purpose and effective
	Audit recommendations	Implemented in full within 90 days

The Trust benchmarks academy finances within the organisation and with similar academies and Trusts when comparable data is available. For the Trust as a whole, initial full year targets will be:

**Financial Outturn 2019-20**

The financial statements for the period ending 31 August 2020 include set up and conversion costs for Wrekin View and income and expenditure relating to the full operation of the Trust, Hadley Learning Community, Queensway, Ercall Wood, Charlton and of Wrekin View from 1 December 2019. The in-year surplus of £213,163 restricted and unrestricted funds (excluding the pension) reserve which is giving a total reserve of £406,285 inclusive of school funds (£192,666). In addition is a capital reserve is carried forward of £305,017 as of the 31st August 2020.

The external funding environment for the Trust and the sector is extremely challenging and will continue to be so. This will be partly addressed as the number of academies within the Trust expands and as pupil numbers within existing academies increase where there is secured funding and clear demand for additional places. The Trust continues to manage resources prudently and is actively working to reduce costs and improve value for money, particularly in central and support services and through sharing expertise.

**Reserves and Balances Policy**

The effective management of operating surpluses is key to the financial health and further development. The Trust will ensure that related decisions are fair and fully transparent and will determine the availability of surplus funds, the timing of release and percentage available to each academy including School Condition Allocation funding. It is possible that major unforeseen events will have a material impact on the financial health and operation of the Trust as a whole. Whilst the Trust aims to minimise such risks and will insure against many of them, it will access and utilise reserves in the interests of the whole organisation and learners where necessary to do so.

Academies will be encouraged to spend available resources for the benefit of learners in the year in which they are received. However, academies are also responsible for their own financial risks, and so will need to budget prudently and establish their own contingencies. Where a planned surplus has been accumulated, the academy will produce a plan for the managed spend and investment of that surplus in the interests of the academy and the Trust as a whole.

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

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The explicit aim is that no academy should be in deficit. In exceptional circumstances where an academy cannot set a balanced budget, or the situation worsens midyear then the Trust may amend financial delegations, and will support the Local Governing Body to compile a clear financial recovery plan that will outline how the academy will move back into balance and how it will 'repay' accumulated deficits within two years.

**c. Material investment policy**

The Trust does not hold any long-term investments. All cash surpluses are held in instant access interest bearing accounts with the Trust's approved bankers.

**d. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to Finance, Strategic, Operations and Compliance. A risk Management policy is in place that clearly details how risk should be categorised and the scored using a 3x3 matrix for the likelihood and impact which rates the risk high medium or low. The audit and risk committee meet termly and scrutinise the risk register and mitigation/movement log which is then reported back to the Board of Trustees.

The risk register identifies the following financial risks:

- Inaccurate income and expenditure reporting resulting in poor decision making
- Loss through fraud, error, theft, or disaster giving rise to waste of public funds
- Financial Regulations and Financial Procedures are not updated or are not adhered to / understood resulting in breaches of regulations and legal compliance
- Non achievement of funding and other income targets, for example, through failure to achieve planned. Pupil retention could result with the funding allocation and success rate targets not met.
- Failure to comply to Funding Agreement leading to financial claw back
- Funding cuts in future periods (financial viability) resulting in the school having financial difficulties
- Insurance risk - risk of financial loss/inability to replace items is insufficient
- Trust holding either insufficient or excessive reserves
- Supplier financial viability and ability to deliver product in the required timescales
- Financial systems are not robust to ensure financial services are controlled.
- Financial position when schools express an interest in joining the Trust.
- Risk that related party transactions are not transacted in accordance with the requirements of the Academies Financial Handbook
- COVID-19 related expenses for the supply of equipment, PPE and staffing and third-party income

**Fundraising**

The Learning Community Trust supports academies to raise funds for their chosen charities. Organised events raise funds which is then collected through the school fund and banked in the private school fund account. A cheque is then raised and submitted to the charity collected for.

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

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**Plans for future periods**

The Trust has an agreed Growth strategy with the RSC West Midlands and a result of this was the approval of Crudgington Primary School, by the RSC West Midlands Headteacher Board, in September 2020, to become part of LCT. Crudgington Primary is well located, geographically close to our schools and the majority of Y6 transfer to one of our secondary schools.

This is an exciting time for LCT as we grow steadily and delivers our vision for the Trust with growth in the primary sector.

The Trust is in consultation and dialogue over other projects with the RSC and we expect to see further growth in 2021.

**Funds held as custodian on behalf of others**

The Academy and its Trustees do not act as the custodian Trustees of any other charity.

**Streamlined energy and carbon reporting**

The academies and schools across the Trust used for the purpose of this report includes Ercall Wood, Charlton, Queensway and Wrekin View. HLC and Queensway North Campus form part of a PFI project and as such the energy consumption for their buildings forms part of the Local Authority submission for whom the contract sits with.

