

Registrar

Company Registration Number: 10877352 (England & Wales)

Specialist Learning Trust
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2020

Specialist Learning Trust
(A company limited by guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2020

| | |
|-----------------|--|
| Members | Ms S Colquhoun Mrs V Hemmings Mrs M Paddon (resigned 7 October 2019) Dr Jean Kelly (appointed 7 October 2019) Mrs S McKale (appointed 7 October 2019) Mrs B Hart (appointed 1 September 2020) |
| Trustees | Ms S Colquhoun (Chair) Mrs T Gillen (Vice chair) Mrs B Hart* (Chair of Finance and Audit Committee) (resigned 31 August 2020) Mrs TJ Brodie* Mr G Parsons* Mr J Plummer Mrs M Farah (appointed 1 September 2019) Mrs S Martin (appointed 4 November 2019) |

* members of the Finance and Audit Committee

Company registered number 10877352 (England and Wales)

Principal and registered office Glebe School
Hawes Lane
West Wickham
Kent
BR4 9AE

Senior management team Mr I Travis, headteacher, CEO and Accounting Officer
Mr C Collins, Deputy Headteacher (retired 31 August 2020)
Mrs M Rodger-Weetman, Deputy Headteacher
Mr M Kitteridge, Assistant Headteacher (appointed 1 September 2019)
Mrs L Exford, Chief Financial Officer
Mrs Sara Wilcox, School Business Manager (appointed 6 January 2020)

Independent auditors UHY Kent LLP t/a UHY Hacker Young
Chartered Accountants,
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Bankers Lloyds Bank plc
6-8 Market Square
Bromley
Kent
BR1 1NA

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

Specialist Learning Trust
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Trustees' report
For the year ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the academy trust for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates one secondary special academy school in Bromley. Its school is undergoing a period of expansion with a pupil capacity of 246 and had a roll of 225 in the October 2019 school census. Pupil numbers are expected to increase to 238 in September 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Specialist Learning Trust are also the directors for the purposes of company law. The charitable company operates as the Specialist Learning Trust.

The trustees of the Specialist Learning Trust are also the directors for the purposes of company law. The academy trust is known as Specialist Learning Trust.

Under the terms of its Articles, the Academy Trust shall have the following trustees:

- Up to 12 trustees appointed by the members, including the chief executive officer providing that he agrees so to act;
- A minimum of two parent trustees;
- The academy trust may also have any co-opted trustee appointed by the trustees who have not themselves been so appointed;
- The total number of trustees, including the chief executive officer, who are employees of the academy trust shall not exceed one third of the total number of trustees.

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 academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust shall have the following trustees:

- Up to 12 trustees appointed by the members, including the chief executive officer providing that he agrees so to act;
- A minimum of two parent trustees;
- The academy trust may also have any co-opted trustee appointed by the trustees who have not themselves been so appointed;
- The total number of trustees, including the chief executive officer, who are employees of the academy trust shall not exceed one third of the total number of trustees.

The Trustees who were in office at 31 August 2020 and served throughout the period, except where shown, are listed on page 1.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their previous experience; however, an existing trustee is routinely allocated as a mentor for all new trustees to support and inform them in their new role. All new trustees are given a tour of the school site and the chance to meet with staff and students. Safeguarding and suitability checks are undertaken as a priority for all new trustees. They are provided with a copy of the Governance and Academy Financial Handbooks and relevant school policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. New trustees are invited to attend an induction course in the first term of their appointment and have access to a full programme of courses which they will choose to attend, based on their role and experience. All trustees are provided with gold subscription membership to the National Governors' Association and access to that provides an extensive range of resources to facilitate them in their role.

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Trustees' report
For the year ended 31 August 2020

Organisational structure

The organisational structure within the Academy consists of three levels: members, trustees and the senior leadership team, supported by a middle management team which includes heads of years and heads of departments. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Members of the trust conduct an “eyes on, hands off” role. They attend the annual general meeting each year to appoint new members and trustees and to review the work of the academy trust.

Trustees are responsible for setting general policy, approving the annual school development plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The headteacher of Glebe School undertakes the role of chief executive officer and accounting officer for the academy trust. The senior leadership team comprises the headteacher, two deputy headteachers, an assistant headteacher, the chief financial officer and school business manager. These managers control the academy at an executive level implementing the policies laid down by the board and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of spending up to a level delegated to them within agreed limits and for the appointment of staff. The appointment board for posts in the senior leadership team usually includes a trustee. The senior leadership team and the middle management team are responsible for the day to day operation of the academy, in particular organising the teaching and support staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1. No trustees receive any form of remuneration for undertaking their role. The academy has no staff trustees.

The Pay Policy for the trust follows the terms of the School Teachers' Pay and Conditions Document (STPCD) for teaching staff and the National Joint Council for Local Government Services (NJC) for support staff. The policy is reviewed annually by the board. The day to day implementation of the Pay Policy is delegated to the headteacher and monitored by the Finance and Audit Committee.

Remuneration for senior teaching management personnel is set within the leadership pay range for the school as calculated in accordance with the STPCD. The headteacher pay range for Glebe School is reviewed annually, particularly whilst the school is undergoing a period of expansion to ensure it remains relevant. Trustees appoint a Pay Committee to review the pay of the headteacher and invite an external professional advisor to assist them in the headteacher performance management process.

Remuneration for support staff members of the leadership team are set in accordance with the NJC terms and conditions of employment.

Pay levels for senior staff are set and checked by the use of benchmarking, market trends and advice on structuring of incentives to ensure staff remuneration is kept at an appropriate level. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board is always aware of the charitable status of the academy trust, recognising the commitments of the funding agreement with the Secretary of State for Education. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 11(d).

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

| Number of employees who were relevant union official during the relevant period | Full-time equivalent employee number |
|---|--------------------------------------|
| 1 | 0.8 |

Percentage of time spent on facility time

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

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Trustees' report
For the year ended 31 August 2020

Percentage of pay bill spent on facility time

| | |
|--|------------|
| Provide the total cost of facility time | £733.94 |
| Provide the total pay bill | £3,381,476 |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100 | 0.02% |

Related Parties and other Connected Charities and Organisations

Glebe School is currently the only school operating with the Trust. There are no related party transactions to report within the period.

There are no connected PTA or separate voluntary funds.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Objects and Aims

The Specialist Learning Trust currently supports one school, Glebe School, which is a secondary special school for students aged 11-19. Our students have educational, health and care (EHC) plans with many diverse needs. The Trust's current objectives are to advance education for the public benefit, by establishing, maintaining and developing schools specially organised to make special educational provision for children and young people with special educational need.

