

LYDIATE LEARNING TRUST

(A Company Limited by Guarantee)

Annual Report and Consolidated Financial Statements

Year ended 31st August 2021



LYDIATE
LEARNING
TRUST

ENGAGE, ENABLE,
EMPOWER

Company Registration Number 07732559 (England & Wales)

LYDIATE LEARNING TRUST

Report and Financial Statements For the year ended 31st August 2021

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LYDIATE LEARNING TRUST

Reference and Administrative Details

Members	Date of Appointment	Date of Resignation
John Graham (Chair)	8 th August 2011	
Annette Cunningham	13 th November 2018	
Graham Hewer	1 st January 2015	
Stephen Moss	13 th November 2018	
Marc Whitmore	25 th November 2019	

Directors (Trustees)

John Graham (Chair) *	8 th August 2011	
Helen Heap *	1 st June 2016	
Graham Hewer	1 st January 2015	
John Pearce	9 th July 2018	1 st November 2020
Ann Stahler (Accounting Officer) *	8 th August 2011	
Hooshang Rahmani	1 st May 2019	
Jane Morris *	7 th September 2020	
Jonathan Turner	14 th December 2020	

* indicates members of the Finance & Resources Committee

Company Secretary: Mrs D Moss

Senior Management Team:

CEO / Executive Head Teacher	Ann Stahler
CSSA Head Teacher	Janette Vincent
Deyes High School Head of School	Victoria Beaney
Head of AMP SCITT	Alison Brady
Director of School Improvement	Wendy Jack
Director of School Improvement	Suzanne Pountain
Director of School Improvement	Lianne Greenall (from 1 st September 2021)
Director of Finance	Vicki Askham (to 30 th November 2021)
Director of HR	Vickie Sumner
Director of Operations	Paul Hasleden

Company Name: Lydiate Learning Trust

Principal and Registered Office: Deyes Lane
Maghull
Liverpool
L31 6DE

Company Registration Number: 07732559 (England & Wales)

Academies Operated: Childwall Sports and Science Academy (CSSA)
Deyes High School (DHS)

Independent Auditor: RSM UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Bankers: Lloyds Bank Plc
1st Floor, 5 St Paul's Square
Liverpool
L3 9SJ

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

LYDIATE LEARNING TRUST

Trustees' Report

The trustees present their annual report together with the financial statements and Auditor's report of the Charitable Company for the year 1st September 2020 to 31st August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year, the Trust operated two secondary academies in Liverpool and Sefton and a SCITT (School Centred Initial Teacher Training) in primary and secondary. The Trust has a pupil capacity of 2,326 and had a roll of 2,351 in the October 2021 school census. The Trust formed a trading subsidiary, Lydiate Services Company Limited, during the year. The results of this subsidiary are consolidated in these financial statements.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The trustees of Lydiate Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lydiate Learning Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The trustees are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

The Trust will recruit and appoint trustees through a process of fair selection using criteria for selection based on the annual skills audit. In the current year several new appointments have been made in this way with the support of the DfE Academy Ambassadors programme.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction, training and support programme for trustees will differ according to the nature of the post and the varying needs and experience of the individual concerned. There are, however some general principles outlined below which should be common to all.

- An induction to the role, a tour of the sites and an introduction to members of the Senior Leadership teams will be provided by the Senior Clerk to the Governing Body.
- It is expected that the incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation.
- The Trust's Equality and Diversity and related policies will be applicable to all.
- The other trustees and governors will be informed of any new appointments.
- Every trustee and governor should be prepared to offer support to new trustees as appropriate, through our long-established mentoring programme.
- The Trustees agree a training plan and are enrolled with NGA (National Governance Association) and CST (Confederation of School Trusts) to receive regular governance updates and access further training.
- The Trustees undergo an annual development evening and a two yearly full external review.

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Trustees' Report (continued)

Organisational Structure

The governance structure consists of three levels: Members of the Trust, the Board of the Trust (trustees) and the Academy Governance Committee of each school. The CEO / Executive Head Teacher is accountable to the Trustees and she manages the Executive Team and Heads of each school. A Scheme of Delegation is in place which sets the levels of authority in which all staff, particularly those in senior posts operate. The aim of the structure is to devolve responsibility to those best able to make appropriate decisions. The trustees encourage staff contributions at all levels and collaboration between the schools in the Trust.

The Trustees and Directors are there to establish the direction and to support and challenge the local governing body, senior management team and the wider community in the running of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel comprise: CEO / Executive Head Teacher, Academy Head Teachers and Senior Leadership teams, Executive Directors of School Improvement, Executive Director of HR, Executive Director of Operations and Executive Director of Finance. The rules for determining the pay of key management are set out in the School Teachers' Pay and Conditions Document. The pay committees of the schools (consider Head Teachers and Senior Leaders pay) and Board (consider executive pay) meet annually to review recommendations for pay progression. The Trust Pay Committee consists of 3 trustees including the chair.

Trade Union Facility Time

No employees spent paid time on trade union facilities during the year.

Related Parties and Other Connected Charities and Organisations

The Trust does not currently sponsor any other school. Patricia Graham is an employee and a relation of John Graham. Deborah Moss is an employee and a relation of Stephen Moss. All transactions were made at arms' length.

Details of related party transactions are given in Note 23.

Engagement with Employees

The Board recognises that employees are key to the success of the Trust and understands the importance of effective engagement with them.

In addition to aiming to be a responsible employer in our approach to pay and benefits, the Trust has made a commitment to invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. The Trust provides a comprehensive CPDL offer to all teaching staff and an Employee Assistance Programme (EAP) for all staff.

Individual schools operate local health and wellbeing (H&W) initiatives. Both Childwall Sports & Science Academy and Deyes High School have designated people who are responsible for H&W initiatives.

The employee appraisal programme encourages employee feedback and facilitates the opportunity for both employees and managers to set performance goals on an annual basis.

The Trust has a number of effective workforce engagement mechanisms in place across its Schools:

- Monthly meetings between Heads of Schools and the Trust Executive Team;
- Weekly Senior Leadership Team meetings in each School;
- Weekly support and line management of Headteachers and SLT;
- Termly all-staff meetings in each School;
- Bi-annual stakeholder questionnaires.

This allows effective engagement and open discussion on key business issues, policies and working environment, with actions agreed on issues raised.

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Trustees' Report (continued)

The Director of HR attends all Board meetings to brief on employee-related matters, including workforce demographics, staff retention rates, numbers and nature of whistleblowing, disciplinary and grievance procedures, learning and development activity, pay and reward including gender pay gap, and HR initiatives.

The Board considers that, taken together, these arrangements deliver an effective means of ensuring the Board stays alert to the views of the workforce.