All schools are heated using LTHW gas boilers, gas fired water heaters and point of use electric water heaters. Types of heating outputs consist of radiant panels, low surface temperature radiators and fan convactor heaters. Lighting is a mixture of LED, fluorescent and halogen.

Across the Trust there are 9 vehicles across the schools (5 mini buses and 4 people carriers) which are all diesel powered. There are 4 members of staff that claim regular business mileage.

This methodology follows the GHG Reporting Protocol and uses the 2020 Government emission conversion factors for greenhouse gas company reporting.

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

**Calculations**

<b>Energy Source</b>	<b>Consumption</b>	<b>Scope</b>	<b>Emissions calculation</b>
Gas – total kWh (kilowatt-hours) used for the year taken from gas bills for each academy within the trust	1,317,190 kWh (gross CV (calorific value))	Scope 1	$1,317,190 \text{ kWh} \times 0.18387$ (2020 fuels, natural gas conversion factor gross CV to kg CO <sub>2</sub> e) = 242,192 kgCO <sub>2</sub> e = <b>242.192 tCO<sub>2</sub>e</b>
Electricity – total kWh used for the year, taken from the electricity bills for each academy within the trust	1,067,716 kWh	Scope 2	$1,067,716 \text{ kWh} \times 0.23314$ (2020 electricity conversion factor to kgCO <sub>2</sub> e) = 248,927 kgCO <sub>2</sub> e = <b>248.927 tCO<sub>2</sub>e</b>
Transport – Total Mileage	42,219 miles * 1.57 (2020 SECR kWh pass & delivery vehs, Vans average diesel – used in lieu of passenger vehicles conversion) = 66,283kWh	Scope 1	$42,219 \text{ miles} = 67,945 \text{ km}$ $67,945 \text{ km} \times 0.2471$ (2020 managed assets vehicles, Vans average diesel – used in lieu of passenger vehicles conversion) = 16,789 kgCO <sub>2</sub> e = <b>16.79 tCO<sub>2</sub>e</b>
Transport – total mileage reimbursed from staff claims = 4,680 miles	4,680 miles * 1.16319 (2020 SECR kWh pass & delivery vehs, average petrol car conversion factor to kWh) = 5,443 kWh	Scope 3	$4,680 \text{ miles} \times 0.28052$ (2020 managed assets vehicles, average petrol car conversion factor to kgCO <sub>2</sub> e) = 1,313 kgCO <sub>2</sub> e = <b>1.313 tCO<sub>2</sub>e</b>
<b>Total</b>	$1,317,190 + 1,067,716 + 66,283 + 5,443$ <b>= 2,456,632 kWh</b>		$242.192 + 248.927 + 16.79 + 1.313$ <b>= 509.222 tCO<sub>2</sub>e</b>
Intensity ratio	Emissions data (tCO <sub>2</sub> e) compared with an appropriate business activity (pupil numbers as per Autumn census)		$509.222 \text{ tCO}_2\text{e} / 2,106 \text{ pupils} = \mathbf{0.196 \text{ tCO}_2\text{e per pupil}}$

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

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**Disclosure of Information**

**UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020**

Energy consumption used to calculate emissions (kWh)	2,456,632
<hr/>	
<b>Scope 1 emissions in metric tonnes CO2e</b>	
Gas consumption	242.192
Owned transport – mini-buses	
Total Scope 1	
<hr/>	
<b>Scope 2 emissions in metric tonnes CO2e</b>	
Purchased electricity	248.927
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<b>Scope 3 emissions in metric tonnes CO2e</b>	
Business travel in employee owned vehicles	5.443
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Total gross emissions in metric tonnes CO2e	509.222
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Intensity ratio Tonnes CO2e per pupil	0.196
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**Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

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

**Measures taken to improve energy efficiency**

Some of the measures taken to reduce energy include:

- LED lighting replacement programme across schools
- Use of Teams for staff meetings across schools
- Reduced operational time schedules on plant

The Trust has commissioned Barker Associates to survey the Trust portfolio regarding energy consumption and the potential to apply for further funding for carbon reduction schemes through Salix.

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

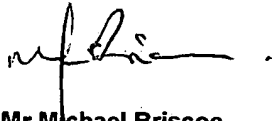
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**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2020 and signed on its behalf by:



**Mr Michael Briscoe**  
Chair of Trustees



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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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**Governance Statement**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Learning 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.

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

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

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the period.

Attendance during the period at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Michael Briscoe, Chair and Member	6	6
Mrs Christine Davies	6	6
Dr Gill Eatough, Chief Executive and Accounting Officer	6	6
Mr Andrew Harris	5	6
Mr Graham Hutchinson	4	6
Mr David James, Member	6	6
Mrs Beverly Tyley	6	6
Mr Nathan Wallis	6	6
Dr David Woods	6	6
Mr David Wootton	4	6

In addition to the formal meetings, each Trustee has engaged directly with the Executive to provide extended support and guidance alongside governance including Committee attendance.