Objectives, Strategies and Activities

The school objectives for the 2019-20 academic year was to ensure that the school curriculum was reviewed, reformed and updated to better suit all of our pupils in light of a continually changing pupil demographic. Specifically, our focus is to:

- Expand the physical area of our vulnerable provision area
- Support the local authority's educational strategy wherever possible
- Increase staffing capacity within our vulnerable provision
- Ensure more pupils are entered for GCSEs / Level 1 courses
- Restructure the school day allowing for more curriculum time
- Continue to build links with college providers and those that offer alternative curriculums
- Narrow the gender gap: Ensure curriculum and wider curriculum provides more opportunities for girls
- Keep extending the school's wider curriculum - mentoring programme to support with pupils wellbeing

Furthermore, the Trust is keen to maintain and develop strong partnership links in order to develop teaching and leadership capacity whilst staying informed and at the forefront of the very best in SEN pedagogy. Our aim is to:

- Expand our school to school partnership programme to over 20 schools
- Attract more mainstream schools to take part in moderation and training events
- Work closely with partner teaching schools to support our own teacher development with identified courses
- Work with challenge partners for a bespoke curriculum subjects review
- Re-apply for Investors in People kitemark
- Strengthen trustee capacity and skill-set

Public Benefit

The Specialist Learning Trust is an academy converter catering for students with special education need aged 11 to 19. The Trust strives to promote and support the advancement of education for students within Bromley and across neighbouring boroughs. Glebe School continues to support teaching and learning across a growing number of schools through a published programme of moderation, support and planning meetings through the Specialist Learning Partnership, a group of up to twenty schools working to innovate new approaches to support students with EHCP's across all the schools and to further develop school improvement strategies.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. The school has for a number of years supported a theatre school on Saturdays which is open to children from the wider community. The training helps children's self-confidence and provides a great way to help them discover new ways of expressing themselves and making new friends.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

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STRATEGIC REPORT

Achievement and Performance

Students at Glebe School have outstanding outcomes when considered alongside their starting points. KS4 outcomes are exceptionally good and compare favourably with similar schools. Our attainment 8 score reflects the wide range of KS4 accredited examinations on offer and the success of the students from their starting points. The progress students make is outstanding and Glebe is in the top 10% of special schools for its Progress 8 score according to the Government's school's comparisons website. All students are baselined for attainment on entering the school in Y7 and their prior attainment is generally very significantly below the threshold for low prior attainment, particularly for girls. The trend over the last year has been for all examination courses to become markedly more challenging, particularly with respect to the introduction of courses that are assessed through terminal exam. Despite this, examination outcomes are improving with this year's results being the highest in the school's history.

- Outstanding Ofsted and Challenge Partner reviews
- Despite their lower starting points, girl's exam outcomes outperformed the boys. Girls left with 10.7 qualifications compared to boys' average of 10.5
- Attainment 8 score compares highly favourably with similar schools
- Overall, 93% of students improved their reading age 100% of all students made expected, or better, progress overall last year
- All LAC students making expected or better than expected progress
- Little difference between PP and non PP pupils
- Students made excellent progress overall with their social skills, emotional well-being, creativity and problem solving, and communication
- Students are highly independent when compared to their starting points
- Destinations for students are tracked and monitored and currently 100% of leavers 2020 are in FE

Overall GCSE Results:

| Total Passes 9-1 (A-G) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | % increase |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| English | 15 | 10 | 9 | 11 | 8 | 9 | 10 | 16 | 60 |
| Maths | 15 | 4 | 3 | 8 | 10 | 10 | 12 | 15 | 25 |
| Science | 17 | 18 | 14 | 23 | 19 | 17* | 28* | *46 | 64.3 |
| Total | 47 | 32 | 26 | 42 | 37 | 36 | 61 | 77 | |

* Double Science awards+Bio+Astro

| Year 11 | Number Candidates | Total passes A* - G (Eng+Maths+ Sci) | Average per Candidate | Total passes A* - G (All GCSE+ Equiv) | Average per Candidate |
|---------|-------------------|--------------------------------------|-----------------------|---------------------------------------|-----------------------|
| 2013 | 26 | 47 | 1.8 | 141 | 5.4 |
| 2014 | 23 | 32 | 1.4 | 101.5 | 4.4 |
| 2015 | 24 | 26 | 1.1 | 76 | 3.2 |
| 2016 | 26 | 42 | 1.6 | 141 | 5.4 |
| 2017 | 26 | 37 | 1.4 | 134 | 5.2 |
| 2018 | 25 | 36 | 1.4 | 117 | 4.7 |
| 2019 | 36 | 61 | 1.7 | 172 | 4.8 |
| 2020 | 38 | 77 | 2.2 | 221 | 5.8 |

Entry Level Certificate (ELC) Results

| Entry Level | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|------|------|------|------|------|------|------|------|
| Level 1 | 17 | 13 | 26 | 30 | 35 | 18 | 22 | 16 |
| Level 2 | 61 | 45 | 45 | 46 | 62 | 51 | 111 | 120 |
| Level 3 | 113 | 108 | 87 | 73 | 45 | 45 | 62 | 48 |
| Total | 191 | 166 | 158 | 149 | 142 | 114 | 195 | 186 |
| Number of Candidates | 26 | 23 | 24 | 26 | 26 | 25 | 36 | 38 |
| Average/Candidate | 7.3 | 7.2 | 6.6 | 5.7 | 5.5 | 4.6 | 5.4 | 4.9 |

Progress 8 Measure

| | |
|------|---------|
| 2016 | -1.19 |
| 2017 | -1.10 |
| 2018 | -1.2 |
| 2019 | -1.7 |
| 2020 | PENDING |

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Pupil Premium

| GCSE | OTHER EQUIVALENT EXAMS | ENTRY LEVEL CERTIFICATE |
|---|---|---|
| <ul style="list-style-type: none"> • 56 Entries • 88% Achieved at least 1 GCSE or more. • 11% achieved 1 • 16% achieved 2 • 11% achieved 3 • 28% achieved 4 • 11% achieved 5 • 11% achieved 6 | <ul style="list-style-type: none"> • 44 Entries • 98% Pass rate or higher • 64% achieved a Pass • 11% achieved a Merit • 9% achieved a Distinction | <ul style="list-style-type: none"> • 85 Entries • 100% pass rate • 21% Level 3 • 68% Level 2 • 11% Level 1 |

Key Performance Indicators

| Key Financial Performance Indicators | 2017-18 | 2018-19 | 2019-20 |
|--|------------|------------|------------|
| Student Numbers (Years 7-14) as at 31 st August | 195 | 215 | 225 |
| Total Staff Costs (prior to LGPS FRS 102 charges) | £2,829,007 | £3,137,752 | £3,416,809 |
| Total Staff Costs to ESFA/LA Revenue Income (%) | 78% | 80% | 79.5% |
| Total Staff Costs to Total Income (%) | 73% | 78% | 78.8% |
| Total Staff Costs as Proportion of Total Expense (%) | 83% | 83% | 83% |
| Average number of FTE Teaching Staff | 28.27 | 29.87 | 32.43 |
| Average number of FTE Support Staff | 38.66 | 41.85 | 41.03 |
| Total Full Time Equivalent staff | 66.93 | 71.72 | 73.46 |
| Average Teacher Cost (inc. employee on-costs) | £58,508 | £60,306 | £63,536 |
| Proportion of budget spent on the Leadership team (%) | 7% | 5% | 8.7% |
| Spend per student for non-pay expenditure lines | £3,059 | £3,076 | £3,092 |
| Student Teacher Ratio (Exc. Leadership Team) | 7.7 | 7.9 | 7.7 |

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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.