The Trust has an established structure through which it engages regularly with trade union officials to discuss and understand matters concerning employees. The Trust recognises the trade union agreement annually and hosts 3 Joint Consultative Committee (JCC) meetings per year.

During the year, the Board considered a number of matters where it was important to be mindful of the interests of employees. One example of this was with regard to furloughing catering staff due to the adverse impact of the pandemic. The Board considered the interests of employees, taking the approach of seeking to minimise disruption to affected staff, and topping up furlough pay to full pay to ensure that staff were not financially disadvantaged.

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

Engagement with suppliers enables the Trust to balance the need to obtain value for money for taxpayers with the desired quality and service levels for its students and staff. The Trust has systems and processes in place to ensure that procurement is carried out in a fair and transparent way and that suppliers are paid in a timely manner. During the year, and with the interests of suppliers in mind, the Board considered and approved the recommendation for temporary accommodation at Deyes High School, which was put out for tender.

Engagement with customers (students) enables the Trust to deliver its vision to “engage, enable, empower”. Their interests are at the forefront of all key decisions, in particular the school improvement initiatives that are detailed in the Strategic Report on page 6. During the year, and with the interests of customers in mind, the Board considered the impact of the COVID-19 Recovery Curriculum, in order to provide students with appropriate academic and pastoral support throughout the pandemic.

Engagement with regulators and applicable regulatory requirements enables the Trust to maintain a reputation for high standards of conduct and also helps the Board ensure that the organisation is aligned to the evolving regulatory framework. The Board routinely receives and discusses reports on regulatory developments, it considers relevant policies that support compliance, and has oversight of the risk management framework. During the year, and with the interests of regulators in mind, the Board had a representative present at meetings with the Department for Education to consider the future growth of the Trust.

Objectives and Activities

Lydiate Learning Trust was established to provide education for pupils of different abilities between the ages of 11 and 19.

The schools follow the admissions policy of the local authority in which the school resides.

Public Benefit

The trustees have considered the Charity Commission’s guidance on Public Benefit. The key public benefit delivered by Lydiate Learning Trust is the maintenance and development of high quality education provided by the Academies within the Trust.

We offer not only a broadly based academic education, but a wide-range of extra-curricular activities and educational trips.

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

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Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	2020/21	2019/20
Energy consumption used to calculate emissions (kWh)	1,391,997	1,272,024
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	47.89	23.81
Owned transport – mini-buses	0.80	4.86
Total Scope 1	48.69	28.67
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	238.69	258.23
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	0.74	3.43
Total gross emissions in metric tonnes CO2e	288.11	290.33
Intensity ratio Tonnes CO2e per pupil	0.12	0.12

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

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

Measures taken to improve energy efficiency
No specific measures have been taken this year to improve energy efficiency. Energy usage was reduced due to the full closure of the schools between January and March 2021 due to COVID-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place.

Strategic Report

Achievements and Performance

Deyes High School

Deyes High School has a history of strong academic performance and in 2021 students continued this success with 60.2% of students achieving a grade 5+ in English and Mathematics. LLT is committed to offering the opportunity of following an EBacc route for all students. Entry levels have significantly increased with current year 11 having 70% entries at Deyes High School. The progress made by students across that Trust has increased by a full grade between 2019 and 2021 with the internally measured progress index for DHS +0.53 (Sisra Analytics). Students enjoy a rich and varied curriculum with all students able to access a wide variety of subjects.

At key stage 5, students' academic performance has an average grade of B (Sisra Analytics). Destination data shows that students are moving on to appropriate next steps in a variety of fields including the arts, engineering, science, politics, law and medicine. 60% of students have taken a place at university with a further 30% in employment/apprenticeships.

OFSTED visited the school in 2019 and judged the school to be good.

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Trustees' Report (continued)

Childwall Sports and Science Academy

GCSE results at Childwall in 2021 produced a positive subject progress figure of +0.62 with the highest ever percentage of students achieving a grade 5+ in both English and Maths (increased from 23% to 32% year on year). EBacc performance continues to improve with the proportion of students entered for the EBacc increasing year on year, with current year 11 having 30% entries. The performance of the disadvantaged has also improved however the focus on narrowing the gap remains a priority.

KS5 results have improved significantly with the average attainment grade improving from a C to a B-, this is continuing the trend of improvement. Destination data shows that 77.5% of students have taken a place at university (previously stable around 60%) with the remainder in employment/apprenticeships.

OFSTED visited the school in 2018 and judged the school to be requires improvement with good leadership and management.

Associated Merseyside Partnership SCITT (AMP)

Of the 74 students who started the 2020/21 course a total of 68 students gained qualified teacher status (14 at primary phase and 54 at secondary phase), with 3 trainees having withdrawn. This cohort maintained our 100% pass rate with a grading of good or outstanding. The remaining 3 trainees have extended their placement and are due qualify in December 2021.

During the year, AMP SCITT moved to a new training centre in Liverpool. Lydiate Learning Trust secured new premises at Vortex House in Wavertree to house its extensive range of teacher training services for new and existing teachers. The LLT Academy of Teacher Education will provide Initial Teacher Training (ITT) including Subject Knowledge Enhancement (SKE) programmes, Early Career Framework CPD for new teachers and their mentors and National Professional Qualifications (NPQ's), These training activities and programmes are particularly pertinent at this time of great change, helping teachers support their pupils and deliver the recovery curriculum.

AMP SCITT has formed a Teacher Training Partnership with Ashton Sixth Form College which had its first cohort of trainees in September 2021.

Trust Aims

- 1) Empowering individuals through learning
- 2) Fostering a "can-do" attitude that leads to continuous improvement
- 3) Producing confident young adults with high levels of perseverance, proficiency and integrity
- 4) Encouraging families and our schools to work together to support student learning
- 5) Providing a happy, safe, supportive environment where students can learn effectively
- 6) Developing the whole child with a comprehensive offer of wider curriculum
- 7) Engaging with our students to inspire, contribute and care
- 8) Developing leadership at all levels for Students, Staff, Governors and our Communities
- 9) Promoting an enterprise culture that creates close working partnerships with business and wider partners
- 10) Committing to having honest conversations about our strengths and our opportunities for growth

Trust Development Priorities 2021-25

The Lydiate Learning Trust Board have agreed:

- 1) To develop a clear strategic vision and establish an ethos/culture that people buy into and agree with.
- 2) To increase the quality of provision within all LLT schools and improve academic standards and achievement.
- 3) To further develop a strategic recruitment, retention and succession strategy in order to develop and retain our workforce.
- 4) To ensure a financially viable and sustainable MAT.
- 5) To further develop quality governance across the Trust to provide the support and challenge required to ensure progress.
- 6) To provide a learning environment of the very highest quality.
- 7) To develop new partnerships to aid our development as a MAT and that of LLT schools.