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**LEARNING COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**The Business and Personnel Committee** is a sub-committee of the main board of Trustees. The powers and functions delegated by the Board to the Business & Personnel Committee are Funding, Budgeting, Financial Management and Expenditure, Review of monthly management accounts, financial procedures, Health & Safety, Asset Management and Property Management. The Business and Personnel Committee also have the powers and functions delegated by the Board in respect of Pay, Personnel and Performance/Appraisal Management across the Trust.

Bev Tyley, (Non-Executive Director of Finance) is a qualified accountant, and member of the committee.

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Michael Briscoe, Chair and Member	10	11
Mr David James, Member	11	11
Dr Gill Eatough, Chief Executive and Accounting Officer	11	11
Mrs Beverly Tyley	11	11

**The Audit & Risk Committee** is also a sub-committee of the main board of Trustees. The powers and functions delegated by the Board to the Audit & Risk Committee are: External Audit, Internal Audit, Financial Management & Policies, Risk Register and management of risk.

Attendance during the period at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Andrew Harris	3	4
Mr Nathan Wallis	4	4
Mr Graham Hutchinson	3	4

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**LEARNING COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

- **Raising student attainment**  
The Trust regularly reviews its staffing structure in order to deploy staff efficiently to support an improved curriculum and target areas of the curriculum in need of development. The Trust uses the model, recommended by the DfE, of ICFP (Integrated Financial and Curriculum Planning) to model the cost of the curriculum in terms of staffing costs, deployment, class size etc. The administration and support staff is also reviewed to ensure appropriate staffing levels to support our academies.  
  
Pupil progress is assessed and tracked rigorously throughout their education with appropriate and timely interventions to raise attainment. Free school meals children are supported through interventions funded from the Pupil Premium Grant aimed at narrowing the attainment gap.  
  
The Trust collaborates with other educational providers and experts to share delivery or good practice including the Severn Teaching Alliance, the Salop Teaching Alliance, the Alliance for Learning, Telford College and other local Trusts.
- **Financial governance and oversight**  
The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular this includes:
  - o Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
  - o Regular reviews by the Business and Personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
  - o Setting targets to measure financial and other performance;
  - o Clearly defined purchasing guidelines;
  - o Delegation of authority and segregation of duties; and
  - o Identification and management of risks.
- **Better purchasing/procurement**  
*Trust contracts have been entered into to ensure reduced cost where it was felt that this would benefit the Trust. Some external services have been terminated as the expertise is now available within the Trust. Contractual costs are benchmarked across the schools in the Trust to compare best value. Economies of scale are achieved by the sharing of human and material resources across the Trust.*
- **Better income generation**  
The Trust explores every opportunity to generate income through the hire of our Academies' facilities and through the provision of consultancy and services to other educational providers. Bids for external grants are applied for where relevant.

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**LEARNING COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

- **Reviewing controls and managing risks**  
Monthly budget monitoring reports are produced and reviewed by the Chief Operating Officer and any necessary remedial action taken to address significant variances that may have an impact on the budget out-turn discussed with the Accounting Officer and the Business and Personnel Committee.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning Community Trust for the period 1 September 2018 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

The 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 Business and Personnel 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
- Health and Safety Audits across all schools from Telford and Wrekin Council, including compliance of planned maintenance
- Independent H&S Audit from the RPA (insurance provider) at Charlton
- GDPR audits across all schools from the Local Authority Data Protection Officer
- Fire Risk Assessments
- Safe guarding audits from the Local Authority

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**LEARNING COMMUNITY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

The Board of Trustees has considered the need for a specific internal audit function and has opted for a bought-in internal audit service in line with the AFH 2019/2020..

The Board considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Board the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**Review of effectiveness**

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

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

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

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



**Mr Michael Briscoe**  
Chair of Trustees  
Date: 7 December 2020



**Dr Gill Eatough**  
Accounting Officer

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**LEARNING COMMUNITY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Learning Community Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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.