Financial review

Most of the trust's recurrent income is received in the form of grants from the Education and Skills Funding Agency ("ESFA"), the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Total income for the year, as shown by the SoFA, amounted to £4.36m, an increase on the £4.05m in the prior year. The increase is mainly due to additional local authority funding as a result of increased student numbers.

The SoFA shows total expenditure for the year of £4.51m, leaving a net expenditure before other recognised gains/(losses) of £150k. The overall net movement in funds is an increase of £601k, as a result of an actuarial gain of £751k relating to the Local Government Pension Scheme (LGPS). This actuarial gain forms part of the movement in the LGPS deficit carried on the trust's Balance Sheet. A further £221k of non-actuarial pension charges are included within expenditure (staff costs).

The pension movements are one element that make reading the financial statements and understanding the underlying financial performance of the trust and its academies difficult. The restricted fixed asset fund is another such element and has little bearing on the day-to-day educational activities. Income for the year within this fund reflects the value of school land, buildings and other fixed assets transferred into the trust in relation to joining academies, plus capital grants used to improve the academies' buildings and to buy equipment used across the trust. Expenses charged to the fixed asset fund are largely non-cash depreciation charges which write off the cost of these assets over their useful lives.

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The movement on revenue income funds during the year, after excluding movements on tangible fixed assets and the LGPS defined benefit pension, was an increase of £223k (2019: £164k), as reconciled from the SoFA below. The result prior to revenue to capital transfer is also stated:

| | 2020 (£000s) | 2019 (£000s) |
|---|--------------|--------------|
| Overall net movement in funds for the year per SOFA | 601 | (932) |
| Decrease attributable to fixed asset fund | 152 | 118 |
| LGPS actuarial (gain)/loss | (751) | 738 |
| LGPS service and interest costs | 221 | 240 |
| Movement on revenue income funds | 223 | 164 |
| Add: Transfers from revenue to capital to fund fixed asset additions | 49 | 35 |
| Operational surplus on revenue funds before transfers to capital | 272 | 199 |

At 31 August 2020, the net book value of fixed assets was £16.2m and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academies, the only exceptions to this being letting of the premises to local community groups and other affiliated organisations.

Financial position

The academy trust held fund balances at 31 August 2020 of £15.5m (2019: £14.9m). These funds included restricted fixed asset funds of £16.2m (2019: £16.4m) and revenue reserves of £817k (2019: £590k) split across restricted and unrestricted funds as shown in note 18.

The only fund in deficit was the LGPS pension reserve of £1.557m (2019: £2.087m). The deficit is not a concern and does not mean that an immediate liability crystallises. It can be described as an accounting deficit which has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions. These contribution rates are reviewed every three years in consultation with the scheme's administrators, and current employer contributions due by the academy trust are fixed until 1 April 2023. Further details explaining the pension deficit and movement on this during the year are provided in note 25.

Reserves Policy

The trustees review the reserve levels of the trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will usually only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of revenue reserves should be between 6-10 % of income (excluding bursary funds), amounting to approximately £430k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with planned capital expenditure and unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trust had sufficient reserves as at 31 August 2020 to meet this target. Most of the restricted funds relate to core General Annual Grant funding which will be used for the main educational operations. Due to the lockdown restrictions placed on the school over the spring and summer terms of this financial year, the financial plans could not be fully implemented resulting in an increase in surplus at year end. Those plans will be given priority in 2020-21 to ensure that the developments planned are delivered to benefit the students as soon as possible.

The trustees will continue to monitor the level of reserves to ensure that they are maintained at the required level.

Investment Policy

The Specialist Learning Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow. Good financial returns mean that more money can be spent on educating pupils. The main aims are:

- to ensure adequate cash balances are maintained in the school current accounts to cover day to day working requirements;
- to ensure there is no risk of loss in capital value of any cash funds invested; and
- to protect the capital value of any invested funds against inflation.

Currently the Trustees only give approval for the school to place surplus funds on 32-day deposit with its principal bankers.

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Trustees' report
For the year ended 31 August 2020

Principal Risks and Uncertainties

The trust has in place a Risk Management Policy and a comprehensive risk register, which is reviewed termly by the Board. This ensures that trustees remain focused on principal risks and uncertainties that the Trust is exposed to, and that steps are taken to mitigate against those risks. This is done through the work of the Finance and Audit Committee that ensures there are robust systems in place, including operational procedures and internal financial controls to minimise risk. The committee has identified the key risks faced by the trust in the current period as:

- An Ofsted inspection at a time of change in key leadership personnel;
- Dealing with a major pandemic in the form of Covid-19;
- Identifying potential new trustees and members with the relevant business acumen that will be required by the board to further develop the trust;
- The uncertainties that creation of a new special school run by another Bromley school within the Hawes Down Centre will bring.

Some significant risks such as public and employer liability are covered by the Trust's insurance policy.

FUNDRAISING

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by trustees.

PLANS FOR FUTURE PERIODS

The overriding school objective for the 2020-21 academic year is to embed a robust curriculum catch-up programme to ensure that pupils are not left disadvantaged due to time lost out of school from the Covid-19 pandemic. The Trust is committed to ensuring that most pupils will still make their expected progress and leave with attainment scores and qualifications as in previous years. Specifically, the leadership team of Glebe School will ensure that:

- The school day is restructured to allow for more curriculum catch-up time
- Embedding a learning provision beyond the school day for core subjects and other GCSEs
- Increased amount of reading time every day for all pupils
- Additional staffing to provide tutoring for year 11 pupils
- Mentoring programme to support with pupils' wellbeing
- Continue to lead the school to school partnership programme

In addition to this, the Trust is committed to maintaining and building on its outstanding status through:

- Applying to become a national Behaviour Hub School
- Supporting parents and the community and look for recognition of this through the parental engagement award
- Restarting our school to school partnership through a virtual platform with moderation, curriculum and leadership events
- Researching feasibility of a free school application

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS


The academy trust distributes 16-19 bursary funds to the students as an agent for the ESFA. Details, including any amounts not dispersed by the financial year end, are disclosed in note 29 to the financial statements.