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Trustees' Report (continued)

The Trust will execute a comprehensive recovery plan following the pandemic.

The Trust is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. We monitor progress rigorously.

School Improvement 2020/21

- Following the release of examination results in 2021 Lydiate Learning Trust were very pleased to see that there was an upward trend in results and, in particular that of Progress 8. However, they are also aware that there is need to maintain the focus on quality of education to ensure that results in 2022 continue the trend.
- Quality assurance visits by the Trust Executive and Academy Improvement Partners and external groups continues to play a vital role in monitoring and evaluating the standards in our schools. Judgements are always consistent with external evaluations.
- The Trust has set quality standards and the schools evaluate their position against these standards. This is then compared to the evaluation from the Executive team.
- The Trust has a well-developed self-evaluation calendar that is used in all schools on our journey to outstanding.
- Much progress has also been made this year developing a trust-wide curriculum. Each school now has a clear, agreed road map and clarity of intent. The focus remains on implementation and impact. External training and quality assurance remain focused on the development of curriculum to ensure that the key knowledge to be learnt and remembered is clearly identified in each subject area.
- The standards of career education in our schools continues to improve following the requirements laid out by the Gatsby benchmarks.
- The Trust has introduced a comprehensive CPDL offer to all teaching staff which embodies the LLT culture and ethos, finding ways to address new issues and to do things differently to make continuous improvement. The rationale is research-rich and carefully interwoven between teams. Key leaders across all schools have collaborated to create the CPDL programme with a view to engage, enable and empower. The strategic intent for CPDL is based on the following:
 - To create a consistent pedagogical approach
 - To promote effective self-evaluation for sustained improvement
 - To support the development of collective CPDL and pastoral CPDL, subject leader CPDL and subject team CPDL.
 - This academic year (2021/22) will also see Lydiate Learning Trust develop an outward facing subject development programme in conjunction with AMP SCITT
- The School Improvement Executive continues to work across the schools supporting the core agenda to raise standards. Faculty reviews and deep dives have been led by this team, alongside practising Ofsted inspectors to ensure standards are at the highest level.
- AMP SCITT goes from strength to strength. In 2021 the SCITT acquired its own premises at Vortex House, Wavertree; developed a sub satellite centre in Manchester working with Ashton College; and introduced two hubs, one in Southport and one on the Wirral. The SCITT also successfully worked with another Trust to develop a bid to become a Teaching Hub and deliver the ITT strand.
- Several Trust leaders continue to work closely with the local research school and 2 from Childwall Sports & Science Academy were successful in securing positions as education leaders for the recent EEF roll out.
- Leaders of LLT continue to hold key positions in the local area in which they work e.g. Chair of Maghull & District Community of schools, Co-leader of the Local Initiative for multi-academy schools and Trusts.
- The approach to online remote learning is now fully embedded following the Trust remote learning policy and associated handbook and this will be further developed in 2021/2022.
- The Trust appraisal policy was further embedded in all schools with clear aspirational targets and close monitoring supported by excellent CPDL.

Operational Improvements 2020/21

- The electronic HR system that was launched in 2019/20 has been embedded across all schools and the Trust to allow ease of access to all personnel data.
- The re-branding which started in 2019/20, working with MaD (Media and Digital), a local branding agency, continued in 2020/21, and all Trust and school websites have been re-launched. The new uniform at CSSA was also launched in September 2021. Sixth form websites and the uniform at DHS will be a focus for 2021/22.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Impact of the COVID-19 pandemic

The COVID-19 pandemic has had a significant impact operationally, and this was successfully navigated by quickly adapting to remote learning in order to maximise continuity of learning for all students during lockdown and isolation periods. Swift action led to meal vouchers being delivered to the most vulnerable and wider safeguarding and attendance challenges brought on by Covid remain a challenge. Fortunately, the overall financial impact of the pandemic is not material.

The adverse financial impact of COVID-19 is evident in a reduction in catering income as well as higher costs for IT (to facilitate remote learning) and staffing (to provide cover for Covid-related staff absences). This has largely been offset by COVID-19 additional funding (as detailed in note 3 to the financial statements), which has been welcomed by the Trust.

There have been no changes in the application of accounting policies to the financial statements as a result of the COVID-19 pandemic, nor are there any impairments arising from it. As explained in note 1.2 to the financial statements, the Trustees have determined that COVID-19 does not impact on the Trust's ability to operate as a going concern.

Plans for Future Periods

- To implement a recovery programme that addresses the gaps created by the pandemic and to capitalise on new ways of working adopted throughout the pandemic.
- The Trust will continue to strive to improve the levels of performance of its students in all schools at all levels.
- The Trust will ensure a fully inclusive curriculum that caters for all students and incorporates blended remote learning.
- The Trust will continue to ensure the development of the SCITT and the trainee teachers studying in our SCITT.
- The Trust will further develop the comprehensive CPDL offer to be broadened and offered beyond the Trust.
- The Trust looks to expand and work with other like-minded schools with the same culture and both within and beyond the region.
- To ensure the Trust Strategic Plan is fully implemented.
- To enhance the excellent reputation of the Trust.
- To further promote the CPDL programme to ensure teaching and learning is outstanding.
- To ensure that high quality leaders continue to receive the high exceptional support they have become accustomed to.
- To continue to support the communities that the Trust schools serve through Lydiate Services Company, for example "Childwall in the Community" (CITC), which provides sports and activity provision.

Key Performance Indicators

Progress 8

The progress made by students across that Trust has increased by a full grade between 2019 and 2021 with the internally measured progress index for CSSA +0.62 and DHS +0.53 (Sisra Analytics).

English and Maths Attainment

LLT has worked across the Trust to develop the curriculums within the core subjects and invested in the staffing. In both centres there is greater staff stability. The impact of this focus can be seen in the increase at every key attainment measure between 2019 and 2021 of between 3% and 19% (nationally the pattern is 2.6% heavily skewed towards the higher ability increases at grade 7+).

% students attaining English and Maths at grade 5+:

CSSA increased from 23% to 32%

DHS increased from 42% to 60%

Achievement at grade 7+ has increased:

CSSA English 11%, Maths 10%

DHS English 30%, Maths 27%

LYDIATE LEARNING TRUST

Trustees' Report (continued)

EBACC

LLT is committed to offering the opportunity of following an EBACC route for all students. Entry levels have significantly increased with current year 11 having 70% entries at DHS and 30% at CSSA with the current year 10 following a similar trend with CSSA increasing their entry to 40%

Science

Science remained a focal area across the Trust with LLT brokering external support with specialist leaders for education who worked across Trust and supported both teams. In both centres the progress measure (Sisra Analytics) increased by half a grade on average delivering a positive progress measure in both centres.

