

Company Registration Number: 11002860 (England & Wales)

**LEARNING LINK**  
MULTI ACADEMY TRUST  
*stronger together*

(A COMPANY LIMITED BY GUARANTEE)



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



# Learning Link Multi Academy Trust

## Reference and Administrative Details for the Year Ended 31 August 2021

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# Learning Link Multi Academy Trust

## Reference and Administrative Details for the Year Ended 31 August 2021

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Members	Mr J W Thompson Mr A I Thompson Mr D Coombes Mrs J Goldstraw Mrs P J Keech Mr T Gallagher Mrs T Farwell
Trustees	Mr P A Harrison (resigned 19 November 2021) Mr R A C Vaughan (resigned 24 September 2020) Mr J Paveley (resigned 25 March 2021) Mr M Williams (resigned 25 November 2020) Mr P Tomkins (resigned 25 March 2021) Mr S Srivathsan (resigned 25 March 2021) Mrs T Farwell (appointed 19 August 2020) Mr T Gallagher (resigned 7 October 2020) Mrs S Tomlinson (appointed 7 October 2020, resigned 11 January 2021) Mr J Mann (appointed 14 January 2021) Mrs P Garrington (appointed 14 January 2021) Mrs J A Wootton (appointed 31 March 2021) Mr G Forrester (appointed 12 April 2021)
Company registered Number	11002860
Company name	Learning Link Multi Academy Trust
Principal and registered office	C/o MLG Education Services LTD Unit 7 Home Farm Courtyard Mendon Road Berkswell Coventry CV7 7SH
Senior management Team	Paul Harrison, CEO/AO (resigned 17 February 2021) Claire Thompson, Acting CEO (resigned 28 February 2021) Stacey Morgan, Company Secretary Selwyn Calvin, Chief Operating Officer (resigned 31 May 2021) Alex Richardson, Interim CFO (resigned 23 January 2021) Michael Giddings, Acting CFO (appointed 22 January 2021) Hazel Pulley, CEO/AO (appointed 1 April 2021)
Independent auditors	Mitchell Charlesworth 24 Nicholas Street Chester CH1 2AU
Solicitors	Stone King, 4th Floor, One Park Row, Leeds, LS1 5HN

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021

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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 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

As at 31 August 2021 the Learning Link Multi Academy Trust consists of four large and "good" primary schools (Dudley Wood Primary School, Kates Hill Primary School, Netherbrook Primary School, and Sledmere Primary School) all operating in close proximity within Dudley in the West Midlands.

The Trust academies have a combined pupil capacity of over 2,000 children and opened as the Learning Link Multi Academy Trust (LLMAT) on 1st November 2017. In 2021, the trust operates at around 96% of student capacity.

Compared to Netherbrook and Dudley Wood, Sledmere and Kates Hill, are located in more diverse areas where numbers of children of other ethnic backgrounds make up significant proportions of the school population and who come from homes where English is not the main spoken language. Mobility is higher because of the numbers who start at schools at nonstandard times and are new arrivals to the UK.

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

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

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

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

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### **a. CONSTITUTION**

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

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

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

#### **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.

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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### **c. TRUSTEES' INDEMNITIES**

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

### **d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

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

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

### **e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Training and induction can be provided for each new Trustee depending on their existing experience. This could include training on charity, educational, legal, and financial matters. The Trust will periodically perform a skills audit of Trustees and, should any gaps be identified, external training courses will be offered to address these issues.

### **f. ORGANISATIONAL STRUCTURE**

The Chief Executive Officer is the Accounting Officer of the LLMAT, the scheme of delegation details which decisions are reserved for the Board of Trustees, and those that are delegated to executive management, and the role of Chief Executive Officer and/or Head Teacher and senior management team and other relevant individuals.

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

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

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

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

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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

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

The Trust received a formal Financial Notice to Improve (FNtI), when the Trust failed to submit financial statements and the accounts return to ESFA by the December 2019 deadline on 2nd January 2020.

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

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

### STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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

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

#### **h. ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)**

All employees can discuss issues of concern by means of regular staff meetings and have been kept informed on specific matters directly by management. The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the Academy Trust's offices.

#### **i. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

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

**AVT associates:** This party is related as it is a company that Claire Thompson, Chief Executive Officer for part of the year, has an interest in. Expenditure of £nil (2020: £4,950) was incurred during the year. There were no balances outstanding at the year-end.

**INCO:** This company is owned by Paul Harrison, Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £2,400 (2020: £7,800) was incurred during the year. This expenditure was incurred for website development. At the year-end, there were no outstanding balances (2020: £Nil).

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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Millhall consultants: This company is the employer of Alex Richardson, the Trust's acting CFO during the year. Expenditure of £51,155 (2020: £76,543) was incurred during the year. This expenditure was incurred for financial consultancy. At the year-end, there were no outstanding balances (2020: £Nil).

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

### **j. Trade Union Facility Time**

The Trust had no relevant trade union officials.

## **OBJECTIVES AND ACTIVITIES**

### **a. OBJECTIVES, STRATEGIES AND ACTIVITIES**

- We aim to provide access to the best opportunities we can to ensure that the children in our care can thrive and achieve.
- We will do this by facilitating in a professional manner the transfer of all our schools to new Trusts. We will ensure good financial management.
- We acknowledge that the health, safety and well-being of our staff and our children is the highest priority.

### **b. PUBLIC BENEFIT**

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

## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

Due to the national pandemic, for the second year running no statutory assessment took place in schools across England. Accurate teacher assessment attainment data is unable to be provided. The schools have worked hard to assess where the gaps are in the childrens' learning and have developed recovery plans to address the emerging issues and rigorously monitor progress against the identified priorities.

Developing a curriculum that is inspiring and meets the needs of all our pupils has been at the forefront of the planning put into place by the leadership teams in school together with ensuring that the staff have access to the professional development opportunities they need to implement the plans.