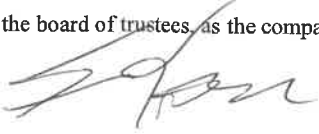
AUDITORS

In so far as the trustees are aware:

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

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


Ms S Colquhoun
Chair of Trustees


Mr I Travis
Headteacher and Accounting Officer

Date: 2 December 2020

Specialist Learning Trust

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Governance Statement

For the Year Ended 31 August 2020

Scope of Responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the headteacher 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 Specialist Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------------------------|-------------------|-------------------|
| S Colquhoun (Chair) | 5 | 5 |
| T-J Brodie | 5 | 5 |
| M Farah (appointed 1 September 2019) | 4 | 5 |
| T Gillen | 4 | 5 |
| B Hart (resigned 31 August 2020) | 5 | 5 |
| S Martin (appointed 4 November 2019) | 4 | 4 |
| G Parsons | 5 | 5 |
| J Plummer | 5 | 5 |

Two new parent trustees, Mona Farah (appointed in September) and Shamila Martin (appointed in November) were welcomed to the Board in the autumn term. Later in the year in June 2020, after 15 years of dedicated service in a number of roles, Barbara Hart tendered her resignation to stand down as chair of the Finance and Audit Committee from 31 August 2020; however, she agreed to be nominated as a member from September 2020 and was successfully appointed, so that there are now five members. This meant that the position of chair of the Finance and Audit Committee became vacant and it was agreed that Tara Jane Brodie be nominated as the new Chair to assume responsibility from September 2020.

With regard to succession planning, the chair indicated that her term of office would end on 31 August 2021 and it was agreed that Geoff Parsons would be nominated as vice chair to shadow the chair. This appointment was confirmed at the first board meeting of the new year in September 2020.

In 2019 the headteacher designed the terms of reference for two new committees which had arisen out of the skills audit conducted after the school became an academy, namely the Curriculum and Attainment and the Safeguarding and Wellbeing Committees. Trustees met and visited the school so that they could understand and evaluate how these different areas were operating. A number of successful visits had taken place and minutes of these meetings were recorded and shared at board meetings.

The effectiveness of the first visits were highly successful and this was clearly confirmed in November 2019 after a visit from Ofsted, both in terms of the Curriculum Committee which was able to draw upon its knowledge of how the curriculum was appropriately geared towards the particular needs of students as well as the Safeguarding Committee, which in its verbal feedback to the senior leadership team and a group of trustees, the chief inspector noted that Safeguarding was 'robust', securing a fourth successive grade of "Outstanding". Further confirmation of effectiveness was also demonstrated in January, following an extremely successful Challenge Partnership Review in January 2020.

The headteacher, the chief financial officer and the chair of trustees, visited the South East Regional Commissioner's office in December 2019 for a meeting with Dominic Riddex. The Specialist Learning Trust was praised for "its holistic approach to school improvement and strong vocational offer, in addition to our effective use of external expertise and our strong financial position."

In terms of challenges, there is one which makes any others seem insignificant and that was the devastating arrival of coronavirus. As a special secondary school, Glebe School remained open throughout the lockdown period to provide support for our vulnerable students and those of key worker parents. The Board quickly adapted to the restrictions imposed and although the March board meeting was postponed for a short while, all meetings continued as planned in the form of online virtual meetings which allowed Trustees to maintain the same level of oversight as before.

Specialist Learning Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2020

Governance - continued

Trustees were called to attend a further extraordinary meeting, to examine and approve a very thorough and detailed risk assessment to ensure the school provided a safe place of education during the pandemic so that the board could raise any issues of concern before approving it. For additional confirmation and reassurance, it was also shared with Bromley LA and ultimately approved by all. In addition to providing lessons in school for vulnerable students and those from key worker families, all staff were involved in planning online virtual lessons providing lesson plans and resources such as laptops as well as regular contact with parents and students in supporting their learning and beyond that in terms of their personal issues of anxiety, safeguarding and wellbeing for particularly vulnerable students as well as their families, for example, by providing and delivering food hampers.

The headteacher provides detailed termly reports informing the board on pupil attainment, safeguarding and cross school activities providing opportunities for further challenge by trustees at meetings and when visiting the school, ensuring triangulation of written reports and minutes through verbal discourse. Financial information is shared with the Accounting Officer, Chair of the Board and the Finance and Audit Committee on a monthly basis, which is analysed in detail at half termly committee meetings and more widely with all trustees at termly Board meetings when the Chair of the committees provide their reports.

Governance reviews

Following the retirement of the previous headteacher, the priorities driving the Trustees in 2018/19 were to focus on the recruitment of deputy head and headteacher, leading to the successful appointment of the current headteacher and deputy headteacher, both of whom took up their posts in January 2019. After the successful appointment of these positions, the opportunities for committees and school visits was introduced and, as new trustees joined the Board, further skills audits were conducted and analysed. Toward the end of the first year of the appointment of the new headteacher Ofsted visited the school in November 2019 securing a further grade of outstanding, which confirmed the ongoing strengths and qualities of both of this appointment as well as all staff and students.

This year, starting from January 2020, the intention was to commence a further skills audit of all trustees in order to develop a new plan of action to take forward throughout this academic year and preceding this, the Chair attended various training events, including Effective Governing Board Self-Evaluation in order to begin this process. These plans however, were superseded by the arrival of the Coronavirus, including detailed government legislation and documentation of requirements for schools and in keeping staff and students safe, but as things begin to take shape, it should now be possible to put these evaluations into place in order to develop an updated plan of action. The overriding rationale behind this will be for us to respond to the devastating effects of Covid 19 and to ensure the mental and psychological effects of the virus on the health and wellbeing of all students and staff, including the trustees.

As a small academy trust the full board routinely schedules three termly meetings with additional extraordinary meetings called when required to discuss urgent topics such as the risk assessment review for the actions required surrounding the Coronavirus outbreak. The Board is well supported by the work of sub-committees, including that of the Finance and Audit Committee which meets six times a year. The committee's function includes the remit of the audit committee, whose actions are clearly reported within the agenda and minutes. The full remit of the committee can be seen within the terms of reference on the school website.

Attendance at meetings of the Finance and Audit Committee in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| T-J Brodie | 5 | 6 |
| B Hart (Chair) (Resigned 31 August 2020) | 6 | 6 |
| V Hemmings | 5 | 6 |
| G Parsons | 6 | 6 |

Review of value for money

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

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

- creating a new role and appointing a school business manager who, amongst other duties, takes control of the premises and IT network, securing best value for contracts and use of school equipment and facilities.
- appointment of a new term time only IT technician to replace the full time network manager post.
- appointment of a new term time only finance and HR officer to replace a full time finance manager post.

Specialist Learning Trust
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Governance Statement
For the Year Ended 31 August 2020

Review of value for money - continued

- refurbishment and upgrade of spaces within the school buildings to create new teaching spaces for the increased number of students able to attend the school, assisting Bromley with placement of students with special needs in Bromley.
- Investigation of further condition improvement funding bids for safeguarding improvements around the school site.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees bought in an internal audit service from UHY Hacker Young in 2019-20; however, the revised FRC Ethical standard for auditors states that a firm providing external audit to an entity shall not also provide internal audit services to it, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. In view of these new arrangements the trust has tendered for a new internal audit service to be delivered from September 2020 by McCabe Ford Williams LLP with the expectation that UHY Hacker Young will continue to provide external audit services.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of month end controls and reporting; and
- a review of governance procedures across the trust.

On a termly basis, the auditor reports to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and it is pleasing to report that no material control issues have been identified arising as a result of their work.