Modern Foreign Languages

Lydiate Learning Trust empowers all students to study an additional language to open more doors in our international world. At both Deyes and Childwall the proportion of students choosing to study a modern foreign language continues to grow and this particularly evidenced at CSSA where the number of students studying Spanish has increased from one group to four full classes. Results are also strong with over 70% achieving a grade 5+ across the Trust and 38% achieving a grade 7+.

Technology

Lydiate Learning Trust is committed to offering a broad and balanced curriculum and students have experienced success on a variety of level 2 courses including:

- Catering (89% pass rate)
- Construction (95% pass rate)
- Engineering (86% pass rate)
- Product Design (90% achieve grade 5+)

Key Stage 5

Performance at both schools improved in 2021 with Deyes High School achieving an average grade B+ at A level and Childwall Sports and Science Academy achieving an average grade of B-. Applied General courses achieved an average grade of Distinction+ at Childwall Sports and Science Academy and an average grade of Distinction- at Deyes High School.

Following government legislation and guidance, exam grades were awarded based on teacher assessments. There was a rigorous and relentless quality assurance process which ensured that the teacher assessed grades achieved by students are valid, accurate and can be evidenced.

Going Concern

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

Promoting the success of the charitable company

The Directors of the charitable company have acted in accordance with their duties codified in law, in particular their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole, having regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

The Board of Directors is collectively responsible for managing the affairs of the charitable company to achieve its long-term prosperity by making important decisions, monitoring performance and establishing high standards of conduct. When making decisions the Board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, while acknowledging that a decision will not necessarily be favourable for all stakeholders.

Examples of how the Trust has engaged with its stakeholders, and had regard for employees, suppliers, customers and others in a business relationship with the Trust, are detailed in the Structure, Governance and Management section on pages 3 and 4.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Financial Review

Most of the Trust's income is obtained from the Department for Education via the Education & Skills Funding Agency in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Trust. The GAG received during the period covered by this report and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the Department of Education, in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned.

During the year ended 31st August 2021, total expenditure of £16,320,000 (2020: £18,087,000) was covered by grant funding from the Department of Education together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £28,000 (2020: £60,000).

At 31st August 2021 the net book value of fixed assets was £37,729,000 (2020: £38,505,000). Movements in tangible fixed assets are shown in Note 11 to the accounts. The assets were used exclusively for providing education and the associated support service to pupils of the Trust.

Reserves Policy

The trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's current level of revenue reserves (total reserves less the amounts held in fixed asset reserve and the pension fund reserve) is £700,000 (2020: £502,000).

The trustees aspire to maintain revenue reserves in the range of 3% to 5% of total income, in order to strike a balance between current spending and managing risk, to mitigate against the uncertainty of future funding, and to accommodate longer-term plans for capital investment and growth.

Whilst the revenue reserves held at 31st August 2021 is at the upper end of that range, the Trust has made a budget provision totalling £480,000 to support the newbuild programme at Deyes High School in the period 2021-2023 with regard to the provision of temporary accommodation and fixtures and fittings for the newbuild.

Investment Policy

The Trust investment policy is consistent with its Charitable Status. Investments must always be in accordance with written procedures adopted by the trustees and must always ensure that the maximum integrity of such investments. The priority for each school is to have cash invested in liquid investment products that bear no risk with its bankers.

Principal Risks and Uncertainties

The Board, governors and senior managers complete a regular review of the risks the individual school faces and the systems in place or that needed to be implemented, to mitigate against any of the risk the school faces. The Board now consider systems are in place to mitigate any of the risks identified. The trustees of the multi-academy trust conduct an annual review of the Trust risks and uncertainties.

The Corporate Risk Map Audit in place identified and reviewed the following risk areas:

- Safeguarding
- Reputational
- Physical
- Infrastructure
- Governance
- Staffing
- Students
- Financial
- Business continuity

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Each year an action plan is produced with each action assigned to an individual. The action plan is reviewed by the Board at each of their meetings.

In respect of financial risk, a system of sound financial management and internal control has been established. The appropriateness and integrity of this system is assessed and reported to the Board by the responsible officer and external auditor. The principal financial risk facing the Trust is a reduction in income resulting from a change in Government funding or a fall in student numbers. This risk is mitigated by regularly reviewing short and medium term financial forecasts in order to highlight and address financial 'pinch points', and by ensuring the delivery of high quality education to drive high demand for student places.

Employee Involvement

The Trust encourages the involvement of its employees in its management through regular meetings with employee representatives. The employee representatives have the responsibility for the dissemination of information of particular concern to employees, including financial and economic factors affecting the performance of the Trust, and for receiving their views on important matters of policy.

Equality and Disability Statement

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and the Trust will actively combat bigotry. We also actively combat any discrimination.

The Trust considers all applications from persons with a disability, bearing in mind the aptitudes of the individuals concerned. Where an existing employee has a disability every effort is made to ensure that reasonable adjustments are made. The Trust aims to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Auditor

RSM UK Audit LLP have indicated a willingness to continue in office.

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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 8th December 2021 and signed on the board's behalf by:



Mr John Graham
Chair
8th December 2021

LYDIATE LEARNING TRUST

Governance Statement

Scope of Responsibility

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

We have delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The CEO is also responsible for reporting to Directors at the earliest opportunity, any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Directors have held 13 full Board meetings during the year, including 7 extraordinary meetings. Attendance during the year was as follows:

Director		Meetings Attended	Out of a Possible
John Graham		12	13
Helen Heap		12	13
Graham Hewer		9	13
John Pearce	(resigned 1 st November 2020)	1	2
Ann Stahler		13	13
Hooshang Rahmani		12	13
Jane Morris	(appointed 7 th September 2020)	9	13
Jonathan Turner	(appointed 14 th December 2020)	8	8

The Finance and Resources Committee is a sub-committee of the main Board. The committee operates in accordance with written terms of reference approved by the Board.

The committee met 3 times during the year. The attendance during the year at meetings was as follows:

Director		Meetings Attended	Out of a Possible
John Graham		3	3
Helen Heap		3	3
Ann Stahler		3	3
Jane Morris	(appointed 7 th September 2020)	3	3

Review of Value for Money

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

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

- Renegotiating contracts when appropriate, the Trust uses consortia and its multi-academy trust status to obtain economies of scale where appropriate.
- The Trust explores every opportunity to generate income through hire of the school's facilities and applies for any appropriate additional grant funding that may be available.
- The remodelling of staffing structures in individual schools.

LYDIATE LEARNING TRUST

Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1st September 2020 to 31st 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget which is reviewed and agreed by the board of trustees
- periodic financial reports including updates on financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the board of trustees have appointed Moore and Smalley LLP, as internal auditor to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. These checks are carried out to a set schedule and reported through the Finance & Resources Committee.