**Dr Gill Eatough**  
Accounting Officer

Date: 7 December 2020

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

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

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

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

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

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

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

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



**Mr Michael Briscoe**  
Chair of Trustees  
Date: 7 December 2020

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**Andrew Malpass BA FCA (senior statutory auditor)**  
for and on behalf of

**WR Partners**  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

Date:

*14 December 2020*

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Community Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learning Community Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learning 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 Learning Community Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Learning Community Trust's funding agreement with the Secretary of State for Education dated 1 March 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)


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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Andrew Malpass BA FCA (Senior Statutory Auditor)  
for and on behalf of  
**WR Partners**  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
SY2 6LG

Date: 14 December 2020

**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	-	(774,127)	5,113,624	4,339,497	15,362,744
Charitable activities	4	-	26,389,535	-	26,389,535	20,659,839
Other trading activities	5	31,597	656,205	-	687,802	722,540
Investments	6	2,261	-	-	2,261	903
<b>Total income</b>		<b>33,858</b>	<b>26,271,613</b>	<b>5,113,624</b>	<b>31,419,095</b>	<b>36,746,026</b>
<b>Expenditure on:</b>						
Charitable activities	7	-	27,664,419	824,316	28,488,735	23,302,373
<b>Total expenditure</b>		<b>-</b>	<b>27,664,419</b>	<b>824,316</b>	<b>28,488,735</b>	<b>23,302,373</b>
<b>Net income/(expenditure)</b>		<b>33,858</b>	<b>(1,392,806)</b>	<b>4,289,308</b>	<b>2,930,360</b>	<b>13,443,653</b>
Transfers between funds	18	-	(65,889)	65,889	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>33,858</b>	<b>(1,458,695)</b>	<b>4,355,197</b>	<b>2,930,360</b>	<b>13,443,653</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,783,000	-	1,783,000	(3,303,000)
<b>Net movement in funds</b>		<b>33,858</b>	<b>324,305</b>	<b>4,355,197</b>	<b>4,713,360</b>	<b>10,140,653</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	18	313,298	(12,996,176)	73,115,596	60,432,718	50,292,065
<b>Total funds carried forward</b>		<b>347,156</b>	<b>(12,671,871)</b>	<b>77,470,793</b>	<b>65,146,078</b>	<b>60,432,718</b>

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

The notes on pages 39 to 68 form part of these financial statements.

**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10846393**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	77,165,776	73,115,596
		<u>77,165,776</u>	<u>73,115,596</u>
<b>Current assets</b>			
Debtors	15	827,683	898,282
Cash at bank and in hand		2,234,569	962,206
		<u>3,062,252</u>	<u>1,860,488</u>
Creditors: amounts falling due within one year	16	(2,254,697)	(1,574,630)
<b>Net current assets</b>		<u>807,555</u>	<u>285,858</u>
<b>Total assets less current liabilities</b>		<u>77,973,331</u>	<u>73,401,454</u>
Creditors: amounts falling due after more than one year	17	(96,253)	(91,736)
<b>Net assets excluding pension liability</b>		<u>77,877,078</u>	<u>73,309,718</u>
Defined benefit pension scheme liability	25	(12,731,000)	(12,877,000)
<b>Total net assets</b>		<u><u>65,146,078</u></u>	<u><u>60,432,718</u></u>

**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10846393**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	77,470,793	73,115,596
Restricted income funds	18	59,129	(119,176)
		<u>77,529,922</u>	<u>72,996,420</u>
Restricted funds excluding pension asset	18	77,529,922	72,996,420
Pension reserve	18	(12,731,000)	(12,877,000)
		<u>64,798,922</u>	<u>60,119,420</u>
<b>Total restricted funds</b>	18	64,798,922	60,119,420
<b>Unrestricted income funds</b>	18	347,156	313,298
		<u>65,146,078</u>	<u>60,432,718</u>
<b>Total funds</b>		<u>65,146,078</u>	<u>60,432,718</u>

The financial statements on pages 35 to 68 were approved by the Trustees, and authorised for issue on 07 December 2020 and are signed on their behalf, by:



**Mr Michael Briscoe**  
Chair of Trustees

The notes on pages 39 to 68 form part of these financial statements.

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	1,339,461	(184,765)
<b>Cash flows from investing activities</b>	21	(67,098)	(118,510)
<b>Change in cash and cash equivalents in the year</b>		<b>1,272,363</b>	<b>(303,275)</b>
Cash and cash equivalents at the beginning of the year		<b>962,206</b>	1,265,481
<b>Cash and cash equivalents at the end of the year</b>	22, 23	<u><b>2,234,569</b></u>	<u><b>962,206</b></u>

The notes on pages 39 to 68 form part of these financial statements



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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

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

After making enquires, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees have also assessed the potential impact on the future operations of the Trust with regard to the Covid-19 outbreak. The Trust is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

**1.3 Income**

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

• **Grants**

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

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

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

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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**1. Accounting policies (continued)**

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 125 years, straight line
Long-term leasehold property	- 125 years, straight line
Furniture and equipment	- 5 years, straight line
Computer equipment	- 3 years, straight line
Motor vehicles	- 10 years, straight line

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

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.10 Liabilities**

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

**1.11 Provisions**

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

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.13 Operating leases**

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

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**LEARNING COMMUNITY TRUST**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

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**LEARNING COMMUNITY TRUST**  
(A company limited by guarantee)

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

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**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The land and buildings have been introduced at a value equal to the net book value held by the Local Authority at the time of conversion to Academy status.