Specialist Learning Trust
(A company limited by guarantee)

Governance Statement
For the Year Ended 31 August 2020

Review of Effectiveness

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

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

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

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



Ms S Colquhoun
Chair of Trustees



Mr I Travis
Accounting Officer

Date: 2 December 2020

Specialist Learning Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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



I. Travis
Accounting Officer

Date: 2 December 2020

Specialist Learning Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2020

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

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


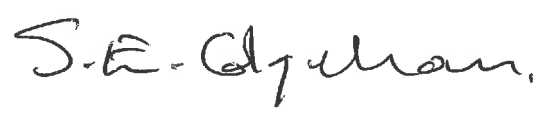
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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

S. Colquhoun
Chair of Trustees

Date: 2 December 2020

Specialist Learning Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Specialist Learning Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Specialist Learning Trust
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of Specialist Learning Trust (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 14 December 2020

Specialist Learning Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Specialist Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 26 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Specialist Learning Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Specialist Learning Trust's funding agreement with the Secretary of State for Education dated 21 July 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Specialist Learning Trust for the year ended 31 August 2020 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Specialist Learning Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Specialist Learning Trust and the Education & Skills Funding Agency (continued)

Conclusion

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

UHY Kent LLP

UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *14 December 2020*

Specialist Learning Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | As restated Total funds 2019 £ |
|---|------|---------------------------------|-------------------------------|--|-----------------------------|--|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 1,755 | - | 21,874 | 23,629 | 55,723 |
| Funding for the Academy Trust's educational operations | 4 | 23,827 | 4,300,540 | - | 4,324,367 | 3,939,284 |
| Other trading activities | 5 | 10,385 | - | - | 10,385 | 55,511 |
| Investments | 6 | 2,207 | - | - | 2,207 | 1,892 |
| Total income | | 38,174 | 4,300,540 | 21,874 | 4,360,588 | 4,052,410 |
| Expenditure on: | | | | | | |
| Charitable activities | 8 | 35,414 | 4,251,701 | 223,469 | 4,510,584 | 4,247,066 |
| Total expenditure | | 35,414 | 4,251,701 | 223,469 | 4,510,584 | 4,247,066 |
| Net income/(expenditure) | | 2,760 | 48,839 | (201,595) | (149,996) | (194,656) |
| Transfers between funds | 18 | - | (49,285) | 49,285 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 2,760 | (446) | (152,310) | (149,996) | (194,656) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 751,000 | - | 751,000 | (738,000) |
| Net movement in funds | | 2,760 | 750,554 | (152,310) | 601,004 | (932,656) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 157,482 | (1,654,076) | 16,375,034 | 14,878,440 | 15,811,096 |
| Net movement in funds | | 2,760 | 750,554 | (152,310) | 601,004 | (932,656) |
| Total funds carried forward | 18 | 160,242 | (903,522) | 16,222,724 | 15,479,444 | 14,878,440 |

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

The notes on pages 22 to 43 form part of these financial statements.

Specialist Learning Trust
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Registered number: 10877352

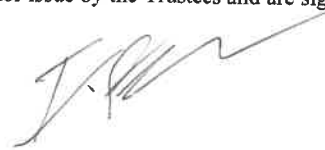
Balance sheet
As at 31 August 2020

| | Note | 2020 £ | <i>As restated 2019 £</i> |
|--|------|--------------------------|-----------------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 16,221,036 | 16,368,774 |
| Current assets | | | |
| Debtors | 15 | 92,830 | 107,996 |
| Cash at bank and in hand | | 914,965 | 814,071 |
| | | <u>1,007,795</u> | <u>922,067</u> |
| Creditors: amounts falling due within one year | 16 | (192,387) | (325,401) |
| Net current assets | | <u>815,408</u> | <u>596,666</u> |
| Net assets excluding pension liability | | <u>17,036,444</u> | <u>16,965,440</u> |
| Defined benefit pension scheme liability | 25 | (1,557,000) | (2,087,000) |
| Total net assets | | <u><u>15,479,444</u></u> | <u><u>14,878,440</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 16,222,724 | 16,375,034 |
| Restricted income funds | 18 | 653,478 | 432,924 |
| | | <u>16,876,202</u> | <u>16,807,958</u> |
| Restricted funds excluding pension asset | 18 | 16,876,202 | 16,807,958 |
| Pension reserve | 18 | (1,557,000) | (2,087,000) |
| Total restricted funds | 18 | <u>15,319,202</u> | <u>14,720,958</u> |
| Unrestricted income funds | 18 | 160,242 | 157,482 |
| Total funds | | <u><u>15,479,444</u></u> | <u><u>14,878,440</u></u> |

The financial statements on pages 19 to 43 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



S. Colquhoun
Chair of Trustees



I. Travis
Accounting Officer

Date: 2 December 2020

The notes on pages 22 to 43 form part of these financial statements.

Specialist Learning Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2020

| | Note | 2020 £ | <i>As restated</i> <i>2019</i> £ |
|---|-------------|-------------------------|---|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 156,283 | 250,672 |
| Cash flows from investing activities | 22 | (51,650) | (294,979) |
| Cash flows from financing activities | 21 | (3,739) | (3,739) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 100,894 | (48,046) |
| Cash and cash equivalents at the beginning of the year | | 814,071 | 862,117 |
| Cash and cash equivalents at the end of the year | 23, 24 | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 22 to 43 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Specialist Learning Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

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Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 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.

1.7 Tangible fixed assets

Assets costing £2,500 or more and any cumulative bulk purchases on one order exceeding £5,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

| | |
|-------------------------|-----------------------|
| Freehold property | - 2% straight line |
| Furniture and equipment | - 10% straight line |
| Computer equipment | - 25% straight line |
| Motor vehicles | - 12.5% straight line |

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

Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy Trust. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.13 Operating leases

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

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Notes to the financial statements
For the year ended 31 August 2020

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use a percentage of the allocation towards its own administration costs, however chooses not to do so. The funds received and paid and any balances held are disclosed in note 29.

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

There have been some specific issues which have been considered regarding the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material. This was reflected in the prior year as a past service cost, within staff costs, and detailed in note 21, of £136,000.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published.

(2) Goodwin case. Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

Briefing notes provided by the actuary have indicated they expect the impact will be minimal for LGPS funds.

(3) Guaranteed Minimum Pension (GMP). On 22 January 2018, the Government published the outcome to its Indexation and equalisation of GMP in public service pension schemes consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Briefing notes provided by the actuary have indicated they do not expect to make any adjustments to the value placed on the liabilities as a result of the above outcome.