The trustees confirm that the internal auditor has delivered their schedule of work as planned and has been delivered in line with the ESFA's requirements. The work focussed on sample testing of systems and processing of transactions.

Review of Effectiveness

As accounting officer, the CEO / Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the work of the managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

LYDIATE LEARNING TRUST

Governance Statement (continued)

Approved by order of the board of trustees on 8th December 2021 and signed on its behalf by:



John Graham
Chair of Trustees



Ann Stahler
Accounting Officer

LYDIATE LEARNING TRUST

Statement of Regularity, Propriety and Compliance

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

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

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



Ann Stahler
Accounting Officer
8th December 2021

LYDIATE LEARNING TRUST

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 8th December 2021 and signed on its behalf by:



John Graham
Chair of Trustees

LYDIATE LEARNING TRUST

Independent Auditors' Report to the Members of Lydiate Learning Trust (continued) For the year ended 31st August 2021

Opinion

We have audited the financial statements of Lydiate Learning Trust (the "parent charitable company") and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Trust Balance Sheets, the Group and Trust Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the group's 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 Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

LYDIATE LEARNING TRUST

Independent Auditors' Report to the Members of Lydiate Learning Trust (continued) For the year ended 31st August 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees Report have 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 set out on page 16, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

LYDIATE LEARNING TRUST

Independent Auditors' Report to the Members of Lydiate Learning Trust (continued) For the year ended 31st August 2021

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements 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.

KAREN MUSGRAVE (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date:

LYDIATE LEARNING TRUST

Consolidated Statement of Financial Activities For the year ended 31st August 2021 (including Income and Expenditure Account)

		2021	2021	2021		
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from :						
Donations and capital grants	2	-	-	39	39	55
Charitable activities:						
- Funding for the Trust's educational operations	3	-	15,092	-	15,092	14,825
Other trading activities	4	193	-	-	193	460
Investments	5	-	-	-	-	1
Total		193	15,092	39	15,324	15,341
Expenditure on :						
Raising funds	6	56	-	-	56	-
Charitable activities :						
- Academy trust educational operations	6,7	499	14,758	1,007	16,264	18,087
Total		555	14,758	1,007	16,320	18,087
Net income / (expenditure)		(362)	334	(968)	(996)	(2,746)
Transfers between funds		317	(518)	201	-	-
Other recognised gains and (losses)						
Remeasurement of net defined benefit obligations	22	-	104	-	104	(454)
Net movement in funds		(45)	(80)	(767)	(892)	(3,200)
Reconciliation of funds						
Total funds brought forward		79	(8,388)	38,544	30,235	33,435
Total funds carried forward		34	(8,468)	37,777	29,343	30,235

LYDIATE LEARNING TRUST

Balance Sheets
As at 31st August 2021

Company Number: 07732559

	Note	Group 2021 £000	Trust 2021 £000	Group 2020 £000	Trust 2020 £000
Fixed assets					
Tangible assets	11	37,729	37,729	38,505	38,505
Current assets					
Debtors	12	525	549	441	441
Cash at bank and in hand		1,936	1,936	1,549	1,549
		2,461	2,485	1,990	1,990
Current Liabilities					
Creditors: Amounts falling due within one year	13	(1,625)	(1,624)	(1,345)	(1,345)
Net current assets		836	861	645	645
Total assets less current liabilities		38,565	38,590	39,150	39,150
Creditors: Amounts falling due after more than one year	14	(88)	(88)	(104)	(104)
Net assets excluding pension liability		38,477	38,502	39,046	39,046
Defined benefit pension scheme liability	22	(9,134)	(9,134)	(8,811)	(8,811)
Total net assets		29,343	29,368	30,235	30,235
Funds of the Trust:					
Restricted funds					
- Restricted fixed asset fund	15	37,777	37,777	38,544	38,544
- Restricted general fund	15	666	666	423	423
- Pension reserve	15	(9,134)	(9,134)	(8,811)	(8,811)
Total restricted funds		29,309	29,309	30,156	30,156
Unrestricted income funds					
- Unrestricted general fund	15	59	59	79	79
- Funds retained with subsidiary	15	(25)	-	-	-
		34	59	79	79
Total funds		29,343	29,368	30,235	30,235

The financial statements on pages 20 to 40 were approved by the board of trustees, and authorised for issue on 8th December 2021 and are signed on their behalf by:



John Graham
Trustee

LYDIATE LEARNING TRUST

Consolidated Statement of Cash Flows For the year ended 31st August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	579	362
Cash flows from investing activities			
Dividend, interest and rents from investments		-	1
Purchase of tangible fixed assets		(231)	(1,071)
Capital grants from DfE/ESFA		39	55
		<u>(192)</u>	<u>(1,015)</u>
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>387</u>	<u>(653)</u>
Cash and cash equivalents at beginning of the year		1,549	2,202
Cash and cash equivalents at the end of the year		<u>1,936</u>	<u>1,549</u>

LYDIATE LEARNING TRUST

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

1. Statement of Accounting Policies

Lydiate Learning Trust (the 'Academy Trust') is a charitable company. The address of its principal place of business is provided on page 1 and the nature of its operations are set out in the trustees' report.

1.1. Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the function currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

1.2. Basis of Consolidation

The consolidated financial statements present the results of Lydiate Learning Trust and its subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

1.3. Going Concern

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

The trustees have reviewed the fund balances at 31st August 2021 and have approved budget and cash flow forecasts for 2021/22 and future years, and consider it appropriate for the financial statements to be drawn up on a going concern basis.

The COVID-19 pandemic has developed rapidly. The trustees have considered the consequences of COVID-19, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

At 31st August 2021 the Trust had net assets of £29,343,000 after providing for a defined benefit pension scheme deficit under FRS102 of £9,134,000. The Board have considered a period of at least 12 months from the date of approval of these financial statements and are satisfied that the Trust can continue to operate and meet its liabilities as they fall due. The pension scheme deficit is not expected to crystallise for the foreseeable future. Accordingly, the Board consider that it is appropriate to prepare the accounts on a going concern basis.

1.4. Income

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

LYDIATE LEARNING TRUST

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

▪ **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.

▪ **Grants (continued)**

Capital grants are recognised when there is entitlement when performance related conditions have been met 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.

▪ **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

▪ **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 Trust has provided the goods or services.

▪ **Donated Services and Gifts in Kind**

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

1.5. 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.

All resources expended are stated inclusive of any irrecoverable VAT.

▪ **Expenditure on Raising Funds**

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

LYDIATE LEARNING TRUST

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

▪ Charitable Activities

These are costs incurred on the academy Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the academy Trust apportioned to charitable activities.