**3. Income from donations and capital grants**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Conversion Balances</b>				
Assets received on conversion	-	4,651,000	4,651,000	16,637,000
School fund balance on conversion	14,944	-	14,944	61,714
Deficit balance on conversion	(54,374)	-	(54,374)	-
Pension on conversion	(737,000)	-	(737,000)	(1,539,000)
<b>Subtotal detailed disclosure</b>	<b>(776,430)</b>	<b>4,651,000</b>	<b>3,874,570</b>	<b>15,159,714</b>

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**3. Income from donations and capital grants (continued)**

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	2,303	-	2,303	15,856
Capital Grants	-	462,624	462,624	187,174
<b>Subtotal</b>	<u>2,303</u>	<u>462,624</u>	<u>464,927</u>	<u>203,030</u>
<b>Total 2020</b>	<u>(774,127)</u>	<u>5,113,624</u>	<u>4,339,497</u>	<u>15,362,744</u>
<b>Total 2019</b>	<u>(1,461,430)</u>	<u>16,824,174</u>	<u>15,362,744</u>	

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**4. Funding for the Trust's educational activities**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	21,091,490	21,091,490	17,089,287
Start Up Grants	25,000	25,000	-
Other DfE/ESFA Grant Income	56,672	56,672	31,064
Rates Reclaim	157,143	157,143	113,452
PE and Sports Grant	45,564	45,564	36,180
Pupil Premium	1,081,739	1,081,739	931,097
Universal Infant Free School Meals (UIFSM)	112,072	112,072	93,300
	<u>22,569,680</u>	<u>22,569,680</u>	<u>18,294,380</u>
<b>Other Government Grants</b>			
Local Authority - SEN	2,007,871	2,007,871	1,769,526
Covid-19 Income	30,358	30,358	-
Local Authority - Early Years	213,988	213,988	110,523
Government - Other Grants	1,389,334	1,389,334	345,397
	<u>3,641,551</u>	<u>3,641,551</u>	<u>2,225,446</u>
<b>Other Income</b>			
Other Income	77,444	77,444	126,359
Insurance	95,358	95,358	218
Catering Income	5,502	5,502	13,436
	<u>26,389,535</u>	<u>26,389,535</u>	<u>20,659,839</u>
<b>Total 2019</b>	<u>20,659,839</u>	<u>20,659,839</u>	

In the year, the above COVID support income was received for additional cleaning and cleaning materials required, signage, emergency food boxes and PPE.



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**5. Income from other trading activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	31,597	-	31,597	33,848
Supply teacher insurance	-	89,758	89,758	61,097
School fund income	-	405,065	405,065	414,551
Income from ancillary trading activities	-	161,382	161,382	213,044
	<u>31,597</u>	<u>656,205</u>	<u>687,802</u>	<u>722,540</u>
<i>Total 2019</i>	<u>33,848</u>	<u>688,692</u>	<u>722,540</u>	

**6. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposit income	2,261	2,261	903
	<u>2,261</u>	<u>2,261</u>	<u>903</u>
<i>Total 2019</i>	<u>903</u>	<u>903</u>	

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**7. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Educational activities:					
Direct costs	17,700,275	-	1,430,234	19,130,509	13,992,037
Allocated support costs	2,498,765	1,166,213	5,693,248	9,358,226	9,310,336
	<u>20,199,040</u>	<u>1,166,213</u>	<u>7,123,482</u>	<u>28,488,735</u>	<u>23,302,373</u>
<i>Total 2019</i>	<u>16,239,878</u>	<u>845,065</u>	<u>6,217,430</u>	<u>23,302,373</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Educational activities	19,130,509	9,358,226	28,488,735	23,302,373
<i>Total 2019</i>	<u>13,992,037</u>	<u>9,310,336</u>	<u>23,302,373</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Educational activities 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Staff costs	17,700,275	17,700,275	12,843,950
Educational Supplies	786,125	786,125	671,669
Examination Fees	236,330	236,330	220,241
Technology Costs	6,115	6,115	20,119
Educational Consultancy	3,658	3,658	6,585
Other costs	150,282	150,282	160,439
Legal and Professional	247,724	247,724	69,034
	<u>19,130,509</u>	<u>19,130,509</u>	<u>13,992,037</u>
<i>Total 2019</i>	<u>13,992,037</u>	<u>13,992,037</u>	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Educational activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,498,765	2,498,765	3,395,928
Depreciation	670,177	670,177	547,190
Technology Costs	1,289	1,289	2,764
Educational Consultancy	9,691	9,691	487
Other Staff Costs	570,430	570,430	486,306
PFI costs	2,808,269	2,808,269	2,719,702
Other costs	758,086	758,086	681,900
Rates	209,071	209,071	128,088
Energy	265,802	265,802	211,275
Maintenance of Premises	270,710	270,710	161,039
Cleaning and Caretaking	326,138	326,138	101,705
Operating Leases	26,773	26,773	12,727
Security	9,284	9,284	2,885
Transport	36,593	36,593	48,630
Catering	472,812	472,812	444,194
Other Premises Costs	251,276	251,276	235,494
Legal and Professional	154,835	154,835	109,106
Audit and accountancy	18,225	18,225	20,916
	<u>9,358,226</u>	<u>9,358,226</u>	<u>9,310,336</u>
<i>Total 2019</i>	<u>9,310,336</u>	<u>9,310,336</u>	

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	26,773	31,566
Depreciation of tangible fixed assets	670,179	547,190
Fees paid to auditors for:		
- audit	12,450	11,275
- other services	5,400	9,641
	<u>12,450</u>	<u>11,275</u>
	<u>5,400</u>	<u>9,641</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	14,643,112	11,898,782
Social security costs	1,384,949	1,137,448
Pension costs	3,872,147	2,952,063
	<u>19,900,208</u>	<u>15,988,293</u>
Agency staff costs	238,736	236,585
Staff restructuring costs	60,096	15,000
	<u>20,199,040</u>	<u>16,239,878</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	15,000
Severance payments	37,560	-
Other restructuring costs	22,536	-
	<u>60,096</u>	<u>15,000</u>

**b. Non-statutory/non-contractual staff severance payments**

During the period the Trust made a severance payment of £37,560 to one employee (2019: £15,000).

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**10. Staff (continued)**

**c. Staff numbers**

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

	2020 No.	2019 No.
Teachers	265	240
Administration and Support	277	235
Management	9	8
	<u>551</u>	<u>483</u>

**d. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	8	3
In the band £70,001 - £80,000	3	-
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	3	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £986,729 (2019 £784,975).

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**11. Central services**

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

- Central Finance
- HR
- Payroll
- Procurement
- Health & Safety
- GDPR
- School Improvement
- Sage
- Estates

The Trust charges for these services on the following basis:

A top slice percentage is applied of:

- HLC Primary and Secondary 2%
- Ercall Wood 4%
- Queensway 4%
- Charlton 4%
- Wrekin View 4%

The actual amounts charged during the year were as follows:

	2020 £	2019 £
HLC Secondary and Primary	174,751	169,767
Queensway	102,250	68,208
Ercall Wood	186,843	114,257
Charlton	215,841	148,956
Wrekin View	46,207	-
<b>Total</b>	<b>725,892</b>	<b>501,188</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Trustees' remuneration and expenses**

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

		2020	2019
		£	£
Dr Gill Eatough, Chief Executive and Accounting Officer	Remuneration	120,000 -	115,000 -
		125,000	120,000
	Pension contributions paid	30,000 -	15,000 -
		35,000	20,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**13. Trustees' and Officers' insurance**

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



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**14. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 September 2019	30,237,000	43,498,500	37,359	66,554	15,500	73,854,913
Additions	4,651,000	-	26,616	42,743	-	4,720,359
At 31 August 2020	34,888,000	43,498,500	63,975	109,297	15,500	78,575,272
<b>Depreciation</b>						
At 1 September 2019	206,373	521,982	4,164	5,248	1,550	739,317
Charge for the year	241,896	375,894	17,425	31,864	3,100	670,179
At 31 August 2020	448,269	897,876	21,589	37,112	4,650	1,409,496
<b>Net book value</b>						
At 31 August 2020	34,439,731	42,600,624	42,386	72,185	10,850	77,165,776
At 31 August 2019	30,030,627	42,976,518	33,195	61,306	13,950	73,115,596

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	22,518	29,344
Other debtors	287,843	294,078
Prepayments and accrued income	517,322	574,860
	827,683	898,282

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**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	1,128,049	678,289
Other taxation and social security	348,765	310,187
Other creditors	406,148	318,331
Accruals and deferred income	371,735	267,823
	<u>2,254,697</u>	<u>1,574,630</u>
	2020 £	2019 £
Deferred income at 1 September 2019	252,299	52,641
Resources deferred during the year	109,181	252,299
Amounts released from previous periods	(252,299)	(52,641)
	<u>109,181</u>	<u>252,299</u>

Included in deferred income are monies received in the year from the Local Authority and the ESFA that are for the 2020/2021 year.

**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other creditors	<u>96,253</u>	<u>91,736</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds - all funds	313,298	33,858	-	-	-	347,156
<b>Restricted general funds</b>						
GAG	-	21,091,490	(21,091,490)	-	-	-
Pupil Premium	-	1,081,739	(1,081,739)	-	-	-
School Fund	239,732	405,065	(452,131)	-	-	192,666
Other Grants	(358,908)	4,405,319	(4,114,059)	(65,889)	-	(133,537)
Start Up Grants	-	25,000	(25,000)	-	-	-
Pension reserve	(12,877,000)	(737,000)	(900,000)	-	1,783,000	(12,731,000)
	<u>(12,996,176)</u>	<u>26,271,613</u>	<u>(27,664,419)</u>	<u>(65,889)</u>	<u>1,783,000</u>	<u>(12,671,871)</u>
<b>Restricted fixed asset funds</b>						
Class II Restricted Funds - all funds	73,115,596	4,651,000	(670,177)	69,357	-	77,165,776
DFC Capital Income	-	87,623	(34,360)	210	-	53,473
Other Capital Grants	-	3,678	-	(3,678)	-	-
School Condition Allocation	-	371,323	(119,779)	-	-	251,544
	<u>73,115,596</u>	<u>5,113,624</u>	<u>(824,316)</u>	<u>65,889</u>	<u>-</u>	<u>77,470,793</u>
<b>Total Restricted funds</b>	<u>60,119,420</u>	<u>31,385,237</u>	<u>(28,488,735)</u>	<u>-</u>	<u>1,783,000</u>	<u>64,798,922</u>
<b>Total funds</b>	<u><u>60,432,718</u></u>	<u><u>31,419,095</u></u>	<u><u>(28,488,735)</u></u>	<u><u>-</u></u>	<u><u>1,783,000</u></u>	<u><u>65,146,078</u></u>

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

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

**Unrestricted funds**

The balance is being utilised to support the deficit on restricted funds.

**Restricted funds**

This includes the main ESFA and local authority funding and general expenditure of the Trust.

**Restricted fixed asset funds**

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 of all other restricted funds received and include grants from the Department of Education.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Hadley Learning Community	(37,718)	132,878
Queensway	215,742	7,657
Ercall Wood	(39,626)	(87,755)
Charlton	27,694	(1,938)
Trust	337,665	143,280
Wrekin View	(97,472)	-
Total before fixed asset funds and pension reserve	406,285	194,122
Restricted fixed asset fund	77,470,793	73,115,596
Pension reserve	(12,731,000)	(12,877,000)
<b>Total</b>	<b>65,146,078</b>	<b>60,432,718</b>

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Hadley Learning Community	5,837,626	774,167	315,329	3,538,821	10,465,943	10,032,159
Queensway	1,771,848	107,504	48,937	594,953	2,523,242	2,497,525
Ercall Wood	3,595,031	518,630	285,275	837,081	5,236,017	4,610,689
Charlton	4,095,146	725,467	276,299	1,030,845	6,127,757	4,452,172
Trust	1,068,432	246,722	41,640	570,506	1,927,300	1,162,638
Wrekin View	1,103,393	126,275	54,975	253,656	1,538,299	-
<b>Trust</b>	<b>17,471,476</b>	<b>2,498,765</b>	<b>1,022,455</b>	<b>6,825,862</b>	<b>27,818,558</b>	<b>22,755,183</b>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	278,547	34,751	-	-	-	313,298
<b>Restricted general funds</b>						
Restricted Funds - all funds	-	21,426,100	(21,646,182)	100,906	-	(119,176)
Pension reserve	(6,926,000)	(1,539,000)	(1,109,000)	-	(3,303,000)	(12,877,000)
	<u>(6,926,000)</u>	<u>19,887,100</u>	<u>(22,755,182)</u>	<u>100,906</u>	<u>(3,303,000)</u>	<u>(12,996,176)</u>
<b>Restricted fixed asset funds</b>						
Class II Restricted Funds - all funds	56,939,518	16,824,174	(547,190)	(100,906)	-	73,115,596
<b>Total Restricted funds</b>	<u>50,013,518</u>	<u>36,711,274</u>	<u>(23,302,372)</u>	<u>-</u>	<u>(3,303,000)</u>	<u>60,119,420</u>
<b>Total funds</b>	<u>50,292,065</u>	<u>36,746,025</u>	<u>(23,302,372)</u>	<u>-</u>	<u>(3,303,000)</u>	<u>60,432,718</u>

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	77,165,776	77,165,776
Current assets	347,156	2,410,079	305,017	3,062,252
Creditors due within one year	42,291	(2,296,988)	-	(2,254,697)
Creditors due in more than one year	(42,291)	(53,962)	-	(96,253)
Provisions for liabilities and charges	-	(12,731,000)	-	(12,731,000)
<b>Total</b>	<b>347,156</b>	<b>(12,671,871)</b>	<b>77,470,793</b>	<b>65,146,078</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	73,115,596	73,115,596
Current assets	313,299	1,547,189	-	1,860,488
Creditors due within one year	(64,756)	(1,509,874)	-	(1,574,630)
Creditors due in more than one year	64,755	(156,491)	-	(91,736)
Provisions for liabilities and charges	-	(12,877,000)	-	(12,877,000)
<b>Total</b>	<b>313,298</b>	<b>(12,996,176)</b>	<b>73,115,596</b>	<b>60,432,718</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per statement of financial activities)	2,930,360	13,443,653
<b>Adjustments for:</b>		
Depreciation	670,179	547,190
Defined benefit pension scheme obligation inherited	737,000	1,539,000
Decrease in debtors	559,789	30,148
Increase/(decrease) in creditors	195,394	(215,853)
Dividends, interest and rents from investments	(2,261)	(903)
Assets received on conversion	(4,651,000)	(16,637,000)
FRS102 Pension Cost	900,000	1,109,000
<b>Net cash provided by/(used in) operating activities</b>	<b>1,339,461</b>	<b>(184,765)</b>

**21. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	2,261	903
Purchase of tangible fixed assets	(69,359)	(119,413)
<b>Net cash used in investing activities</b>	<b>(67,098)</b>	<b>(118,510)</b>

**22. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	2,234,569	962,206
<b>Total cash and cash equivalents</b>	<b>2,234,569</b>	<b>962,206</b>



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**23. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	962,206	1,272,363	2,234,569
	<u>962,206</u>	<u>1,272,363</u>	<u>2,234,569</u>

**24. Conversion to an academy trust**

On 01/12/2019 Wrekin View Primary School & Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learning Community Trust from Telford & Wrekin Council for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	4,651,000	4,651,000
<b>Current assets</b>			
School Fund Balance	14,376	-	14,376
<b>Current liabilities</b>			
Deficit balance	(54,374)	-	(54,374)
<b>Non-current liabilities</b>			
Pension Deficit	(737,000)	-	(737,000)
<b>Net (liabilities)/assets</b>	<u>(776,998)</u>	<u>4,651,000</u>	<u>3,874,002</u>

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**25. Pension commitments**

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

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

Contributions amounting to £355,650 were payable to the schemes at 31 August 2020 (2019 - £253,576) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**25. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £2,378,456 (2019 - £1,365,971).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,054,000 (2019 - £673,074), of which employer's contributions totalled £828,000 (2019 - £485,428) and employees' contributions totalled £ 226,000 (2019 - £187,646). The agreed contribution rates for future years (from 1 April 2020) are 16.1 per cent for employers and 16.1 per cent for employees.

As described in note 24 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.5
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.0

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

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**25. Pension commitments (continued)**

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.9	23.2
Females	25	26.4
<i>Retiring in 20 years</i>		
Males	24.2	25.4
Females	26.6	28.7

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	12,333	10,250
Mortality assumption - 1 year increase	13,229	10,842
CPI rate +0.1%	13,137	10,250
Pay growth + 0.1%	12,816	10,679

**Share of scheme assets**

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

	2020 £	2019 £
Equities	2,368	1,878
Corporate bonds	1,083	780
Property	207	176
Cash and other liquid assets	84	68
Other	1,182	848
<b>Total market value of assets</b>	<b>4,924</b>	<b>3,750</b>

The actual return on scheme assets was £60,000 (2019 - £118,000).

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
Current service cost	(1,444,000)	(952,000)
Past service cost	(26,000)	(481,000)
Interest cost	(235,000)	(183,000)
Administrative expenses	(23,000)	(19,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(1,728,000)</b>	<b>(1,635,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>17,300,000</b>	<b>9,689,000</b>
Conversion of academy trusts	1,126,000	2,325,000
Interest cost	330,000	273,000
Employee contributions	226,000	188,000
Actuarial (gains)/losses	(2,804,000)	3,356,000
Benefits paid	7,000	36,000
Past service costs	26,000	481,000
Current service cost	1,444,000	952,000
<b>At 31 August</b>	<b>17,655,000</b>	<b>17,300,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>4,423,000</b>	<b>2,763,000</b>
Conversion of academy trusts	389,000	649,000
Interest income	95,000	90,000
Actuarial (losses)/gains	(1,021,000)	53,000
Employer contributions	828,000	663,000
Employee contributions	226,000	188,000
Benefits paid	7,000	36,000
Administration expenses	(23,000)	(19,000)
<b>At 31 August</b>	<b>4,924,000</b>	<b>4,423,000</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	14,460	53,768
Later than 1 year and not later than 5 years	25,133	39,593
	<u>39,593</u>	<u>93,361</u>

**27. Other financial commitments**

HLC and Queensway schools both have commitments under the PFI scheme until 31 March 2033.

The current annual commitment for HLC is £2,485,470.

The current annual commitment for Queensway is £252,816.

**28. Members' liability**

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

**29. Related party transactions**

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