(4) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced which has resulted in a higher value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(5) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 21. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions have been updated in line with those adopted for the Fund's 2019 actuarial valuation which anticipates a reduction in projected life expectancies. The lower life expectancy assumptions result in a lower value being placed on the defined benefit obligation. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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Notes to the financial statements
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3. Income from donations and capital grants

| | Unrestricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|------------------------------------|---|-----------------------------|-----------------------------|
| Donations | 1,755 | - | 1,755 | 1,067 |
| Capital grants | - | 21,874 | 21,874 | 54,656 |
| | <u>1,755</u> | <u>21,874</u> | <u>23,629</u> | <u>55,723</u> |
| <i>Analysis of 2019 total by fund</i> | <u>1,067</u> | <u>54,656</u> | <u>55,723</u> | |

4. Funding for the Academy Trust's educational operations

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 2,150,000 | 2,150,000 | 2,050,000 |
| Other DfE/ESFA Grants | - | 111,306 | 111,306 | 101,738 |
| | <u>-</u> | <u>2,261,306</u> | <u>2,261,306</u> | <u>2,151,738</u> |
| Other government grants | | | | |
| Local authority - Special educational projects | - | 1,865,618 | 1,865,618 | 1,715,954 |
| Other local authority grants | - | 165,366 | 165,366 | 33,552 |
| Other government grants | - | 6,000 | 6,000 | 8,400 |
| | <u>-</u> | <u>2,036,984</u> | <u>2,036,984</u> | <u>1,757,906</u> |
| Other funding | | | | |
| Catering | 15,706 | - | 15,706 | 21,259 |
| Educational visits | 5,747 | - | 5,747 | 4,468 |
| Other | 2,374 | 2,250 | 4,624 | 3,913 |
| | <u>23,827</u> | <u>2,250</u> | <u>26,077</u> | <u>29,640</u> |
| | <u>23,827</u> | <u>4,300,540</u> | <u>4,324,367</u> | <u>3,939,284</u> |
| <i>Analysis of 2019 total by fund</i> | <u>26,640</u> | <u>3,912,644</u> | <u>3,939,284</u> | |

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Notes to the financial statements
For the year ended 31 August 2020

5. Income from other trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Hire of facilities | 5,073 | 5,073 | 5,638 |
| Insurance claims | - | - | 41,903 |
| Other | 5,312 | 5,312 | 7,970 |
| | <u>10,385</u> | <u>10,385</u> | <u>55,511</u> |
| <i>Analysis of 2019 total by fund</i> | <u>55,511</u> | <u>55,511</u> | |

6. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ | <i>Total funds 2019 £</i> |
|---------------------------------------|--|---------------------------------------|---------------------------------------|
| Bank interest | 2,207 | 2,207 | 1,892 |
| | <u>1,892</u> | <u>1,892</u> | |
| <i>Analysis of 2019 total by fund</i> | <u>1,892</u> | <u>1,892</u> | |

7. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ | <i>Total 2019 £</i> |
|--------------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Educational operations: | | | | | |
| Direct costs | 3,140,644 | - | 463,047 | 3,603,691 | 3,322,457 |
| Allocated support costs | 497,064 | 251,073 | 158,756 | 906,893 | 924,609 |
| | <u>3,637,708</u> | <u>251,073</u> | <u>621,803</u> | <u>4,510,584</u> | <u>4,247,066</u> |
| <i>Analysis of 2019 total</i> | <u>3,377,752</u> | <u>489,373</u> | <u>379,941</u> | <u>4,247,066</u> | |

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Notes to the financial statements
For the year ended 31 August 2020

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational operations | 35,414 | 4,475,170 | 4,510,584 | 4,247,066 |
| <i>Analysis of 2019 total by fund</i> | <i>82,632</i> | <i>4,164,434</i> | <i>4,247,066</i> | |

9. Analysis of expenditure by activities

| | Direct costs 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------------------|---------------------------|----------------------------|-----------------------------|-----------------------------|
| Educational operations | 3,603,691 | 906,893 | 4,510,584 | 4,247,066 |
| <i>Analysis of 2019 total</i> | <i>3,322,457</i> | <i>924,609</i> | <i>4,247,066</i> | |

Analysis of support costs

| | Total funds 2020 £ | Total funds 2019 £ |
|---------------------|-----------------------------|-----------------------------|
| Staff costs | 497,064 | 513,647 |
| Premises costs | 251,073 | 280,397 |
| Technology costs | 17,792 | 15,332 |
| Legal costs | 6,750 | 1,512 |
| Other support costs | 123,744 | 103,022 |
| Governance costs | 10,470 | 10,699 |
| | <u>906,893</u> | <u>924,609</u> |

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Notes to the financial statements
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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2020 | <i>As restated</i> |
|---------------------------------------|-------------------|--------------------|
| | £ | <i>2019</i> |
| | | <i>£</i> |
| Operating lease rentals | 2,223 | 1,956 |
| Depreciation of tangible fixed assets | 223,469 | 207,931 |
| Fees paid to auditors for: | | |
| - audit | 8,940 | 8,660 |
| - other services | 4,760 | 4,795 |
| | <u> </u> | <u> </u> |

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 | <i>2019</i> |
|---------------------------|-------------------|-------------------|
| | £ | <i>£</i> |
| Wages and salaries | 2,613,353 | 2,415,774 |
| Social security costs | 254,411 | 234,949 |
| Pension costs | 769,944 | 690,757 |
| | <u> </u> | <u> </u> |
| | 3,637,708 | 3,341,480 |
| Staff restructuring costs | - | 36,272 |
| | <u> </u> | <u> </u> |
| | 3,637,708 | 3,377,752 |
| | <u> </u> | <u> </u> |
| Severance payments | - | 36,272 |
| | <u> </u> | <u> </u> |

b. Staff numbers

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

| | 2020 | <i>2019</i> |
|----------------------------|-------------------|-------------------|
| | No. | <i>No.</i> |
| Management | 3 | 3 |
| Teachers | 30 | 28 |
| Administration and support | 52 | 55 |
| | <u> </u> | <u> </u> |
| | 85 | 86 |
| | <u> </u> | <u> </u> |

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Notes to the financial statements
For the year ended 31 August 2020

11. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

| | 2020 | <i>2019</i> |
|----------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| Management | 3 | 3 |
| Teachers | 29 | 27 |
| Administration and support | 41 | 42 |
| | <u>73</u> | <u>72</u> |

c. Higher paid staff

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

| | 2020 | <i>2019</i> |
|-------------------------------|-------------|-------------|
| | No. | <i>No.</i> |
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £70,001 - £80,000 | 1 | - |
| In the band £80,001 - £90,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £472,594 (2019 - £306,933). The increase compared to the previous year is due to an expansion of the senior management team and an increase in employer pension contributions.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits. In 2019 K. Seed, the Headteacher and Accounting Officer until 31 December 2018, received remuneration and had pension contributions paid in respect of undertaking his role under his contract of employment. The amounts are disclosed in Note 11 of the 2019 financial statements.

During the year ended 31 August 2020, travel expenses totalling £25 were reimbursed or paid directly to 1 Trustee (2019 - £Nil).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the insurance policy.