1.6. Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold property	over the remaining lease term
Assets under construction	not depreciated until brought into use
Computer hardware	3 years
Furniture and equipment	8 years
Motor vehicles	4 years

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

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

1.7. Liabilities

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

1.8. Provisions

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

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

1.9. Leased Assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

LYDIATE LEARNING TRUST

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

1.10. Financial Instruments

The academy Trust has adopted Section 11 of FRS 102 in full in respect of financial instruments.

1.11. Investments

The Trust's shareholding in the wholly owned subsidiary, Lydiate Services Company Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.12. Financial Assets and Liabilities

Financial assets and financial liabilities are recognised when the academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

De-recognition of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.13. 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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14. Pension Benefits

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

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

LYDIATE LEARNING TRUST

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

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

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

1.15. Fund Accounting

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

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

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

1.16. 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.

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.

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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st 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.

2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	39	39	55
	-	39	39	55

The income from donations and capital grants in 2021 was £39,000 (2020: £55,000) of which £39,000 (2020: £55,000) was restricted fixed asset funds.

LYDIATE LEARNING TRUST

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

3. Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DfE / ESFA grants				
General annual grant (GAG)	-	12,693	12,693	12,147
Other DfE / ESFA grants				
Pupil Premium	-	574	574	688
Other	-	729	729	1,304
Other DfE group grants	-	676	676	556
	-	14,672	14,672	14,695
Other government grants				
Local authority grants	-	143	143	124
	-	143	143	124
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium	-	78	78	-
Other DfE / ESFA COVID-19 funding	-	82	82	6
	-	160	160	6
COVID-19 additional funding (non-DfE / ESFA)				
Coronavirus job retention scheme grant	-	46	46	-
Other non-DfE / ESFA COVID-19 funding	-	71	71	-
	-	117	117	-
	-	15,092	15,092	14,825

The income from the Trust's educational operations was £15,092,000 (2020: £14,825,000), all of which was restricted general funds.

Other DfE / ESFA grants totalling £729,000 consists of teachers' pay and pension grants; 16 to 19 bursary funding; and rates relief. Other DfE group grants totalling £676,000 relates to Teacher Training tuition fees paid by the Student Loans Company to AMP SCITT.

The Trust has received additional funding from government support schemes in response to the Coronavirus outbreak, as follows:

- The Trust received £157,000 of funding for catch-up premium, of which £78,000 is recognised in 2020/21 (corresponding to the total costs incurred in respect of this funding), with the remaining £79,000 carried forward to 2021/22.
- Other DfE / ESFA COVID-19 funding totalling £82,000 consists of funding for free school meal (FSM) vouchers (£13,000); Summer Schools programme (£60,000); and the academic mentors programme (£9,000), all of which has been spent in the year.
- The Trust furloughed some of its catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £46,000 relates to staff costs in respect of 28 staff which are included within note 8.
- Other non-DfE / ESFA COVID-19 funding totalling £71,000 relates to mass testing funding, all of which has been spent in the year.

4. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	8	-	8	32
Catering income	48	-	48	291
Other income	106	-	106	137
Lydiate Services Company - income from lettings	31	-	31	-
	193	-	193	460

The income from other trading activities was £193,000 (2020: £460,000) all of which was unrestricted funds.

LYDIATE LEARNING TRUST

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

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Bank interest received	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

The investment income was nil (2020: £1,000) all of which was unrestricted funds.

6. Expenditure

	Staff Costs £000	Non Pay Premises Expenditure £000	Other £000	Total 2021 £000	Total 2020 £000
Expenditure on raising funds	42	-	14	56	-
Trust's educational operations:					
- Direct costs	9,684	-	355	10,039	10,129
- Allocated support costs	2,682	1,662	1,881	6,225	7,958
	<u>12,408</u>	<u>1,662</u>	<u>2,250</u>	<u>16,320</u>	<u>18,087</u>

Total expenditure was £16,320,000 (2020: £18,087,000), of which £555,000 (2020: £536,000) was from unrestricted funds and £15,765,000 (2020: £14,810,000) was from restricted funds.

Net expenditure for the period includes:

	Total 2021 £000	Total 2020 £000
Operating lease rentals	23	23
Depreciation	1,007	1,031
Net interest on defined benefit pension liability (note 22)	154	137
Past service cost on defined benefit pension liability (note 22)	-	30
Fees payable to auditor for :		
- Audit	19	18
- Other services	1	1
Loss on disposal of fixed assets	-	1,710

In 2020, the loss on disposal of fixed assets related to the reduction in the value of fixed assets which arose as a result of reclamation of assets by the ESFA on the closure of Studio@Deyes.

Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

7. Charitable Activities

	Total 2021 £000	Total 2020 £000
Direct costs - educational operations	10,039	10,129
Support costs - educational operations	6,225	7,958
	<u>16,264</u>	<u>18,087</u>

LYDIATE LEARNING TRUST

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

Analysis of support costs

	Total 2021 £000	Total 2020 £000
Support staff costs	2,682	2,703
Depreciation	1,007	1,031
Technology costs	211	168
Premises costs	655	689
Other support costs	1,133	1,125
Governance costs	537	532
Loss on disposal of fixed assets	-	1,710
Total support costs	6,225	7,958

All support costs can be directly attributed to the fund to which they relate. No apportionment is needed.

Total support costs were £6,225,000 (2020: £7,958,000), of which £499,000 (2020: £536,000) was from unrestricted funds, £4,719,000 (2020: £4,681,000) was from restricted general funds, and £1,007,000 (2020: £2,741,000) was from restricted fixed asset funds.

8. Staff Costs

a. Staff costs during the period were:

	Group 2021 £000	Trust 2021 £000	Group 2020 £000	Trust 2020 £000
Wages and salaries	8,774	8,739	8,688	8,688
Social security costs	874	871	859	859
Pension costs	2,277	2,274	2,192	2,192
Apprenticeship levy	29	29	28	28
	11,954	11,913	11,767	11,767
Supply staff costs	454	454	560	560
Staff restructuring costs	-	-	89	89
	12,408	12,367	12,416	12,416
Staff restructuring costs comprise :				
Redundancy payments	-	-	53	53
Severance payments	-	-	36	36
	-	-	89	89

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling nil (2020: £36,391).

c. Staff numbers

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

	Group 2021 No.	Trust 2021 No.	Group 2020 No.	Trust 2020 No.
Teachers	138	138	143	143
Administration and support	173	172	186	186
Management	19	19	20	20
	330	329	349	349

LYDIATE LEARNING TRUST

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

d. 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	-
£70,001 - £80,000	5	2
£90,001 - £100,000	1	2
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1

The subsidiary did not employ any higher paid staff, therefore the Group and Trust position are the same.

e. Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1, in addition to other key management personnel. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £929,645 (2020: £877,880).

9. Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO / Executive Head Teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO / Executive Head Teacher and staff members under their contracts of employment, and not in respect of their role as trustees.

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

Ann Stahler (CEO / Executive Head Teacher, Lydiate Learning Trust)
Remuneration: £145,944 (2020: £141,017)
Employer's pension contributions: £34,559 (2020: £33,306)

During the period ended 31st August 2021, travel and subsistence expenses totalling £51 (2020: £367) were also incurred. This amounted to 2 different claims by trustees/governors.

Other related party transactions involving the trustees are set out in Note 23.

10. Trustees and Officers Insurance

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

LYDIATE LEARNING TRUST

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

11. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Assets Under Construction £000	2021 Total £000	2020 Total £000
Cost							
At 1 September 2020	44,869	2,199	1,020	42	-	48,130	49,227
Additions	29	18	184	-	-	231	1,071
Transfer	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(2,168)
At 31 August 2021	44,898	2,217	1,204	42	-	48,361	48,130
Depreciation							
At 1 September 2020	6,472	2,127	997	29	-	9,625	9,051
Charge in year	898	22	80	7	-	1,007	1,031
Disposals	-	-	-	-	-	-	(457)
At 31 August 2021	7,370	2,149	1,077	36	-	10,632	9,625
Net book values							
At 31 August 2020	38,397	72	23	13	-	38,505	40,176
At 31 August 2021	37,528	68	127	6	-	37,729	38,505

The subsidiary does not hold any tangible fixed assets, therefore the Group and Trust position are the same.

12. Debtors

	Group 2021 £000	Trust 2021 £000	Group 2020 £000	Trust 2020 £000
Trade debtors	36	33	76	76
VAT recoverable	94	94	48	48
Other debtors	6	6	1	1
Prepayments and accrued income	389	389	316	316
Amounts due from group undertakings	-	27	-	-
	525	549	441	441

13. Creditors: amounts falling due within one year

	Group 2021 £000	Trust 2021 £000	Group 2020 £000	Trust 2020 £000
Trade creditors	347	347	310	310
Other taxation and social security	207	207	203	203
Other creditors	364	364	358	358
Accruals and deferred income	707	706	474	474
	1,625	1,624	1,345	1,345

	Group 2021 £000	Trust 2021 £000	Group 2020 £000	Trust 2020 £000
Deferred income				
Deferred income at 1 September	119	119	104	104
Released from previous years	(119)	(119)	(104)	(104)
Resources deferred in the year	231	231	119	119
Deferred income at 31 August	231	231	119	119

Deferred income relates to funded income which has not been fully expended mainly in relation to sixth form bursary income, rates relief and Coronavirus exceptional support.

LYDIATE LEARNING TRUST

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

14. Creditors: amounts falling due in greater than one year

	Total 2021 £000	Total 2020 £000
Other creditors	88	104
	88	104

Included within Other Creditors are Salix loans of £103,568 (2020: £118,902) of which £15,336 (2020: £15,336) is payable within 1 year and included in Note 13). The loan repayments are payable every 6 months over an 8 year period with repayments commencing on completion of the funded project. Salix loans are unsecured and interest-free.

15. Funds

	Balance at 1 September 2020 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General annual grant	423	12,693	(11,932)	(518)	666
Other DfE / ESFA grants					
Pupil Premium	-	574	(574)	-	-
Other	-	729	(729)	-	-
Other DfE group grants	-	676	(676)	-	-
Other government grants	-	420	(420)	-	-
Pension reserve	(8,811)	-	(427)	104	(9,134)
	<u>(8,388)</u>	<u>15,092</u>	<u>(14,758)</u>	<u>(414)</u>	<u>(8,468)</u>
Restricted fixed asset funds					
Inherited funds	37,248	-	-	-	37,248
DfE/ESFA capital grants	1,094	39	(1,007)	-	126
Capital expenditure from GAG	202	-	-	201	403
	<u>38,544</u>	<u>39</u>	<u>(1,007)</u>	<u>201</u>	<u>37,777</u>
Total restricted funds	30,156	15,131	(15,765)	(213)	29,309
Unrestricted funds					
Unrestricted general funds	79	162	(499)	317	59
Lydiate Services Company	-	31	(56)	-	(25)
Total unrestricted funds	79	193	(555)	317	34
Total funds	30,235	15,324	(16,320)	104	29,343

LYDIATE LEARNING TRUST

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

	Balance at 1 September 2019 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General annual grant	-	12,147	(11,724)	-	423
Other DfE / ESFA grants					
Pupil Premium	-	688	(688)	-	-
Other	-	1,304	(1,304)	-	-
Other DfE group grants	-	556	(556)	-	-
Other government grants	-	130	(130)	-	-
Pension reserve	(7,949)	-	(408)	(454)	(8,811)
	<u>(7,949)</u>	<u>14,825</u>	<u>(14,810)</u>	<u>(454)</u>	<u>(8,388)</u>
Restricted fixed asset funds					
Inherited funds	37,248	-	-	-	37,248
DfE/ESFA capital grants	3,780	55	(2,741)	-	1,094
Capital expenditure from GAG	202	-	-	-	202
	<u>41,230</u>	<u>55</u>	<u>(2,741)</u>	<u>-</u>	<u>38,544</u>
Total restricted funds	33,281	14,880	(17,551)	(454)	30,156
Unrestricted funds					
Unrestricted funds	154	461	(536)	-	79
Total unrestricted funds	154	461	(536)	-	79
Total funds	33,435	15,341	(18,087)	(454)	30,235

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed assets fund

These grants relate to funding from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

Unrestricted funds

This fund primarily relates to income from lettings and teaching school income.