This year the schools have received more detail about the finances available to them in school and consequently, they have purchased new curriculum resources, developed the learning environment and enhanced the ICT provision to provide more exciting opportunities for the children.

Safeguarding is at the forefront of all we do and there has been a rigorous approach with regular monitoring and evaluation to ensure the safety and wellbeing of our children and the staff.

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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### Netherbrook School

2020-21 proved to be yet another challenging year for the school due to the continued Covid-19 situation. Pupils returned to school in September 2020 in class bubbles and under stringent Covid-19 safety arrangements. A full and comprehensive risk assessment was put in place to keep children and staff safe.

The pupils came back very well in September and proceeded to focus on narrowing their gaps in attainment. Throughout the autumn term, there were several class bubble closures, shutting several year groups for up to two weeks at a time. This hampered our efforts to ensure that pupils began to diminish the gaps in achievement caused by the previous lockdown. Behaviour was excellent but the attitude of the children towards completing their work needed to be urgently improved. This was achieved by early November. Sadly, many Christmas events had to be cancelled and then a second school closure took place due to a new national lockdown in January.

This lockdown had a significant negative effect on the pupils' mental health but home learning was far stronger than in the previous year. The use of an online learning platform and a combination of written work and some live lessons meant that a far higher number of pupils were engaged on a daily basis with their work. Pupils worked hard but progress was still limited. The number of SEND pupils increased to 25% of the school and the number of pupils entitled to free school meals rose to 33% - an increase of 10%.

The introduction of devices provided by the DfE ensured a higher degree of engagement and ensured that some pupils were able to access online lessons who wouldn't otherwise have been able to.

March 2021, saw the children return from lockdown and our Covid recovery being put into place once again. Two new Covid-Catch Up teachers were employed and were tasked with improving outcomes in phonics and early reading. The results of these interventions were very good. Although a significant amount of catch-up work has been planned in the next academic year.

An external curriculum consultant worked with us in the summer term to begin the overhaul and redesign of the curriculum. Good progress has been made so far but there is still 2+ years of work ahead to hone this into excellence. Through the support of the LLMAT some excellent new resources have been purchased.

These include:

- Rocket Phonics - a validated synthetic phonics scheme for EYFS and KS1. This has proven to be very popular with staff and pupils and is making a significant difference already.
- iCompute - a brand new whole school Computing scheme of work. This is being embedded slowly as we need to make sure we have sufficient hardware in place to run it properly.
- Language Angels - Spanish - we have switched from studying French to Spanish as a survey shows that most of our pupils go to Spain rather than France, making Spanish more meaningful.
- Plan Bee - Religious Education - a brand new whole school RE programme.
- Jigsaw Personal, Relationships and Sex education scheme - this is enabling us to really make sure our pupils are emotionally and cognitively prepared for what life throws at them.
- Music Express - a whole school music education scheme of work.

In addition, a large amount of new reading books have been purchased to support the curriculum across the school as well as new maths and SEND resources to support learners.

The impact of these new resources has been excellent, and staff now feel like they can really teach well as a result.



# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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The year ended with a successful sports day and leavers service for Year 6, both held on the school field. However, there was significant Covid-19 disruption as the year closed out due to increased bubble closures and close contact tracing.

Local Governing Body meetings continued to be held throughout the year. These were held virtually via Microsoft Teams and then face to face at the end of the summer term.

### Dudley Wood School

As a result of the Covid-19 pandemic, children experienced an unprecedented interruption to their education, social disruption and emotional pressures. Following a successful transition back to school in September 2020, the school worked hard to re-visit and accelerate learning to enable pupils to catch up with their education.

The leadership team identified the following priorities:

- To raise the attainment of all pupils to close the gap created by Covid-19 school closures.
- To reduce the attainment gap between vulnerable and disadvantaged pupils and their peers. These children had been identified as those being most affected.
- To support the mental health and well-being of all of the children and their families.

A recovery curriculum was implemented in four phases. A preparatory phase that prepared the children and their families to return to school; a re-settling phase that supported mental well-being by re-establishing relationships and routines; a re-visit and re-teach phase that reviewed and revised learning and established what had been retained and where there were gaps; and in the final phase, new learning was introduced focusing on skills and knowledge progression.

To support the recovery curriculum, intervention programmes were implemented through whole-class teaching, small group tuition and one-to-one support. Targeted teaching was planned in response to the gap analysis and personalised to the needs of the children to ensure that learning was relevant, progressive and accelerated.

The mental health of the pupils and their families was supported, including the offer of a mental health and well-being package; help with technology; and the re-development of Forest Schools.

The school signed up to the Black Country Rainbow Hour. This was a campaign that aimed to provide all pupils across the Black Country with access to one hour of well-being and physical activity every day. This was introduced as part of the remote education offer and was sustained as part of the recovery curriculum.

In Summer 2021, based on educational research and cognitive science, we have developed an enhanced curriculum to ensure that our pupils receive an ambitious, progressive and broad and balanced curriculum. We offer coherent, planned opportunities for our pupils to build on their knowledge and skills and to make links, within and across subjects. Through the planned revisiting and retrieval of knowledge, pupils are helped to transfer this knowledge to their long-term memory.

The enhanced curriculum will be implemented in September 2021 and there will be a focus on professional development for teachers to ensure high-quality teaching across every year group.

The leadership team at Dudley Wood are driven by a focus on aspiration, independence and community and there is no limit to the expectation of what our pupils can achieve.

### Kates Hill School

There has been a rigorous focus on improving outcomes for all pupils and the internal assessment data is showing good progress in most areas of the school.

## Learning Link Multi Academy Trust

### Trustees' Report for the Year Ended 31 August 2021 (Continued)

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The current predictions for the end of this academic year are the best for a number of. The Dfe/English Hub work has been a huge success and the school have been praised for achieving all the milestones.

The school is now embarking on further CPD "Transforming your schools reading culture/linked to writing", which is a 12 month project that will benefit from high-quality resources and advice.

In the Summer Term Kates Hill benefitted from being part of a DFE Mastery Approach which provided observations, book trawls and collaborative discussion. The Lead visitor gave a valuable INSET on mastery approaches. Due to that success, the school has been invited to the 2nd round of mastery maths. This will continue to help raise standards and provide valuable CPD.

The Reception intake is increasing as parents are progressively more supportive of the school. Nursery figures are also rising, with more families interested. Reviewing the marketing strategy has been key to achieving this success.

During the year the school embarked on a number of successful Stem projects culminating in a huge community project to improve the forest school area and create natural Stem breakout areas and sensory gardens. The school has valuable links with a number of external providers and continues to win grant applications. Science/ Stem is being recognised as a lead strength of Kates Hill and the school is planning to apply for Quality Mark again next year.

Monitoring schedules containing weekly focuses have been a success and continue this academic year. Staff are continually monitored through a robust system focusing on learning/books/planning staff receive instant feedback so gaps have been instantly filled.

Clear robust approaches to behaviour have been in place with significant impact. The behaviour policy is adapted through collaboration with all staff and has a real focus on Early Help and intervention for young people and families. There has been a significant reduction in behaviour incidents and fewer exclusions. The pupils' attitude to their teachers is excellent.

In the summer of 2021, there was another successful 3-week Summer School held at Kates Hill. A successful bid helped us to receive £3000 in funding for sports equipment for the pupils in the Summer and a company to run the activities. 44 pupils attended daily for 3 weeks. The feedback from pupils and parents was very positive. "It was great, we met our friends, had free lunch and did so much" said one pupil. "I loved it, will we do it again?" said another. One parent said "The staff were lovely and we knew them – it was at our school which meant we could trust the staff and it felt safe to leave them" and another said, "It was so good, I managed to do jobs, was less stressed and it made things easier in the house". All parents said that they hoped the experience would be repeated and they would support it.

#### Sledmere School

In September 2020, the academic year started with much to look forward to in terms of new challenges for teaching staff in different year groups.

The year had started with a risk assessment identifying Year Group Bubbles. When the first case hit and we had to ask 90 children to isolate as a result of one case, this was quickly altered to class bubbles. Restrictions were ongoing throughout the year that made the usual School Improvement processes difficult. An enforced whole school closure took place at the end of November 2020 for two weeks as a result of large numbers of staff including the leadership team contracting Covid-19.

Since January 2021, the school has increasingly been working with external providers providing leadership support.

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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The Executive Head Teacher of Sledmere left the school at the end of the year.

A number of high-level learning reviews have been undertaken.

These covered:

- Provision for Remote Learning
- Provision for Special Educational Needs
- EYFS
- Safeguarding
- English
- Maths

Staff development has been a priority and staff now have a better understanding of the pedagogy behind the teaching of mathematics and English and have implemented changes in their planning.

A curriculum model that identifies clear end points for each topic area has been introduced, allowing for vocabulary development and covering assessment opportunities. Prescriptive plans will ensure progression in learning term by term and year by year.

Our revised approach to teaching phonics has looked to secure consistency across all classes in a year group and further staff training has been identified for September 2021 onwards.

Staff have received training on the new EYFS Framework and there is planned training in delivering key vocabulary and language developments, ensuring quality interaction and development through evidence-based strategies.

Developing SEND provision has been identified as a priority. A highly experienced inclusion leader is in place and leaders have ensured that these plans are an accurate reflection of what is required to provide a broad and balanced curriculum for all.

### a. GOING CONCERN

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

### FINANCIAL REVIEW

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funding in the statement of financial activities.

During the year, the Trust received total funding of £10,778k compared to total resources expended of £11,290k to give a deficit for the year of £512k. This is after adjustments for the Local Government Pension Scheme valuation of £901k.

The Trust had revenue free reserves brought forward of £195k, during the year the Trust made a surplus of £727K, which led to a closing free reserves position surplus of £922k.

The local government pension scheme, of which the Trust's non-teaching staff are entitled to membership, remains in deficit at £9,294k.

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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### **a. RESERVES POLICY**

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

At 31 August 2021 the total funds comprised:

Restricted Fixed Asset Reserve	£18,117k
Pension Reserve	£(9,294)k
General Revenue Reserves	£922k
Total Reserves	£9,745k

Sledmere:

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

Kates Hill:

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

### **INVESTMENT POLICY**

There are no material investments held by LLMAT. The Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. The Trust's investment policy is to invest any surplus funds into a low risk bank account.

### **b. PRINCIPLE RISKS AND UNCERTAINTIES**

The Trust holds a Risk Register which is reviewed so systems and procedures can be established to mitigate against them. The Trust recognises that the academies are in a transition period as they move to new trusts, and that maintaining the stability of the academies is of utmost importance and represents a significant risk if not maintained.

### **FUNDRAISING**

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

### **PLANS FOR FUTURE PERIODS**

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

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

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

# Learning Link Multi Academy Trust

## Trustees' Report for the Year Ended 31 August 2021 (Continued)

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### FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

None.

### DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 27 May 2022 and signed on its behalf by:



Pamela Garrington  
Chair of Trustees

# Learning Link Multi Academy Trust

## Governance Statement

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### SCOPE OF RESPONSIBILITY

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

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

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

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

### GOVERNANCE

The information on governance included here supplements that are described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 36 times during the year.

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

Trustee	Meetings attended	Out of a possible
P Harrison	0	0
R Vaughan	0	0
J Paveley	21	21
M Williams	4	6
P Tomkins	19	21
S Srivathsan	20	21
T Farwell	32	36
T Gallagher	2	3
S Tomlinson	6	6
J Mann	27	27
P Garrington	27	27
J Wootton	13	15
G Forrester	14	14

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

# Learning Link Multi Academy Trust

## Governance Statement (Continued)

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

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

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

### REVIEW OF VALUE FOR MONEY

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

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

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

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

### CAPACITY TO HANDLE RISK

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

### THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. The academy trust failed to uphold this in the year but from the financial year September 2020 and onwards this framework has been improved in particular to include:

- Improved, comprehensive budgeting and monitoring systems with an annual budget and periodic financial reporting reviewed and agreed by the Board of Trustees;

## Learning Link Multi Academy Trust

### Governance Statement (Continued)

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- Financial performance management at a Trust level, reviewing individual Academy performance;
- Improved delegation of authority and segregation of duties;
- Clearly defined purchasing;
- Identification and management of risk.

The Trust appointed Cofie Limited as internal auditors during the year.

On an annual basis, the internal auditor reports to the Board of Trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibility.

#### REVIEW OF EFFECTIVENESS

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

- the work of the Board of Trustees;
- the work of the external auditors;
- the work of the executive team members, including Head Teachers within the Academy Trust

During the year ended 31 August 2021, no specific reviews on the effectiveness of the system of internal control were carried out. The Accounting Officer is aware that inadequate controls and inadequate checks on those controls were carried out and a plan to address this is being put in place going forwards.

In a letter dated 13 October 2020, the RSC gave notice to the Trust that the ESFA is revoking the funding agreement and seeking to re-broker the Academies. The Academies will continue as part of the new Trusts but Learning Link MAT will cease to trade once the last Academy has left the Trust. The proposal made by the RSC was subsequently ratified through a meeting of the Headteachers' Board on 120 December 2020.

Approved by order of the members of the Board of Trustees on 27 May 2022 and signed on their behalf by:



Pamela Garrington  
Chair of Trustees



# Learning Link Multi Academy Trust

## Statement on Regularity, Propriety and Compliance

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As Accounting Officer of Learning Link Multi-Academy Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity. There has been a significant change in the constitution of the Board and the current Acting Accounting, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2020.

There has been a significant change in the constitution of the Board and the current Acting Accounting Officer has only been in post since 1 April 2021. Given the changes in the Board and Accounting Officer, the numerous issues identified are set out below. Whilst the Board and I have made all endeavours to ensure the probity, accuracy and veracity of statements made in this Report there are significant elements of which the Board are solely relying on the accuracy and completeness of the information recorded at the time and thus this information cannot be independently verified by the auditors. With the exception of the items listed below, we have not identified any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

- There were instances of Trust procurement policies and the Academies Financial Handbook 2020 (AFH) not being followed in respect of obtaining approval for related party transactions connected with the CEO and no 'at cost' certificates were obtained.
- There were instances of Trust procurement policies and the AFH not being followed in respect of obtaining approval for executive team consultancy contracts.
- Board approval was not given in advance of amendments made to the former CEO's employment package in the prior year which has continued to be paid in the current year, which is not in line with the AFH.
- Proper accounting records were not fully maintained throughout the current and previous period, as a result it has not been possible to accurately prove the year end balance for trade creditors in the financial statements. However, the difference recorded is not material and therefore has no impact on the audit report.
- There was inadequate control over related party transactions. Declaration of interest forms were not obtained for all board members or the senior leadership team, which means we cannot confirm full disclosures of such transactions in the financial statements.
- The full Board has changed during the year, and poor governance of the previous Board has been questioned historically.
- It is unclear if the End of Year Certificate has been submitted to the Teachers' Pension Scheme and audited.
- Due to administrative errors, it appeared that certain members of staff have joined either the Teachers' Pension Scheme (TPS) or the Local Government Scheme (LGPS) incorrectly. However, as the staff members were unqualified, the decision regarding which pension they were joined is at the discretion of the employer.
- There were a number of staff members included in the active member details provided to the actuaries for their valuation of the LGPS. However, the actuaries have confirmed that this has not resulted in any changes being needed to the original valuation.



Hazel Pulley  
Accounting Officer  
Date: 27 May 2022

# Learning Link Multi Academy Trust

## Statement of Trustees' Responsibilities

### For the Year Ended 31 August 2021

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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 (the United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 27 May 2022 and signed on its behalf by:



Pamela Garrington  
Chair of Trustees

# Learning Link Multi Academy Trust

## Independent Auditor's Report to The Members of Learning Link Multi-Academy Trust For The Year Ended 31 August 2021

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### Opinion

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

In our opinion the accounts:

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

### Basis for opinion

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

### Material uncertainty relating to going concern

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

### Other information

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

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

# Learning Link Multi Academy Trust

## Independent Auditor's Report to The Members of Learning Link Multi-Academy Trust For The Year Ended 31 August 2021 (Continued)

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We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

# Learning Link Multi Academy Trust

## Independent Auditor's Report to The Members of Learning Link Multi-Academy Trust For The Year Ended 31 August 2021 (Continued)

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the school's Statement of Financial Activities, (ii) the academy's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts Direction 2020-21 issued by the Education and Skills Funding Agency.

# Learning Link Multi Academy Trust

## Independent Auditor's Report to The Members of Learning Link Multi-Academy Trust For The Year Ended 31 August 2021 (Continued)

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In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

### Audit response to risks identified

As a result of performing the above, we identified income recognition, override of controls and adherence to laws and regulations as the key audit matters related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

### Use of our report

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



Robert Hall (Senior Statutory Auditor)

for and on behalf of Mitchell Charlesworth LLP

27 May 2022

Chartered Accountants

Statutory Auditor

24 Nicholas Street

Chester

CH1 2AU

# Learning Link Multi Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Learning Link Multi-Academy Trust And The Education And Skills Funding Agency For The Year Ended 31 August 2021

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

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

Respective responsibilities of Learning Link Multi-Academy Trust's accounting officer and the reporting accountant  
The accounting officer is responsible, under the requirements of Learning Link Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2017 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

# Learning Link Multi Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Learning Link Multi-Academy Trust And The Education And Skills Funding Agency (Continued) For The Year Ended 31 August 2021

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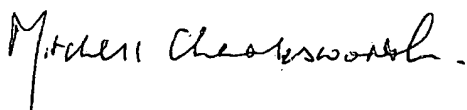
### Conclusion

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

### Exception matters

- There were instances of Trust procurement policies and the Academies Financial Handbook 2020 (AFH) not being followed in respect of obtaining approval for related part transactions connected with the CEO and no 'at cost' certificates were obtained.
- There were instances of Trust procurement policies and the AFH not being followed in respect of obtaining approval for executive team consultancy contracts.
- Board approval was not given in advance of amendments made to the former CEO's employment package in the prior year which has continued to be paid in the current year, which is not in line with the AFH.
- Proper accounting records were not fully maintained throughout the current and previous period, as a result it has not been possible to accurately prove the yearend balance for trade creditors in the financial statements. However, the difference recorded is not material and therefore has no impact on the audit report.
- There was inadequate control over related party transactions. Declaration of interest forms were not obtained for all board members or the senior leadership team, which means we cannot confirm full disclosures of such transactions in the financial statements.
- The full Board has been changed during the year, poor governance of the previous Board has been questioned historically.
- It is unclear if the End of Year Certificate has been submitted to the Teachers' Pension Scheme and audited.
- Due to administrative errors, it appeared that certain members of staff have joined either the Teachers' Pension Scheme (TPS) or the Local Government Scheme (LGPS) incorrectly. However, as the staff members were unqualified, the decision regarding which pension they were joined is at the discretion of the employer.
- There were a number of staff members included in the active member details provided to the actuaries for their valuation of the LGPS. However, the actuaries have confirmed that this has not resulted in any changes being needed to the original valuation.

The value in respect of these matters noted cannot be reliably estimated.



Reporting Accountant  
Mitchell Charlesworth LLP  
24 Nicholas Street  
Chester  
CH1 2AU  
Dated: 27 May 2022



Learning Link Multi Academy Trust  
Statement of Financial Activities  
for the year ended 31 August 2021  
(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
		£	£	£	£	£
Income and endowments from:	Note					
Donations and capital grants	3	-	-	(50,826)	(50,826)	549,138
Transfer from local authority on conversion		-	-	-	-	-
Transfer from academy trust		-	-	-	-	-
Charitable activities:						
Funding for the academy trust's educational operations	4	73,122	10,637,780	-	10,710,902	10,351,260
Other trading activities	5	117,843	-	-	117,843	355,869
<b>Total</b>		<b>190,965</b>	<b>10,637,780</b>	<b>(50,826)</b>	<b>10,777,919</b>	<b>11,256,267</b>
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6/7	-	10,908,994	381,497	11,290,491	10,686,154
<b>Total</b>		<b>-</b>	<b>10,908,994</b>	<b>381,497</b>	<b>11,290,491</b>	<b>10,686,154</b>
Net income / (expenditure)		190,965	(271,214)	(432,323)	(512,572)	570,113
Transfers between funds	15	-	(93,559)	93,559	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	(866,000)	-	(866,000)	(707,000)
Net movement in funds		190,965	(1,230,773)	(338,764)	(1,378,572)	(136,887)
Reconciliation of funds						
Total funds brought forward		194,987	(7,527,000)	18,455,746	11,123,733	11,260,620
Total funds carried forward		385,952	(8,757,773)	18,116,982	9,745,161	11,123,733

Learning Link Multi Academy Trust  
Balance Sheet as at 31 August 2021  
Company Number: 11002860

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		18,011,530		17,804,564
Current assets					
Debtors	13	546,696		1,332,232	
Cash at bank and in hand		1,174,627		300,985	
		<u>1,721,323</u>		<u>1,633,217</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(693,692)		(787,048)	
Net current assets			<u>1,027,631</u>		<u>846,169</u>
Total assets less current liabilities			<u>19,039,161</u>		<u>18,650,733</u>
Net assets excluding pension liability			<u>19,039,161</u>		<u>18,650,733</u>
Defined benefit pension scheme liability	22	(9,294,000)		(7,527,000)	
Total assets			<u>9,745,161</u>		<u>11,123,733</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	18,116,982		18,455,746	
Restricted income fund	15	536,228		-	
Pension reserve	15	(9,294,000)		(7,527,000)	
Total restricted funds			<u>9,359,210</u>		<u>10,928,746</u>
Unrestricted income funds	15		<u>385,951</u>		<u>194,987</u>
Total funds			<u>9,745,161</u>		<u>11,123,733</u>

The financial statements on pages 25 to 47 were approved by the trustees, and authorised for issue on 27 May 2022 and are signed on their behalf by:



P Garrington  
Chair of Trustees

# Learning Link Multi Academy Trust

## Statement of Cash Flows for the year ended 31 August 2021

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	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	1,555,930	55,029
Cash flows from investing activities	19	(639,288)	102,866
Cash flows from financing activities	18	(43,000)	(438,655)
Change in cash and cash equivalents in the reporting period		<u>873,642</u>	<u>(280,760)</u>
Cash and cash equivalents at 1 September 2020		300,985	581,745
Cash and cash equivalents at the 31 August 2021	20/21	<u>1,174,627</u>	<u>300,985</u>

# Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021

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### 1. Statement of Accounting Policies

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

#### Basis of Preparation

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

#### Going Concern

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

#### Income

All incoming resources are recognised when the academy trust has an 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 period is deducted from income and recognised as a liability.

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

- Donations

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

- Other Income

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

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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### 1. Statement of Accounting Policies continued

- Transfer on conversion

Where assets 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 Transfer on conversion within Donations and capital grant income.

- Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the trust, 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, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the trust within Donations and capital grant income.

#### Expenditure

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £3,000 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 such assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold Buildings	2% (50 years)
Furniture and Equipment	25% (4 years)
Computer equipment	25% (4 years)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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### 1. Statement of Accounting Policies (continued)

assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

#### Debtors

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

#### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

#### Liabilities

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

#### Leased Assets

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

#### Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment. Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pensions Benefits

Retirement benefits to employees of the Academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

### Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

### 1. Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

### 2. Critical accounting estimates and areas of judgement (continued)

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 3. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	£	£	£	£	£
Capital Grants	-	-	(50,826)	(50,826)	549,138
	<u>-</u>	<u>-</u>	<u>(50,826)</u>	<u>(50,826)</u>	<u>549,138</u>
Total 2020	-	-	549,138	549,138	-

### 4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
DfE / EFA grants				
General Annual Grant (GAG)	-	8,151,718	8,151,718	7,961,585
Universal Infant Free School Meals	-	249,242	249,242	214,145
Pupil Premium	-	825,850	825,850	847,009
Teachers Pay and Pensions grants	-	371,265	371,265	118,736
Other DfE / ESFA grants	-	107,109	107,109	476,660
	<u>-</u>	<u>9,705,184</u>	<u>9,705,184</u>	<u>9,618,135</u>
Other Government grants				
Local authority grants	-	783,175	783,175	704,571
	<u>-</u>	<u>783,175</u>	<u>783,175</u>	<u>704,571</u>
Covid-19 additional funding (DfE / ESFA)				
Catch-up premium		144,440	144,440	-
Other DfE / ESFA Covid-19 funding		4,981	4,981	-
	<u>-</u>	<u>149,421</u>	<u>149,421</u>	<u>-</u>
Other income from the academy trust's educational operations				
Income from other trading activities	73,122	-	73,122	28,554
	<u>73,122</u>	<u>10,637,780</u>	<u>10,710,902</u>	<u>10,351,260</u>
Total 2020	28,554	10,322,706	10,351,260	-

- The academy received £144k of funding for catch-up premium and costs incurred in respect of this funding totalled £144k.



# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 5 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	-	-	-	5,774
School Fund	-	-	-	207,093
Time for Twos Funding	71,339	-	71,339	71,774
Other Income	46,504	-	46,504	71,228
	<u>117,843</u>	<u>-</u>	<u>117,843</u>	<u>355,869</u>
Total 2020	355,869	-	355,869	

### 6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2021 £000	Total 2020 £000
		Premises £000	Other £000		
Academy's educational operations:					
Direct costs	5,349,879	-	192,639	5,542,518	5,366,867
Allocated support costs	3,843,101	277,869	1,627,003	5,747,973	5,319,287
	<u>9,192,980</u>	<u>277,869</u>	<u>1,819,642</u>	<u>11,290,491</u>	<u>10,686,154</u>
2020	8,200,495	895,868	1,589,791	10,686,154	

Net income/(expenditure) for the period includes:

	2021 £000	2020 £000
Depreciation	381,497	361,094
Fees payable to auditor for:		
- Audit	<u>18,000</u>	<u>50,835</u>

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 7 Charitable Activities - Academy's Educational operations

	Total 2021 £	Total 2020 £
Direct costs – educational operations	5,542,518	5,366,867
Support costs – educational operations	5,747,973	5,319,287
	<u>11,290,491</u>	<u>10,686,154</u>

Analysis of support costs	Educational operations £	Total 2021 £	Total 2020 £
Pension finance costs	-	-	119,000
Support staff costs	3,843,101	3,843,101	3,226,151
Depreciation	381,497	381,497	361,094
Technology costs	297,678	297,678	107,028
Premises costs	277,869	277,869	365,298
Catering costs	332,640	332,640	454,717
Other support costs	492,812	492,812	448,566
Legal costs	73,466	73,466	17,755
Governance costs	48,910	48,910	219,678
Total support costs	<u>5,747,973</u>	<u>5,747,973</u>	<u>5,319,287</u>

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2021 (continued)

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	6,220,209	6,250,463
Social security costs	594,812	572,951
Operating costs of defined benefit pension schemes	2,288,483	1,375,214
	<u>9,103,504</u>	<u>8,198,628</u>
Supply staff costs	89,476	1,867
	<u>9,192,980</u>	<u>8,200,495</u>

#### b. Staff numbers

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

	2021 No.	2020 No.
Teachers	95	81
Administration and support	134	177
Management	19	18
	<u>248</u>	<u>276</u>

#### c. Higher paid staff

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

	2021 No.	2020 No.
£60,001-£70,000	2	1
£70,001-£80,000	5	4
£80,001-£90,000	-	-
£90,001-£100,000	1	1
£120,001-£130,000	-	1

#### d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £236,185 (2020 £355,056).

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 9. Central Services

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

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

The trust charges for these services on the following basis:

- § flat percentage of General Annual Grant (GAG) income at 6%

The actual amounts charged during the year were as follows:

	2021	2020
	£	£
Dudley Wood Primary School	103,104	102,282
Kates Hill Primary School	118,668	119,935
Sledmere Primary School	164,640	161,369
Netherbrook Primary School	102,696	97,974
	<u>489,108</u>	<u>481,560</u>

### 10. Related Party Transactions - Trustees' Remuneration and Expenses

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

P Harrison: remuneration £65,000 -£70,000 (2020: £120,000 - £125,000), employer's pension contribution £nil (2020: £nil)

During the year ended 31 August 2021, expenses totaling £45 were reimbursed or paid directly to 1 Trustee (2020 - £2,372 to 2 Trustees).

### 11. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £365 (2020 - £365). The cost of this insurance is included in the total insurance cost.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 12. Tangible Fixed Assets

	Long-term Leasehold Property £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2020	18,679,077	64,059	55,849	18,798,985
Additions	554,727	11,505	22,231	588,463
At 31 August 2021	19,233,804	75,564	78,080	19,387,448
Depreciation				
At 1 September 2020	968,298	10,526	15,597	994,421
Charged for the year	350,312	16,545	14,640	381,497
At 31 August 2021	1,318,610	27,071	30,237	1,375,918
Net book values				
At 31 August 2021	17,915,194	48,493	47,843	18,011,530
At 31 August 2020	17,710,779	53,533	40,252	17,804,564

### 13. Debtors

	2021 £	2020 £
Trade debtors	207	-
VAT Recoverable	78,081	324,743
Other debtors	-	49,212
Prepayments and accrued income	468,408	958,277
	<u>546,696</u>	<u>1,332,232</u>

### 14. Creditors: Amounts Falling Due within one Year

	2021 £	2020 £
Trade Creditors	243,326	320,525
Other taxation and social security	129,886	138,949
ESFA Loan	-	43,000
Other creditors	-	6,212
Accruals and deferred income	320,480	278,362
	<u>693,692</u>	<u>787,048</u>
Deferred income		
As at 1 September 2020	128,899	75,281
Release from previous years	(128,899)	(75,281)
Resources deferred in year	121,767	128,899
Deferred income at 31 August 2021	<u>121,767</u>	<u>128,899</u>

Deferred income at the year end is in relation to funds received for Universal Infant Free School Meals £121,767 (2020 - £128,899).

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 15. Funds

	Balance at 1 September 2020	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2021
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	-	8,151,718	(7,521,932)	(93,559)	536,227
- Universal Infant Free School Meals	-	249,242	(249,242)	-	-
- Pupil Premium	-	825,850	(825,850)	-	-
- Teachers Pay and Pension grants	-	371,265	(371,265)	-	-
- Other DfE / ESFA grants	-	107,109	(107,109)	-	-
Covid Catch Up Premium	-	144,440	(144,440)	-	-
Covid other	-	4,981	(4,981)	-	-
Other grants	-	783,175	(783,175)	-	-
Pension reserve	(7,527,000)	-	(901,000)	(866,000)	(9,294,000)
	(7,527,000)	10,637,780	(10,908,994)	(959,559)	(8,757,773)
Restricted fixed asset funds					
Transfer on conversion	17,402,189	-	(341,900)	-	17,060,289
DfE/EFA capital grants	1,053,557	(50,826)	(39,597)	-	963,134
Funded from GAG	-	-	-	93,559	93,559
	18,455,746	(50,826)	(381,497)	93,559	18,116,982
Total restricted funds	10,928,746	10,586,954	(11,290,491)	(866,000)	9,359,210
Total unrestricted funds	194,987	190,965	-	-	385,952
Total funds	11,123,733	10,777,919	(11,290,491)	(866,000)	9,745,161

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

The restricted general funds of £536k will be spent in accordance with the conditions of the grants received.

The pension reserve of £9,294k (overdrawn) represents the Academy Trust's share of the deficit in the West Midlands pension fund.

The unrestricted fund of £386k represents the surplus generated by the Academy Trust on activities for generating funds.

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

Restricted Fixed Asset Funds relate predominantly to the assets acquired on conversion to an academy trust, being properties.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 15. Funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	(394,082)	7,956,562	(7,751,916)	189,436	-
Other DfE / ESFA grants	-	1,509,340	(1,509,340)	-	-
Other government grants	-	792,933	(792,933)	-	-
Other restricted grants	-	63,871	(63,871)	-	-
Pension reserve	(6,613,000)	-	(207,000)	(707,000)	(7,527,000)
	<u>(7,007,082)</u>	<u>10,322,706</u>	<u>(10,325,060)</u>	<u>(517,564)</u>	<u>(7,527,000)</u>
Restricted fixed asset funds					
Transfer on conversion	17,753,111	-	(350,922)	-	17,402,189
DfE/EFA capital grants	514,591	549,138	(10,172)	-	1,053,557
	<u>18,267,702</u>	<u>549,138</u>	<u>(361,094)</u>	<u>-</u>	<u>18,455,746</u>
Total restricted funds	<u>11,260,620</u>	<u>10,871,844</u>	<u>(10,686,154)</u>	<u>(517,564)</u>	<u>10,928,746</u>
Total unrestricted funds	-	384,423	-	(189,436)	194,987
Total funds	<u>11,260,620</u>	<u>11,256,267</u>	<u>(10,686,154)</u>	<u>(707,000)</u>	<u>11,123,733</u>

### Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £	Total 2020 £
Dudley Wood	-	(93,886)
Kates Hill	-	394,511
Sledmere	-	711,824
Netherbrook	-	(337,080)
Central Services	922,179	(480,383)
Total before fixed assets and pension reserve	<u>922,179</u>	<u>194,986</u>
Restricted fixed asset fund	18,116,982	18,455,746
Pension reserve	(9,294,000)	(7,527,000)
Total	<u>9,745,161</u>	<u>11,123,732</u>

During the year, the trust received permission from the ESFA to pool reserves for all schools.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 15. Funds (continued)

#### Analysis of academies by cost

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl Dep) £	Total 2021 £	Total 2020 £
Dudley Wood	1,119,183	659,072	63,930	360,012	2,202,197	2,369,113
Kates Hill	1,223,410	764,067	41,929	344,406	2,373,812	2,456,805
Sledmere	1,552,656	843,561	36,203	452,641	2,885,061	2,835,034
Netherbrook	1,093,275	719,394	46,727	476,508	2,335,904	2,229,770
Central services	317,362	901,000	3,850	(110,192)	1,112,020	227,338
Academy Trust.	5,305,886	3,887,094	192,639	1,523,375	10,908,994	10,118,060



# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 16 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	18,011,530	18,011,530
Current assets	385,952	1,229,919	105,452	1,721,323
Current liabilities	-	(693,692)	-	(693,692)
Pension scheme liability	-	(9,294,000)	-	(9,294,000)
Total net assets	385,952	(8,757,773)	18,116,982	9,745,161

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	17,804,564	17,804,564
Current assets	194,987	787,048	651,182	1,633,217
Current liabilities	-	(787,048)	-	(787,048)
Pension scheme liability	-	(7,527,000)	-	(7,527,000)
Total net assets	194,987	(7,527,000)	18,455,746	11,123,733

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17.	Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities	2021	2020
		£	£
	Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(512,572)	570,113
	Adjusted for:		
	Depreciation charges (note 12)	381,497	361,093
	Capital grants from DfE and other capital income	50,826	(549,138)
	Defined benefit pension scheme cost less contributions payable (note 22)	786,000	88,000
	Defined benefit pension scheme finance cost (note 22)	115,000	119,000
	Decrease in stocks	-	14,706
	Decrease / (Increase) in debtors	785,535	(238,261)
	Decrease in creditors	(50,356)	(310,484)
	Net cash provided by Operating Activities	1,555,930	55,029
18.	Cash Flows from Financing Activities	2021	2020
		£	£
	Repayments of borrowing	(43,000)	(438,655)
	Net cash used in financing activities	(43,000)	(438,655)
19.	Cash Flows from Investing Activities	2021	2020
		£	£
	Purchase of tangible fixed assets	(588,463)	(446,272)
	Capital grants from DfE/EFA	(50,826)	549,138
	Net cash provided by / (used in) investing activities	(639,289)	102,866
20.	Analysis cash and cash equivalents	At 31 August 2021	At 31 August 2020
		£	£
	Cash in hand and at bank	1,174,627	300,985
	Total cash and cash equivalents	1,174,627	300,985

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	New Borrowing £	At 31 August 2021 £
Cash	300,985	873,642	-	1,174,627
Loans falling due within one year	(43,000)	43,000	-	-
Total	257,985	916,642	-	1,174,627

### 22. Pension and Similar Obligations

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

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

No contributions were payable to the schemes at 31 August 2021 or 31 August 2020.

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

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

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

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

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

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 22. Pension and Similar Obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £877,195 (2020: £659,000).

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

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 scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2021 was £785,000 (2020: £983,000), of which employer's contributions totalled £662,000 (2020: £845,000) and employees' contributions totalled £123,000 (2020: £138,000). The agreed contribution rates for future years are 21.7% for employers and 5.5% – 12.5% for employees.

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

Principal actuarial assumptions	At 31 August 2021 %	At 31 August 2020 %
Rate of increase in salaries	3.90	3.25
Inflation assumption (CPI)	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
+Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

Sensitivity Analysis	At 31 August 2021 £'000s	At 31 August 2020 £'000s
Discount Rate +0.1%	(410)	(325)
Discount Rate -0.1%	421	334
Mortality assumption – 1 year increase	695	502
Mortality assumption – 1 year decrease	(666)	(483)
CPI rate +0.1%	355	281
CPI rate -0.1%	(346)	(274)

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 22. Pension and Similar Obligations (continued)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	4,237	2,995
Gilts	575	579
Corporate Bonds	426	207
Property	489	402
Cash and other liquid assets	256	354
Other	973	796
Total market value of assets	<u>6,956</u>	<u>5,333</u>

The actual return on scheme assets was £996,000 (2020: £390,000).

Amounts recognised in the statement of financial activities

	2021 £'000	2020 £'000
Current service cost	1,447	933
Interest income	(90)	(78)
Interest cost	205	195
Admin expenses	1	2
Total amount recognised in SOFA	<u>1,563</u>	<u>1,052</u>

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

	2021 £'000	2020 £'000
As at 1 September	12,860	10,262
Current service cost	1,064	933
Interest cost	205	195
Change in financial assumptions	2,155	874
Other experience	(383)	546
Employee contributions	123	138
Benefits paid	(157)	(88)
Past service cost	383	-
At 31 August 2021	<u>16,250</u>	<u>12,860</u>

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 22. Pension and Similar Obligations (continued)

Changes in the fair value of academy's share of scheme assets:

	2021	2020
	£'000	£'000
As at 1 September 2020	5,333	3,649
Interest income	90	78
Actuarial gain/(loss)	906	713
Employer contributions	662	845
Employee contributions	123	138
Benefits paid	(157)	(88)
Administrative expenditure	(1)	(2)
At 31 August 2021	<u>6,956</u>	<u>5,333</u>

### 23. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

AVT associates: This party is related as it is a company that Claire Thompson, Chief Executive Officer for part of the year, has an interest in. Expenditure of £nil (2020: £4,950) was incurred during the year. There were no balances outstanding at the year-end.

INCO: This company is owned by Paul Harrison Chief Executive Officer and Accounting Officer for part of the year. Expenditure of £2,400 (2020: £7,800) was incurred during the year. This expenditure was incurred for website development. At the year end there were no outstanding balances (2020: £Nil).

Millhall consultants: This company is the employer of Alex Richardson the Trust's acting CFO during the year. Expenditure of £51,155 (2020: £76,543) was incurred during the year. This expenditure was incurred for financial consultancy. At the year end there were no outstanding balances (2020: £Nil).

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

### 24. 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.

# Learning Link Multi Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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### 25. Commitments under operating leases

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

	2021 £	2020 £
Amounts due within one year	7,279	6,314
Amounts due between one and five years	10,312	18,943
Amounts due after five years	-	31,714
	<u>17,591</u>	<u>56,971</u>