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Notes to the financial statements
For the year ended 31 August 2020

14. Tangible fixed assets

| | Freehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--|---------------------------|---------------------------------|----------------------------|---------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | 16,504,447 | 76,687 | 152,817 | 39,958 | 16,773,909 |
| Additions | 15,500 | 6,995 | 53,236 | - | 75,731 |
| At 31 August 2020 | <u>16,519,947</u> | <u>83,682</u> | <u>206,053</u> | <u>39,958</u> | <u>16,849,640</u> |
| Depreciation | | | | | |
| At 1 September 2019 (as previously stated) | 360,808 | 12,130 | 70,204 | 13,393 | 456,535 |
| Prior Year Adjustment | (51,400) | - | - | - | (51,400) |
| At 1 September 2019 (as restated) | 309,408 | 12,130 | 70,204 | 13,393 | 405,135 |
| Charge for the year | 161,211 | 11,165 | 44,395 | 6,698 | 223,469 |
| At 31 August 2020 | <u>470,619</u> | <u>23,295</u> | <u>114,599</u> | <u>20,091</u> | <u>628,604</u> |
| Net book value | | | | | |
| At 31 August 2020 | <u>16,049,328</u> | <u>60,387</u> | <u>91,454</u> | <u>19,867</u> | <u>16,221,036</u> |
| At 31 August 2019 (as restated) | <u>16,195,039</u> | <u>64,557</u> | <u>82,613</u> | <u>26,565</u> | <u>16,368,774</u> |

Freehold property includes land at valuation of £8,450,000 (2019 - £8,450,000) which is not depreciated.

15. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|---------------|----------------|
| Trade debtors | 43,765 | 17,084 |
| Other debtors | 2,805 | 4,831 |
| Prepayments and accrued income | 46,260 | 86,081 |
| | <u>92,830</u> | <u>107,996</u> |

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Notes to the financial statements
For the year ended 31 August 2020

16. Creditors: Amounts falling due within one year

| | 2020 | <i>2019</i> |
|---|----------------|-----------------------|
| | £ | <i>£</i> |
| Trade creditors | 134 | <i>(513)</i> |
| Other taxation and social security | 61,567 | <i>58,160</i> |
| Obligations under finance lease and hire purchase contracts | - | <i>3,739</i> |
| Other creditors | 2,718 | <i>3,755</i> |
| Accruals and deferred income | 127,968 | <i>260,260</i> |
| | <u>192,387</u> | <u><i>325,401</i></u> |

At the balance sheet date, the Academy Trust was not holding any funds received in advance.

17. Prior year adjustments

A prior year adjustment has been made to reduce the depreciation charge made on freehold buildings by £51,400. The effect has been to increase the net book value of tangible fixed assets and the fixed asset fund at 1 September 2019 by that amount.

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Notes to the financial statements
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18. Statement of funds

| | As restated Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|-------------------------------------|---|-------------------------|---------------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 157,482 | 38,174 | (35,414) | - | - | 160,242 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 430,887 | 2,150,000 | (1,879,624) | (49,285) | - | 651,978 |
| Other DfE/ESFA grants | - | 111,306 | (111,306) | - | - | - |
| Other government grants | - | 2,036,984 | (2,036,984) | - | - | - |
| Other restricted funds | 2,037 | 2,250 | (2,787) | - | - | 1,500 |
| Pension reserve | (2,087,000) | - | (221,000) | - | 751,000 | (1,557,000) |
| | <u>(1,654,076)</u> | <u>4,300,540</u> | <u>(4,251,701)</u> | <u>(49,285)</u> | <u>751,000</u> | <u>(903,522)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed assets | 16,368,774 | - | (223,469) | 75,731 | - | 16,221,036 |
| DfE/ESFA capital grants | 10,000 | 11,256 | - | (19,568) | - | 1,688 |
| Finance lease liability | (3,740) | - | - | 3,740 | - | - |
| Other capital funding | - | 10,618 | - | (10,618) | - | - |
| | <u>16,375,034</u> | <u>21,874</u> | <u>(223,469)</u> | <u>49,285</u> | <u>-</u> | <u>16,222,724</u> |
| Total Restricted funds | <u>14,720,958</u> | <u>4,322,414</u> | <u>(4,475,170)</u> | <u>-</u> | <u>751,000</u> | <u>15,319,202</u> |
| Total funds | <u><u>14,878,440</u></u> | <u><u>4,360,588</u></u> | <u><u>(4,510,584)</u></u> | <u><u>-</u></u> | <u><u>751,000</u></u> | <u><u>15,479,444</u></u> |

18. Statement of funds (continued)

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

General Annual Grants ('GAG') must be used for the normal running costs of the school.

The other DfE/ESFA grants fund is used to track grants provided by the DfE and related bodies, and includes Pupil Premium. The pupil grants have been used to enhance the learning of disadvantaged pupils by subsidising school trips, purchasing uniform and providing staffing for learning support.

The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from the London Borough of Bromley.

The other restricted income fund has been used to track other streams of restricted income which cannot be included in the funds noted above.

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme overseen by its Local Authority.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfers into the restricted fixed asset fund relate to capital purchases made from other funds and finance lease repayments made from the GAG fund.

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

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18. Statement of funds (continued)

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

| | <i>Balance at 1 September 2018</i> | <i>Income</i> | <i>As restated Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2019</i> |
|-------------------------------------|--|-------------------------|------------------------------------|-------------------------|----------------------------|--------------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General funds | 155,004 | 85,110 | (82,632) | - | - | 157,482 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 270,033 | 2,050,000 | (1,853,979) | (35,167) | - | 430,887 |
| Other DfE/ESFA grants | - | 101,738 | (101,738) | - | - | - |
| Other government grants | - | 1,757,906 | (1,757,906) | - | - | - |
| Other restricted funds | 1,917 | 3,000 | (2,880) | - | - | 2,037 |
| Pension reserve | (1,109,000) | - | (240,000) | - | (738,000) | (2,087,000) |
| | <u>(837,050)</u> | <u>3,912,644</u> | <u>(3,956,503)</u> | <u>(35,167)</u> | <u>(738,000)</u> | <u>(1,654,076)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed assets | 16,225,178 | - | (207,931) | 351,527 | - | 16,368,774 |
| DfE/ESFA capital grants | 275,442 | 54,656 | - | (320,098) | - | 10,000 |
| Finance lease liability | (7,478) | - | - | 3,738 | - | (3,740) |
| | <u>16,493,142</u> | <u>54,656</u> | <u>(207,931)</u> | <u>35,167</u> | <u>-</u> | <u>16,375,034</u> |
| Total Restricted funds | <u>15,656,092</u> | <u>3,967,300</u> | <u>(4,164,434)</u> | <u>-</u> | <u>(738,000)</u> | <u>14,720,958</u> |
| Total funds | <u><u>15,811,096</u></u> | <u><u>4,052,410</u></u> | <u><u>(4,247,066)</u></u> | <u><u>-</u></u> | <u><u>(738,000)</u></u> | <u><u>14,878,440</u></u> |

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 16,221,036 | 16,221,036 |
| Current assets | 160,242 | 845,865 | 1,688 | 1,007,795 |
| Creditors due within one year | - | (192,387) | - | (192,387) |
| Provisions for liabilities and charges | - | (1,557,000) | - | (1,557,000) |
| Total | 160,242 | (903,522) | 16,222,724 | 15,479,444 |

Analysis of net assets between funds - prior period

| | <i>Unrestricted</i> <i>funds</i> 2019 £ | <i>Restricted funds</i> 2019 £ | <i>As restated</i> <i>Restricted fixed</i> <i>asset funds</i> 2019 £ | <i>Total</i> <i>funds</i> 2019 £ |
|--|--|--------------------------------------|--|---|
| Tangible fixed assets | - | - | 16,368,774 | 16,368,774 |
| Current assets | 157,482 | 754,585 | 10,000 | 922,067 |
| Creditors due within one year | - | (321,661) | (3,740) | (325,401) |
| Provisions for liabilities and charges | - | (2,087,000) | - | (2,087,000) |
| Total | 157,482 | (1,654,076) | 16,375,034 | 14,878,440 |

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20. Reconciliation of net expenditure to net cash flow from operating activities

| | 2020 | <i>As restated</i> |
|---|----------------|--------------------|
| | £ | <i>2019</i> |
| | | <i>£</i> |
| Net expenditure for the period (as per Statement of financial activities) | (149,996) | <i>(194,656)</i> |
| Adjustments for: | | |
| Depreciation | 223,469 | <i>207,931</i> |
| Capital grants from DfE and other capital income | (21,874) | <i>(54,656)</i> |
| Interest receivable | (2,207) | <i>(1,892)</i> |
| Defined benefit pension scheme cost less contributions payable | 185,000 | <i>211,000</i> |
| Defined benefit pension scheme finance cost | 36,000 | <i>29,000</i> |
| Decrease in debtors | 15,166 | <i>3,215</i> |
| (Decrease)/increase in creditors | (129,275) | <i>50,730</i> |
| Net cash provided by operating activities | 156,283 | <i>250,672</i> |

21. Cash flows from financing activities

| | 2020 | <i>2019</i> |
|-------------------------|-------------|----------------|
| | £ | <i>£</i> |
| Repayments of borrowing | (3,739) | <i>(3,739)</i> |

22. Cash flows from investing activities

| | 2020 | <i>2019</i> |
|---|-----------------|------------------|
| | £ | <i>£</i> |
| Dividends, interest and rents from investments | 2,207 | <i>1,892</i> |
| Purchase of tangible fixed assets | (75,731) | <i>(351,527)</i> |
| Capital grants from DfE Group | 11,256 | <i>54,656</i> |
| Capital funding received from sponsors and others | 10,618 | <i>-</i> |
| Net cash used in investing activities | (51,650) | <i>(294,979)</i> |

23. Analysis of cash and cash equivalents

| | 2020 | <i>2019</i> |
|--------------|-------------|----------------|
| | £ | <i>£</i> |
| Cash in hand | 914,965 | <i>814,071</i> |

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24. Analysis of changes in net debt

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 814,071 | 100,894 | 914,965 |
| Finance leases | (3,739) | 3,739 | - |
| | <u>810,332</u> | <u>104,633</u> | <u>914,965</u> |

25. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £343,000 (2019 - £222,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £266,000 (2019 - £288,000), of which employer's contributions totalled £206,000 (2019 - £229,000) and employees' contributions totalled £ 60,000 (2019 - £59,000). The agreed contribution rates for future years are 18.2 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

| | 2020 | <i>2019</i> |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.80 | 3.50 |
| Rate of increase for pensions in payment/inflation | 2.40 | 2.10 |
| Discount rate for scheme liabilities | 1.80 | 1.80 |
| Inflation assumption (CPI) | 2.30 | 2.00 |

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

| | 2020 | <i>2019</i> |
|----------------------|--------------|--------------|
| | Years | <i>Years</i> |
| Retiring today | | |
| Males | 22.8 | 23.5 |
| Females | 25.2 | 26.2 |
| Retiring in 20 years | | |
| Males | 24.7 | 26.2 |
| Females | 27.2 | 28.5 |

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25. Pension commitments (continued)

Sensitivity analysis

| | 2020 | 2019 |
|--|-------------|-------|
| | £000 | £000 |
| Discount rate +0.1% | (131) | (104) |
| Discount rate -0.1% | 134 | 107 |
| Mortality assumption - 1 year increase | 143 | 70 |
| Mortality assumption - 1 year decrease | (139) | (69) |
| CPI rate +0.1% | 134 | 107 |
| CPI rate -0.1% | (131) | (104) |

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

| | 2020 | 2019 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Equities | 2,350,000 | 1,248,000 |
| Gilts | 247,000 | 128,000 |
| Corporate bonds | 226,000 | 122,000 |
| Property | 136,000 | 83,000 |
| Cash and other liquid assets | 29,000 | 24,000 |
| Other | 595,000 | 367,000 |
| Total market value of assets | 3,583,000 | 1,972,000 |

The actual return on scheme assets was £195,000 (2019 - £130,000).

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

| | 2020 | 2019 |
|---|------------------|------------------|
| | £ | £ |
| Current service cost | (384,000) | (297,000) |
| Past service cost | - | (136,000) |
| Interest income | 39,000 | 49,000 |
| Interest cost | (75,000) | (78,000) |
| Administrative expenses | (7,000) | (7,000) |
| Total amount recognised in the Statement of financial activities | (427,000) | (469,000) |

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25. Pension commitments (continued)

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

| | 2020 £ | 2019 £ |
|------------------------|------------------|------------------|
| At 1 September | 4,059,000 | 2,665,000 |
| Current service cost | 384,000 | 297,000 |
| Interest cost | 75,000 | 78,000 |
| Employee contributions | 60,000 | 59,000 |
| Actuarial losses | 386,000 | 818,000 |
| Benefits paid | 176,000 | 6,000 |
| Past service costs | - | 136,000 |
| At 31 August | <u>5,140,000</u> | <u>4,059,000</u> |

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

| | 2020 £ | 2019 £ |
|-------------------------|------------------|------------------|
| At 1 September | 1,972,000 | 1,556,000 |
| Interest income | 39,000 | 49,000 |
| Actuarial gains | 1,137,000 | 80,000 |
| Employer contributions | 206,000 | 229,000 |
| Employee contributions | 60,000 | 59,000 |
| Benefits paid | 176,000 | 6,000 |
| Administration expenses | (7,000) | (7,000) |
| At 31 August | <u>3,583,000</u> | <u>1,972,000</u> |

26. Operating lease commitments

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

| | 2020 £ | 2019 £ |
|--|---------------|--------------|
| Not later than 1 year | 4,028 | 1,876 |
| Later than 1 year and not later than 5 years | 10,119 | 4,111 |
| | <u>14,147</u> | <u>5,987</u> |

27. Members' liability

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

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28. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

29. Agency arrangements

The academy trust administers the distribution of the discretionary support for learners, 16-19 bursary funds, on behalf of the ESFA. In the accounting period ending 31 August 2020 the academy trust received £3,755 (2019 - £3,755) and disbursed £4,792 (2019 - £Nil). No funds were retained to cover administration expenses. A balance of £2,718 (2019 - £3,755) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

30. Controlling party

The Academy Trust is run by the senior management team on a day to day basis. Strategic decisions are made by the Trustees. There is no ultimate controlling party.