Total funds analysis by academy

Fund balances at 31st August 2021 were allocated as follows:

	Total 2021 £000	Total 2020 £000
Childwall Sports and Science Academy	950	741
Deyes High School	1,017	1,061
Accumulated losses on Studio @ Deyes at the point of closure	-	(1,300)
Trust Central Fund	(1,242)	-
Total before fixed assets and pension reserve	<u>725</u>	<u>502</u>
Restricted fixed asset fund	37,777	38,544
Pension reserve	(9,134)	(8,811)
Trust Total	29,368	30,235
Subsidiary	(25)	-
Group Total	29,343	30,235

LYDIATE LEARNING TRUST

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

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2021 £000	Total 2020 £000
Childwall Sports and Science Academy	3,908	1,078	505	646	6,137	5,535
Deyes High School	5,776	1,604	338	1,400	9,118	8,891
Studio@Deyes	-	-	-	2	2	2,630
Trust Total	9,684	2,682	843	2,048	15,257	17,056
Subsidiary	-	42	-	14	56	-
Group Total	9,684	2,724	843	2,062	15,313	17,056

16. Analysis of Net Assets between Funds

Fund balances at 31st August are represented by:

	2021 Unrestricted Funds £000	2021 Restricted General Funds £000	2021 Restricted Fixed Asset Funds £000	2021 Total Funds £000
Tangible fixed assets	-	-	37,729	37,729
Current assets	34	2,379	48	2,461
Current liabilities	-	(1,625)	-	(1,625)
Non-current liabilities	-	(88)	-	(88)
Pension scheme liability	-	(9,134)	-	(9,134)
Total net assets	34	(8,468)	37,777	29,343

	2020 Unrestricted Funds £000	2020 Restricted General Funds £000	2020 Restricted Fixed Asset Funds £000	2020 Total Funds £000
Tangible fixed assets	-	-	38,505	38,505
Current assets	79	1,872	39	1,990
Current liabilities	-	(1,345)	-	(1,345)
Non-current liabilities	-	(104)	-	(104)
Pension scheme liability	-	(8,811)	-	(8,811)
Total net assets	79	(8,388)	38,544	30,235

17. Capital Commitments

	Total 2021 £000	Total 2020 £000
Contracted for, but not provided in the financial statements	-	42
	-	42

LYDIATE LEARNING TRUST

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

18. Commitments under Operating Leases

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

	Total 2021 £000	Total 2020 £000
Amounts due within one year	17	13
Amounts due between one and five years	46	45
Amounts due after five years	-	-
	63	58

19. Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities

	Total 2021 £000	Total 2020 £000
Net (expenditure) for the reporting period (as per statement of financial activities)	(996)	(2,746)
Adjusted for :		
Capital grants from DfE and other capital income	(39)	(55)
Interest receivable (Note 5)	-	(1)
Defined benefit pension scheme cost less contributions payable (Note 22)	273	271
Defined benefit pension scheme finance cost (Note 22)	154	137
Depreciation (Note 11)	1,007	1,031
Loss on disposal of fixed assets	-	1,710
(Increase)/decrease in debtors	(84)	340
(Decrease) in creditors	264	(325)
Net cash provided by / (used in) operating activities	579	362

20. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	Acquisition/ disposal of subsidiaries £000	New finance leases £000	Other non- cash changes £000	At 31 August 2021 £000
Cash	1,549	387	-	-	-	1,936
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
	1,549	387	-	-	-	1,936
Loans falling due within one year	(15)	-	-	-	-	(15)
Loans falling due after more than one year	(104)	16	-	-	-	(88)
Finance lease obligations	-	-	-	-	-	-
Total	1,430	403	-	-	-	1,833

21. Members Liability

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

22. Pension and Similar Obligations

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

LYDIATE LEARNING TRUST

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

The employer's pension costs paid to TPS in the period amounted to £1,469,164 (2020: £1,453,660).

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

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2021 was £466,000 (2020: £569,000), of which employer's contributions totalled £344,000 (2020: £416,000) and employees' contributions totalled £122,000 (2020: £153,000). The agreed contribution rates for future years range from 13.6% to 20.4% for employers with employee contributions of 5.5% to 12.5%.

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 18th July 2013.

LYDIATE LEARNING TRUST

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Principal Actuarial Assumptions

	At 31/08/21	At 31/08/20
Rate of increase in salaries	4.2%	3.9%
Rate of increase for pensions in payment / inflation	2.8%	2.5%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.7%	2.4%

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

	At 31/08/21	At 31/08/20
<i>Retiring today</i>		
Males	21.0	20.9
Females	24.1	24.0
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	26.0	25.9

The academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equities	4,049	3,228
Government bonds	110	166
Other bonds	930	916
Property	749	598
Cash and other liquid assets	142	358
Other	1,899	1,366
Total market value of assets	7,879	6,632
Actual return on scheme assets	1,236	(40)

Amounts recognised in the statement of financial activities

	Total 2021 £000	Total 2020 £000
Current service cost	791	682
Net interest cost	154	137
Administration Expenses	10	8
Past Service Cost	-	30
Total amount recognised in the SOFA	955	857

LYDIATE LEARNING TRUST

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

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

	Total 2021 £000	Total 2020 £000
At 1 September	15,443	14,436
Current service cost	791	682
Interest cost	273	258
Employee contributions	121	103
Actuarial (gain) / loss	1,008	92
Benefits paid	(649)	(158)
Past service cost	-	30
Curtailments and settlements	(384)	-
Business combinations	410	-
At 31 August	17,013	15,443

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

	Total 2021 £000	Total 2020 £000
At 1 September	6,632	6,487
Interest income	119	121
Actuarial (loss) / gain	1,137	(362)
Employer contributions	528	449
Employee contributions	121	103
Benefits paid	(649)	(158)
Curtailments and settlements	(236)	-
Administration Expenses	(10)	(8)
Business combinations	237	-
At 31 August	7,879	6,632

23. Related Party Transactions

The Trust does not currently sponsor any other school. It does, however, lead a teacher training centre Associated Merseyside Partnership School Centred Initial Teacher Training (SCITT) working with Holy Rosary Teaching School.

Owing to the nature of the academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Patricia Graham (remuneration £31,685) is an employee and a relation of John Graham. Deborah Moss (remuneration £30,501) is an employee and a relation of Stephen Moss. Amounts outstanding at the end of the year were £nil.

24. Investments

The Trust has one wholly owned subsidiary, Lydiate Services Company Limited (company number 13304916, registered in England and Wales). The principal activity of the subsidiary is the operation of sports facilities. At 31st August 2021 this investment is recognised at the cost of £1 in the balance sheet of the Trust (2020: nil).

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

The trading results of the subsidiary were:

	Total 2021 £000	Total 2020 £000
Turnover	31	-
Cost of sales	4	-
Gross profit	27	-
Administrative expenses	51	-
Profit / (loss) on ordinary activities before taxation	(24)	-
Taxation	-	-
Profit / (loss) on ordinary activities after taxation	(24)	-

The assets and liabilities of the subsidiary were:

	Total 2021 £000	Total 2020 £000
Current assets	4	-
Creditors: amounts falling due within one year	(28)	-
Total assets less current liabilities	(24)	-

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Lydiate Learning 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.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trust. We are independent of Lydiate Learning Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Lydiate Learning Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Lydiate Learning Trust's funding agreement with the Secretary of State for Education dated 21 November 2014 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Lydiate Learning Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely

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to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Lydiate Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 22 April 2021. Our work has been undertaken so that we might state to Lydiate Learning Trust and the 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 Lydiate Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RSM UK AUDIT LLP
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE**

Date: