

LYDIATE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended
31 August 2023

COMPANY REGISTRATION NUMBER: 07732559
(ENGLAND AND WALES)

LYDIATE LEARNING TRUST

Annual Report and Consolidated Financial Statements Year ended 31 August 2023

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LYDIATE LEARNING TRUST

Reference and administrative details Year ended 31 August 2023

	Date of Appointment	Date of Resignation
Members:		
John Graham (<i>Chair</i>)	8 August 2011	
Annette Cunningham	13 November 2018	
Graham Hewer	1 January 2015	
Stephen Moss	13 November 2018	
Marc Whitmore	25 November 2019	
Directors (Trustees):		
John Graham (<i>Chair</i>)	8 August 2011	
Helen Heap*	1 June 2016	21 July 2023
Graham Hewer* (<i>Chair of Audit & Risk Committee</i>)	1 January 2015	
Ann Stahler (<i>Accounting Officer</i>)*	8 August 2011	
Hooshang Rahmani	1 May 2019	
Jane Morris	7 September 2020	7 July 2023
Jonathan Turner*	14 December 2020	
William Thornton-Reid*	5 April 2023	
Jenny Smith	9 October 2023	
Benedict Donnelly	16 October 2023	
Craig Stobie	16 October 2023	

* indicates members of the Audit & Risk Committee

Company Secretary: Mrs D Moss

Senior Management Team:

CEO/Executive Head Teacher	Ann Stahler
CSSA Head Teacher	Janette Vincent
Deyes High School Head of School	Victoria Beaney
Head of AMP SCITT	Alison Brady
Director of School Improvement	Wendy Jack
Director of School Improvement	Suzanne Pountain
Director of School Improvement	Lianne Greenall
Director of Finance	Natalie Chapman
Director of HR	Vickie Sumner (1 September 2022 - 31 January 2023) Stephen Field (1 February 2023 - 31 August 2023)
Director of Operations	Paul Hasleden

Company Name: Lydiate Learning Trust

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

Company Registration Number: 0773259 (England and Wales)

LYDIATE LEARNING TRUST

Reference and administrative details (continued)

Year ended 31 August 2023

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

Independent Auditor: Mitchell Charlesworth (Audit) Limited
3rd Floor
5 Temple Square
Temple Street
Liverpool
L2 5RH

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

Solicitors: Stone King LLP
Upper Borough Court (UBC)
Upper Borough Walls
Bath
BA1 1RG

LYDIATE LEARNING TRUST

Trustees' Report

Year ended 31 August 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the year, the Trust operated two secondary academies in Liverpool and Sefton and a teaching school. The Trust has a pupil capacity of 2,326 and had a roll of 2,452 in the October 2023 school census.

Structure, Governance and Management

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

- An induction to the role, a tour of the sites and an introduction to members of the Senior Leadership teams will be provided by the Senior Clerk to the Governing Body.
- It is expected that the incumbent trustees will provide a good deal of practical help, advice, guidance and encouragement in all aspects of Governance and in enabling new trustees to integrate into a new situation.
- The Trust's Equality and Diversity and related policies will be applicable to all.
- The other trustees and governors will be informed of any new appointments.
- Every trustee and governor should be prepared to offer support to new trustees as appropriate, through our long-established mentoring programme.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Governance Review

The Trust undertakes ongoing assessments of its Board composition in terms of skills, effectiveness, leadership and impact annually including 360 reviews and individual reviews. In addition, The Trust undertakes a biennial review of its governance effectiveness using external consultants.

Organisational Structure

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

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel comprise: Chief Executive Officer/Executive Head Teacher, Academy Head Teachers and Senior Leadership teams, Executive Directors of School Improvement, Executive Director of HR, Executive Director of Operations and Executive Director of Finance. The rules for determining the pay of key management are set out in the School Teachers' Pay and Conditions Document. The pay committees of the schools (consider Head Teachers and Senior Leaders pay) and Board (consider executive pay) meet annually to review recommendations for pay progression. The Trust Pay Committee consists of 3 trustees not including the chair.

Trade Union Facility Time

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

Related Parties and Other Connected Charities and Organisations

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

Details of related party transactions are given in Note 22.

Engagement with Employees

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

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

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

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

LYDIATE LEARNING TRUST

Trustees' Report (continued) Year ended 31 August 2023

Engagement with Employees (continued)

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

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

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

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

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

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

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

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

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

Engagement with students enables the Trust to deliver its vision to “engage, enable, empower”. Their interests are at the forefront of all key decisions, in particular the school improvement initiatives that are detailed in the Strategic Report on page 7. During the year, and with the interests of students in mind, the Board considered the impact of the COVID-19 Recovery Curriculum, in order to provide students with appropriate academic and pastoral support throughout the pandemic.

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Objectives and Activities

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

Childwall Sports & Science Academy and Deyes High School admit pupils based on a catchment area.

Public Benefit

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

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

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	2022/23	2021/22
Energy consumption used to calculate emissions (kWh)	1,258,146	1,176,295
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	23.92	27.03
Owned transport - mini-buses	1.20	2.49
Total Scope 1	25.12	29.52
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	230.44	196.11
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	2.15	1.10
Total gross emissions in metric tonnes CO2e	257.70	226.73
Intensity ratio Tonnes CO2e per pupil	0.11	0.09

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

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

LYDIATE LEARNING TRUST

Trustees' Report (continued) Year ended 31 August 2023

Strategic Report

Achievements and Performance

Deyes High School

Deyes High School has a history of strong academic performance and in 2023 students continued this success with 48% of students achieving a grade 5+ in English and Mathematics. LLT is committed to offering the opportunity of following an EBACC route for all students. Current y11 are above the national average for entries for the full EBACC suite at 44%. The progress made by students across the Trust using the internally measured progress 8 index for DHS -0.63 (Sisra Analytics internal). Students enjoy a rich and varied curriculum with all students able to access a wide variety of subjects.

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

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

Childwall Sports and Science Academy

GCSE results at Childwall in 2023 produced a subject progress score of 8 figure of -0.63. The percentage of students achieved a grade 5+ in both English and Maths is 20%. EBacc performance continues to improve with the proportion of students entered for the EBacc increasing year on year, with current year 11 having 21% entries. The performance of those students experiencing educational disadvantage has also improved however the focus on narrowing the gap remains a priority.

KS5 results average attainment grade is D-. Destination data shows that 77.5% of students have taken a place at university (previously stable around 60%) with the remainder in employment/apprenticeships.

OFSTED visited the school in May 2022 and judged the school to be good.

Associated Merseyside Partnership SCITT (AMP)

Of the 90 students who started the 2022/23 course a total of 72 students gained qualified teacher status (33 at primary phase and 39 at secondary phase and 23 of these were from our Ashton Hub). 18 trainees withdrew from the course during the year. This cohort maintained our 100% pass rate. 1 deferred trainee from 2021/2022 also successfully passed in November having extended their training to add an additional term of school experience.

AMP SCITT had a successful second year in the Academy of Teacher Education and transitioned to a new site with no interruption to operations. Partnering with Rainbow Teaching School hub we hosted:

- 4 ECT and ECM groups for the Early Career Framework with BPN
- 4 NPQ face to face groups
- Heath Trust hired our space for CPD

We successfully recruited 21 participants covering 276 hours of study for the Subject Knowledge Enhancement contract which continues for this academic year.

LYDIATE LEARNING TRUST

Trustees' Report (continued) Year ended 31 August 2023

Trust Aims

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

Trust Development Priorities 2022/23

The Lydiate Learning Trust Board have agreed:

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

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

School Improvement 2022/23

- Quality assurance visits by the Trust Executive and Academy Improvement Partners and external groups continues to play a vital role in monitoring and evaluating the standards in our schools. Judgements are always consistent with external evaluations.
- The Trust has set quality standards and the schools evaluate their position against these standards. This is then compared to the evaluation from the Executive team.
- The Trust has a well-developed self-evaluation calendar that is used in all schools on our journey to outstanding.
- Each school now has a clear, agreed road map for the curriculum and clarity of intent. The focus now continues to be implementation and impact.
- The standards of career education in our schools continues to improve following the requirements laid out by the Gatsby benchmarks.

LYDIATE LEARNING TRUST

Trustees' Report (continued) Year ended 31 August 2023

School Improvement 2022/23 (continued)

- The Trust has introduced a comprehensive CPDL offer to all teaching staff which embodies the LLT culture and ethos, finding ways to address new issues and to do things differently to make continuous improvement. The rationale is research-rich and carefully interwoven between teams. Key leaders across all schools have collaborated to create the CPDL programme with a view to engage, enable and empower. The strategic intent for CPDL is based on the following:
 - To create a consistent pedagogical approach
 - To promote effective self-evaluation for sustained improvement
 - To support the development of collective CPDL and pastoral CPDL, subject leader CPDL and subject team CPDL.
- The School Improvement Executives continue to work across the schools supporting the core agenda to raise standards. School reviews, faculty reviews and deep dives have been led by this team, alongside practising Ofsted inspectors to ensure standards are at the highest level.
- AMP SCITT/The Trust's School Centred Initial Teacher Training Centre, continues to go from strength to strength, securing on average 85 students annually. The Ashton hub is now fully operable and has doubled in size over 2 years. In 2023/24 we aim to expand again working with a Lancashire based MAT as the second satellite centre.
- The Trust has introduced a new approach to appraisal this year based on academic research and capitalising on the work of the SCITT and the quality CPDL delivered across each career stage. This has been very successful.
- Leverage leadership has been introduced across the Trust with a focus on student culture, data driven instruction and classroom observation feedback. All Heads have undergone the leverage leadership training funded by the DfE, delivered by STAR academies and they are now at the implementation stage.
- The Trust continues to support other schools across the Liverpool City Region.

Operational Excellence

The Trust and its schools remain fully compliant with all statutory, non-statutory regulatory requirements and duties. The Senior Governance Professional ensures that at all levels of Governance are compliant. A second governance professional has been employed in anticipation of a hybrid way of working and increased governance load when the Trust expands into the Primary Sector. Executives continue to provide support to AGCs where it is required.

The Audit & Risk Assurance Committee continues to carefully assess and monitor Trust risks. In order to streamline the Trust's capabilities a cloud-based risk management platform has been introduced. The software training is completed, and the system is fully operational.

The Trustees worked with the Executive Team to thoroughly review and revise the Scheme of Delegation. This is now in operation across the Trust. In anticipation of additional schools joining Lydiate Learning Trust in 2023 a review of our Articles and Memorandum of Association has been completed. The revised Articles will be implemented when the next school joins the Trust.

The procurement team secured fixed term contracts for energy and estates, providing some protection from high inflation in the short term. A rationalisation of software licences purchased to support access throughout the pandemic realised a small positive benefit.

The Finance team has now been re-structured following the appointment of a new Executive Director. This included the appointment of an experienced Finance Manager, and some internal promotions has provided capacity in the team. This, plus a relocation of the team to a single site, will encourage the sharing of best practice and improved engagement with the Headteachers in the budget setting and monitoring process.

LYDIATE LEARNING TRUST

Trustees' Report (continued) Year ended 31 August 2023

Operational Excellence (Continued)

Much work has been undertaken in relation to staff well-being, and this academic year we will launch the Trust People Strategy. The Trust has signed up to the DfE charter and is evaluating progress against it. Much work has been achieved but a focus on enhanced communication has been highlighted as the next step.

Significant capital development has continued during 2022/23. The flagship project remains the new build at Deyes High School, where work commenced in August 2022, and which continues to meet all milestones set. We look forward to completion in Easter 2024. Much work needs to be done on the additional item shopping list to ensure we can deliver a "Northwest flagship school" fit for learning of the future. Other capital investment includes some re-modelling of Childwall Sports and Science Academy following a significant capital grant awarded due to the increased intake. The re-modelling centres around refurbished science labs, an enhanced social space, SEN provision and upgraded flooring.

Marketing of the Trust continues to go from strength to strength. All targets set for the re-branding were met with the last item being the new uniform at Deyes High School. Lydiate Learning Trust has an increased presence in the local communities of each of its establishments. Lydiate Learning Trust's excellent and growing profile is best illustrated by the Childwall Sports and Science Academy literacy nomination in the region's Education Awards.

Lydiate Learning Trust continues to work on the 'Carbon Net Zero' strategy. This is easily achievable in the Deyes new build, and the ideas introduced here will be rolled out to all of our schools in due course. We are pleased that the new build project provides us with a superb opportunity to encourage student interest and engagement in the net zero agenda.

This year the SCITT relocated to Vortex 1000 and continues to expand following the successful re-accreditation, one of 80 out of 200 in the first round of applications to the DfE to continue provision.

Plans for Future Periods

- The Trust will continue to strive to improve the levels of performance of its students in all schools at all levels.
- The Trust will deliver a fully inclusive curriculum that caters for all students and incorporates blended remote learning.
- The Trust will continue to ensure the development of the SCITT and the trainee teachers studying in our SCITT.
- We will further develop our comprehensive CPDL programme to ensure teaching and learning within our schools is outstanding, and look to share it beyond the Trust.
- The Trust looks to expand and work with other like-minded schools with the same culture within and beyond the region. We will fully integrate our new schools joining this academic year.
- Ensure the Trust Strategic Plan is fully implemented.
- Enhance the excellent reputation of the Trust.
- Ensure that we continue to identify and develop the future leaders of our schools and the Trust through the provision of high-quality support.

Key Performance Indicators

- **English and Maths Attainment**
LLT has worked across the Trust to develop the curriculums within the core subjects and invested in the staffing. Stability within core subject staff teams has improved as a result.
- **% students attaining English and Maths at grade 5+:**
CSSA decreased from 23% to 20%
DHS decreased from 41% to 36%

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Key Performance Indicators (continued)

- **Achievement at grade 7+:**
CSSA English 5%, Maths 6%
DHS English 13%, Maths 12%
- **Progress 8**
Childwall Sports and Science Academy Progress 8 -0.63, Deyes High School -0.61 (Sisra Analytics internal measure).
- **EBACC**
LLT is committed to offering the opportunity of following an EBACC route for all students. Entry levels have significantly increased with current year 11 having 46% entries at DHS and 21% at CSSA. The current year 10 following a similar trend.
- **Science**
Science remained a focal area across the Trust. We brought in external support from specialist leaders in education who worked across the Trust supporting teams in both schools. Results are moving in a positive direction.
- **Modern Foreign Languages**
Lydiate Learning Trust empowers all students to study an additional language to open more doors in our international world. At both Deyes and Childwall the proportion of students choosing to study a modern foreign language continues to grow and this is particularly evidenced at CSSA where the number of students studying Spanish has increased from one group to four full classes.
- **Key Stage 5**
Performance at both schools maintained in 2023 with Deyes High School achieving an average grade B- at A level and Childwall Sports and Science Academy achieving an average grade of D-. Applied General courses achieved an average grade of Merit+ at Childwall Sports and Science Academy and an average grade of Distinction- at Deyes High School.
- **Technology**
Lydiate Learning Trust is committed to offering a broad and balanced curriculum and students have experienced success on a variety of level 2 courses including: Technology remains a strength of the Trust.
 - Business (62% pass rate)
 - Construction (72% pass rate)
 - Engineering (87% pass rate)

Going Concern

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

Promoting the success of the charitable company

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Promoting the success of the charitable company (continued)

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

Examples of how the Trust has engaged with its stakeholders, and had regard for employees, suppliers, customers and others in a business relationship with the Trust, are detailed in the Structure, Governance and Management section on pages 4 and 5.

Financial Review

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

The Trust also receives grants for fixed assets from the Department of Education, in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2009), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned.

During the year ended 31 August 2023, total expenditure of £18,583,000 (2022: £17,454,000) was covered by grant funding from the Department of Education together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was a deficit of £10,000 (2022: deficit £131,000).

At 31 August 2023 the net book value of fixed assets was £36,932,000 (2022: £36,969,000). Movements in tangible fixed assets are shown in Note 10 to the accounts. The assets were used exclusively for providing education and the associated support service to pupils of the Trust.

Reserves Policy

The trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's current level of revenue reserves (total reserves less the amounts held in fixed asset reserve and the pension fund reserve) is £985,000 (2022: £1,193,000).

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

Whilst the revenue reserves held at 31 August 2023 is at the upper end of that range, the Trust has made a budget provision totalling £650,000 to support the newbuild programme at Deyes High School in the period 2021-2023 with regard to the provision of temporary accommodation and fixtures and fittings for the newbuild.

Investment Policy

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Principal Risks and Uncertainties

The Board, governors and senior managers complete regular reviews of the risks the individual schools and Trust face and the systems in place or that needed to be implemented, to mitigate against any of the risk the school faces. The Board considers appropriate systems are in place to mitigate any of the risks identified. The trustees of the multi-academy trust conduct reviews of the Trust risks and uncertainties through termly meetings of the Audit and Risk Assurance Committee and bi-monthly Board meetings.

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

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

Each year an action plan is produced with each action assigned to an individual. The action plan is reviewed by the Audit and Risk Assurance Committee at each of their meetings.

The Estate is proactively managed in-line with Health and Safety Legislation and compliance, ensuring the estate provides a safe learning and working environment for all. The Estate strategy also links with the Capital Expenditure programme and Risk Management / Risk Register, this provides the Trust with the strategic overview of when investment is needed and how its prioritised across the trust.

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

Employee Involvement

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

Equality and Disability Statement

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

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Year ended 31 August 2023

Auditor

Mitchell Charlesworth (Audit) Limited have been appointed as auditors.

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2023 and signed on the board's behalf by:



.....
Mr John Graham
Chair of Trustees

13 December 2023

LYDIATE LEARNING TRUST

Governance Statement Year ended 31 August 2023

Scope of responsibility

As Trustees (Directors), we acknowledge that we have overall responsibility for ensuring that the Trust has an effective and appropriate system of control, financial and otherwise. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can 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 have delegated the day-to-day responsibility to the Chief Executive Officer (CEO), as Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees at the earliest opportunity, any material weaknesses or breakdowns in internal control.

Governance

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

The Board of Directors have held 8 meetings during the year (including one extraordinary meeting). Attendance during the year was as follows:

	Meetings attended	Out of a possible
John Graham	8	8
Helen Heap	6	8
Graham Hewer	7	8
Ann Stahler	8	8
Hooshang Rahmani	7	8
Jane Morris	5	8
Jonathan Turner	6	8
William Thornton-Reid	2	2

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

The committee met 2 times during the year. The attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
John Graham	2	2
Helen Heap	2	2
Ann Stahler	2	2
Jane Morris	0	2

The Audit & Risk Assurance Committee is a sub-committee of the main Board. The committee operates in accordance with written terms of reference approved by the Board.

LYDIATE LEARNING TRUST

Governance Statement (continued) Year ended 31 August 2023

The committee met 4 times during the year. The attendance during the year at meetings was as follows:-

	Meetings attended	Out of a possible
John Graham	4	4
Helen Heap	4	4
Ann Stahler	4	4
Graham Hewer	4	4
Jonathan Turner	0	4
William Thornton-Reid	0	0

The Standards & Outcomes Committee is a sub-committee of the main Board. The committee operates in accordance with written terms of reference approved by the Board.

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

	Meetings attended	Out of a possible
John Graham	0	3
Graham Hewer	3	3
Hooshang Rahmani	3	3
Jonathan Tuner	0	3

Conflicts of interest

Lydiate Learning Trust has appropriate controls in place to ensure there are no conflicts of interest within the Trust, and between the Trust and its subsidiary Lydiate Service Company Limited. All Directors, Members and Trustees are required to complete an annual register of interests which is checked upon any new contract agreements made, along with any declarations of interest being made at the start of each Board or Committee Meeting. Any conflicts of interest in the subsidiary, Lydiate Services Company Limited, are dealt with using a register of interests and declarations in formal meetings.

Review of Value for Money

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

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

The Accounting Officer for the trust has delivered improved value for money during the year by:

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

LYDIATE LEARNING TRUST

Governance Statement Year ended 31 August 2023

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 the Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and have appointed Moore & Smalley LLP in that role.

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

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

Review of effectiveness

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

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

LYDIATE LEARNING TRUST

Governance Statement
Year ended 31 August 2023

Review of effectiveness (continued)

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



.....
John Graham
Chair of Trustees



.....
Ann Stahler
Accounting Officer

LYDIATE LEARNING TRUST

Statement of Regularity, Propriety and Compliance Year ended 31 August 2023

As Accounting Officer of Lydiate Learning Trust, I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Board of Trustees are not able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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



.....
Ann Stahler
Accounting Officer

13 December 2023

LYDIATE LEARNING TRUST

Statement of Trustees' Responsibilities Year ended 31 August 2023

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 & 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 year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on its behalf by:



.....
John Graham
Chair of Trustees

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report to the members of Lydiate Learning Trust For the year ended 31 August 2023

Opinion

We have audited the financial statements of Lydiate Learning Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent academy trust's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report to the members of Lydiate Learning Trust For the year ended 31 August 2023 (continued)

Other information

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of trustees' responsibilities, the trustees 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 charitable company, or have no realistic alternative but to do so.

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report to the members of Lydiate Learning Trust For the year ended 31 August 2023 (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Principal Risks and Uncertainties

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

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

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

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

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report to the members of Lydiate Learning Trust For the year ended 31 August 2023 (continued)

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academy Trust Handbook and Accounts Direction 2022-23 issued by the Education and Skills Funding Agency.

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

Audit response to risks identified

As a result of performing the above, we identified the presentation of the academy's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;

in addressing the risk of fraud through management override of controls we carried out testing of the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditor's Report to the members of Lydiate Learning Trust For the year ended 31 August 2023 (continued)

Use of our report

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

Mitchell Charlesworth (Audit) Limited.

Philip Griffiths (Senior Statutory Auditor)

for and on behalf of Mitchell Charlesworth (Audit) Limited

13 December 2023

Accountants

Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

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

In accordance with the terms of our engagement letter dated 24 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lydiate Learning Trust during the period 1 September 2022 to 31 August 2023 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 Lydiate Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lydiate 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 Lydiate Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Lydiate Learning Trust's funding agreement with the Secretary of State for Education dated 21 November 2014 and the Academy Trust Handbook extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 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 2022 to 2023 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

Mitchell Charlesworth (Audit) Limited

Accountants

5 Temple Square Temple Street Liverpool L2 5RH

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mitchell Charlesworth (Audit) Limited.

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Mitchell Charlesworth (Audit) Limited
Reporting Accountant
Accountants

13 December 2023

LYDIATE LEARNING TRUST

Consolidated Statement of Financial Activities (including Income and Expenditure Account) Year ended 31 August 2023

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Income and endowments from:						
Donations and capital grants	2	-	-	704	704	50
<i>Charitable activities:</i>						
Funding for the trust's educational operations	3	-	16,842	-	16,842	15,871
Other trading activities	4	689	-	-	689	689
Total		689	16,842	704	18,235	16,610
Expenditure on:						
Raising funds	5	49	-	-	49	71
<i>Charitable activities:</i>						
Academy trust's educational operations	5	798	16,694	1,042	18,534	17,383
Total	5	847	16,694	1,042	18,583	17,454
Net income/(expenditure)		(158)	148	(338)	(348)	(844)
Transfers between funds		-	(301)	301	-	-
Other recognised gains/(losses)						
Remeasurement of net defined benefit obligations	21	-	2,330	-	2,330	5,843
Net movement in funds		(158)	2,177	(37)	1,982	4,999
Reconciliation of funds						
Total funds brought forward		(9)	(2,618)	36,969	34,342	29,343
Total funds carried forward		(167)	(441)	36,932	36,324	34,342

LYDIATE LEARNING TRUST

Consolidated Statement of Financial Activities (including Income and Expenditure Account) Year ended 31 August 2023

Comparative information for the year ended 31 August 2022

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Year ended 31 August 2022 £000
Income and endowments from:					
Donations and capital grants	2	-	-	50	50
<i>Charitable activities:</i>					
Funding for the trust's educational operations	3	-	15,871	-	15,871
Other trading activities	4	689	-	-	689
Total		689	15,871	50	16,610
Expenditure on:					
Raising funds	5	71	-	-	71
<i>Charitable activities:</i>					
Academy trust's educational operations	5	661	15,697	1,025	17,383
Total	5	732	15,697	1,025	17,454
Net income/(expenditure)		(43)	174	(975)	(844)
Transfers between funds		-	(167)	167	-
Other recognised gains/(losses)					
Remeasurement of net defined benefit obligations	21	-	5,843	-	5,843
Net movement in funds		(43)	5,850	(808)	4,999
Reconciliation of funds					
Total funds brought forward		34	(8,468)	37,777	29,343
Total funds carried forward		(9)	(2,618)	36,969	34,342

LYDIATE LEARNING TRUST

Balance Sheets As at 31 August 2023

	Note	Group 2023 £000	Academy Trust 2023 £000	Group 2022 £000	Academy Trust 2022 £000
Fixed assets					
Tangible assets	10	36,932	36,932	36,969	36,969
Current assets					
Debtors	11	933	943	445	461
Cash at bank and in hand		2,149	2,149	2,457	2,457
		3,082	3,092	2,902	2,918
Liabilities					
Creditors: Amounts falling due within one year	12	(2,039)	(2,039)	(1,636)	(1,636)
Net current assets		1,043	1,053	1,266	1,282
Total assets less current liabilities		37,975	37,985	38,235	38,251
Creditors: Amounts falling due after one year	13	(58)	(58)	(73)	(73)
Net assets excluding pension liability		37,917	37,927	38,162	38,178
Defined benefit pension scheme liability	21	(1,593)	(1,593)	(3,820)	(3,820)
Total net assets		36,324	36,334	34,342	34,358
Funds of the academy					
Restricted funds					
Fixed asset fund		36,932	36,932	36,969	36,969
Restricted income fund		1,152	1,152	1,202	1,202
Pension reserve		(1,593)	(1,593)	(3,820)	(3,820)
Total restricted funds	14	36,491	36,491	34,351	34,351
Unrestricted income funds					
Unrestricted general fund	14	(157)	(157)	7	7
Funds retained with subsidiary	14	(10)	-	(16)	-
Total unrestricted funds		(167)	(157)	(9)	7
Total funds	15	36,324	36,334	34,342	34,358

The financial statements on pages 28 to 53 were approved by the Trustees, and authorised for issue on 13 December 2023 and signed on their behalf by:

.....
John Graham
Trustee



Registration Number: 10564255

LYDIATE LEARNING TRUST

Statement of Cash Flows Year ended 31 August 2023

		Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Cash flows from operating activities	Note		
Net cash provided by (used in) operating activities	18	(20)	751
Cash flows from investing activities			
Purchase of tangible fixed assets		(703)	(265)
Capital grants from DfE/ESFA		430	50
		<u>(293)</u>	<u>(215)</u>
Cash flows from financing activities			
Loan repayments		<u>(15)</u>	<u>(15)</u>
Change in cash and cash equivalents in the reporting year		<u>(308)</u>	<u>521</u>
Cash and cash equivalents at 1 September 2022		<u>2,457</u>	<u>1,936</u>
Cash and cash equivalent at 31 August 2023		<u>2,149</u>	<u>2,457</u>

1. Statement of accounting policies

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

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements (which have been applied consistently, except where noted), are set out below.

The financial statements are prepared in sterling which is the functional currency of the Trust.

Monetary amounts are rounded to the nearest £1,000 except where otherwise indicated.

Consolidation

The financial statements include the assets and liabilities, and income and expenditure of Lydiate Services Company Limited as set out in note 23.

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements. The Consolidated Statement of Financial Activities includes a deficit of £403,000 (2022: £853,000) which is dealt with in the financial statements of Lydiate Learning Trust.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 year 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.

LYDIATE LEARNING TRUST

Notes to the Financial Statements (continued) Year ended 31 August 2023

1. Statement of Accounting Policies (continued)

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.

- **Donated goods, facilities and services**

The value of donated goods, facilities and services provided to the academy trust are recognised at their fair value in the year in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind is a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

LYDIATE LEARNING TRUST

Notes to the Financial Statements (continued) Year ended 31 August 2023

1. Statement of Accounting Policies (continued)

Tangible fixed assets (continued)

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

Long Leasehold Buildings	over the remaining lease term
Assets under construction	Not depreciated until brought into use
Furniture and equipment	over 8 years
Computer equipment and software	over 3 years
Motor vehicles	over 4 years

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

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.

Provisions

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

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

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and 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 11. Prepayments are not financial instruments and recoverable VAT is not included in the financial instruments disclosure definition.

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 12. 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.

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. Statement of Accounting Policies *(continued)*

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year 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 year by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2023. 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.

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

2. Donations and capital grants	Unrestricted funds £000	Restricted income funds £000	Restricted fixed asset funds £000	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Capital grants	-	-	704	704	50
<hr/>					
3. Funding for the academy trust's educational operations	Unrestricted funds £000	Restricted income funds £000	Restricted fixed asset funds £000	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
DfE/ESFA grants					
General Annual Grant (GAG)	-	14,062	-	14,062	13,650
Pupil premium	-	681	-	681	798
Supplementary grant	-	643	-	643	162
Other DfE/ESFA grants	-	165	-	165	304
	-	15,551	-	15,551	14,914
<hr/>					
Other Government grants					
Special educational needs	-	187	-	187	79
Other government grants	-	181	-	181	78
	-	368	-	368	157
<hr/>					
Covid-19 additional funding (DfE/ESFA)					
Recovery premium	-	177	-	177	-
Catch-up premium	-	-	-	-	25
Other DfE/ESFA Covid-19 funding	-	22	-	22	32
	-	199	-	199	57
<hr/>					
Associated Merseyside Partnership SCITT					
DfE/ESFA grants	-	660	-	660	743
Other income	-	64	-	64	-
	-	16,842	-	16,842	15,871
<hr/>					

The income for educational operations in both the current and comparative years relate to restricted funds.

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

4. Other trading activities	Unrestricted	Restricted	Restricted	Year ended	Year ended
	funds	income	fixed asset	31 August	31 August
	£000	funds	funds	2023	2022
		£000	£000	£000	£000
Hire of facilities	4	-	-	4	43
Catering	411	-	-	411	371
Other	219	-	-	219	195
Lydiate Services Company - income from lettings	55	-	-	55	80
	<u>689</u>	<u>-</u>	<u>-</u>	<u>689</u>	<u>689</u>
5. Expenditure					
	Staff	Non pay expenditure		Year ended	Year ended
	Costs	Premises	Other	31 August	31 August
	£000	£000	£000	2023	2022
				Total	Total
				£000	£000
Expenditure on raising funds	49	-	-	49	71
Trust's educational operations:-					
Direct costs	9,642	-	1,153	10,795	11,063
Allocated support costs	3,984	2,202	1,553	7,739	6,320
	<u>13,675</u>	<u>2,202</u>	<u>2,706</u>	<u>18,583</u>	<u>17,454</u>

Central services

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

- financial services
- educational support

The academy trust charges for these services using a hybrid of costs incurred and a top slice of GAG income.

The amounts charged during the year were as follows:

	2023	2022
	£000	£000
Childwall Sports and Science Academy	616	551
Deyes High School	715	632
Associated Merseyside Partnership SCITT	220	217
	<u>1,551</u>	<u>1,400</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

5. Expenditure (continued)

	Year ended 31 August 2023 Total £000	Year ended 31 August 2022 Total £000
Net income/expenditure for the year includes:-		
Operating lease rentals	17	17
Depreciation	1,042	1,025
Net interest on defined benefit pension liability	151	150
Fees payable to auditor for - Audit	13	12
- Other services	7	5

6. Charitable activities

	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Direct costs - educational operations	10,795	11,063
Support costs - educational operations	7,739	6,320
	<u>18,534</u>	<u>17,383</u>

Analysis of support costs

	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Support staff costs	3,984	2,843
Depreciation	1,042	1,025
Technology costs	173	271
Premises costs	1,160	746
Other support costs	807	732
Governance costs	573	703
Total support costs	<u>7,739</u>	<u>6,320</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

7. Staff	Group Year ended 31 August 2023 £000	Trust Year ended 31 August 2023 £000	Group Year ended 31 August 2022 £000	Trust Year ended 31 August 2022 £000
a. Staff costs				
Staff costs during the year were:-				
Wages and salaries	9,777	9,728	9,029	8,981
Social security costs	1,013	1,013	917	916
Pension costs	2,083	2,083	2,192	2,191
Apprenticeship levy	34	34	30	30
	12,907	12,858	12,168	12,118
Supply staff costs	768	768	811	811
	13,675	13,626	12,979	12,929
	13,675	13,626	12,979	12,929
b. Staff numbers	Group Year ended 31 August 2023 No	Trust Year ended 31 August 2023 No	Group Year ended 31 August 2022 No	Trust Year ended 31 August 2022 No
Teachers	147	147	135	135
Administration and support	150	148	150	148
Management	23	23	18	18
	320	318	303	301
	320	318	303	301
c. Higher paid staff				
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:-				
			Year ended 31 August 2023 No	Year ended 31 August 2022 No
£60,001 - £70,000			12	3
£70,001 - £80,000			3	5
£80,001 - £90,000			2	1
£90,001 - £100,000			1	1
£100,001 - £110,000			1	-
£140,001 - £150,000			-	1
£150,001 - £160,000			1	-
d. Key management personnel				

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,575,473 (2022 £1,269,946).

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

8. Related party transactions - trustees' remuneration and expenses

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

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

Ann Stahler (CEO/Executive Head Teacher, Lydiate Learning Trust)
Remuneration: £153,934 (2022 £147,071)
Employer's pension contributions: £36,452 (2022 £34,559)

Other related party transactions involving the trustees are set out in note 22.

9. Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim and the cost for the year ended 31 August 2023 is included in the total cost of the Department of Education Risk Protection Arrangement Membership and is not made separately available to the academy trust.

10. Tangible fixed assets

Group and Academy Trust

	Long leasehold land and buildings £000	Computer equipment £000	Furniture and Equipment £000	Motor Vehicles £000	Assets under construction £000	Total £000
Cost						
At 31 August 2022	44,907	1,310	2,272	42	95	48,626
Additions	28	414	322	-	241	1,005
Disposals	-	-	-	(16)	-	(16)
At 31 August 2023	44,935	1,724	2,594	26	336	49,615
Depreciation						
At 31 August 2022	8,269	1,174	2,172	42	-	11,657
Charged in year	898	114	30	-	-	1,042
Disposals	-	-	-	(16)	-	(16)
At 31 August 2023	9,167	1,288	2,202	26	-	12,683
Net book value						
At 31 August 2023	35,768	436	392	-	336	36,932
At 31 August 2022	36,638	136	100	-	95	36,969

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

11. Debtors	Group 2023 £000	Trust 2023 £000	Group 2022 £000	Trust 2022 £000
Trade debtors	134	124	79	62
VAT recoverable	81	81	181	181
Other debtors	37	37	1	1
Prepayments and accrued income	681	681	184	184
Amounts due from group undertakings	-	20	-	33
	933	943	445	461
	933	943	445	461
12. Creditors: Amounts falling due within one year	Group 2023 £000	Trust 2023 £000	Group 2022 £000	Trust 2022 £000
Salix loans	15	15	15	15
Trade creditors	280	280	411	411
Other taxes and social security	261	261	236	236
Other creditors	640	640	477	477
Accruals and deferred income	843	843	497	497
	2,039	2,039	1,636	1,636
	2,039	2,039	1,636	1,636
Deferred income	Group 2023 £000	Trust 2023 £000	Group 2022 £000	Trust 2022 £000
Deferred income at 1 September 2022	9	9	231	231
Released from previous years	(9)	(9)	(231)	(231)
Resources deferred in the year	91	91	9	9
	91	91	9	9
	91	91	9	9

The deferred income balance comprises Sport England Lotto and Growth PAN funding.

13. Creditors: Amounts falling due after more than one year	Group 2023 £000	Trust 2023 £000	Group 2022 £000	Trust 2022 £000
Salix loans	58	58	73	73
	58	58	73	73
	58	58	73	73

The total amount of Salix loans is £72,896 (2022 £88,232) of which £15,336 (2022 £15,336) is payable within one year and included in note 12. The loan repayments are payable every six months over an 8-year period with repayments commencing on completion of the funded project. Salix loans are unsecured and interest free.

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

14. Funds	Balance at 1 September			Gains, losses and transfers	Balance at 31 August
Group	2022 £000	Income £000	Expenditure £000	£000	2023 £000
Restricted general funds					
General Annual Grant	1,202	14,062	(13,811)	(301)	1,152
Other DfE/ESFA grants					
Pupil premium	-	681	(681)	-	-
Supplementary grant	-	643	(643)	-	-
Catch up premium	-	177	(177)	-	-
AMP SCITT	-	660	(660)	-	-
Other	-	251	(251)	-	-
Other government grants	-	368	(368)	-	-
Pension reserve	(3,820)	-	(103)	2,330	(1,593)
	(2,618)	16,842	(16,694)	2,029	(441)
Restricted fixed asset funds					
Inherited funds	30,968	-	(898)	-	30,070
DfE/ESFA capital grants	5,431	704	(144)	-	5,991
Capital expenditure from GAG	570	-	-	301	871
	36,969	704	(1,042)	301	36,932
Total restricted funds	34,351	17,546	(17,736)	2,330	36,491
Unrestricted funds					
Unrestricted general funds	7	634	(798)	-	(157)
Lydiate Services Company	(16)	55	(49)	-	(10)
Total unrestricted funds	(9)	689	(847)	-	(167)
Total funds	34,342	18,235	(18,583)	2,330	36,324

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)*

Year ended 31 August 2023

14. Funds *(continued)*

Academy Trust	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant	1,202	14,062	(13,811)	(301)	1,152
Other DfE/ESFA grants					
Pupil premium	-	681	(681)	-	-
Supplementary grant	-	643	(643)	-	-
Catch up premium	-	177	(177)	-	-
AMP SCITT	-	660	(660)	-	-
Other	-	251	(251)	-	-
Other government grants	-	368	(368)	-	-
Pension reserve	(3,820)	-	(103)	2,330	(1,593)
	(2,618)	16,842	(16,694)	2,029	(441)
Restricted fixed asset funds					
Assets transferred from LEA	30,968	-	(898)	-	30,070
DfE Group capital grants	5,431	704	(144)	-	5,991
Assets acquired from GAG	570	-	-	301	871
	36,969	704	(1,042)	301	36,932
Total restricted funds	34,351	17,546	(17,736)	2,330	36,491
Unrestricted funds	7	634	(798)	-	(157)
Total funds	34,358	18,180	(18,534)	2,330	36,334

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

14. Funds *(continued)*

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

Group	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant	666	13,650	(12,947)	(167)	1,202
Other DfE/ESFA grants					
Pupil Premium	-	798	(798)	-	-
Catch-up premium	-	25	(25)	-	-
Other DfE/ESFA Covid-19 funding	-	32	(32)	-	-
Other	-	250	(250)	-	-
Other DfE group grants	-	959	(959)	-	-
Other government grants	-	157	(157)	-	-
Pension reserve	(9,134)	-	(529)	5,843	(3,820)
	(8,468)	15,871	(15,697)	5,676	(2,618)
Restricted fixed asset funds					
Inherited funds	37,248	-	(1,025)	(5,255)	30,968
DfE/ESFA capital grants	126	50	-	5,255	5,431
Capital expenditure from GAG	403	-	-	167	570
	37,777	50	(1,025)	167	36,969
Total restricted funds	29,309	15,921	(16,722)	5,843	34,351
Unrestricted funds					
Unrestricted general funds	59	609	(661)	-	7
Lydiate Services Company	(25)	80	(71)	-	(16)
Total unrestricted funds	34	689	(732)	-	(9)
Total funds	29,343	16,610	(17,454)	5,843	34,342

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)*
Year ended 31 August 2023

14. Funds *(continued)*

Academy Trust	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant	666	13,650	(12,947)	(167)	1,202
Other DfE/ESFA grants					
Pupil premium	-	798	(798)	-	-
Catch-up premium	-	25	(25)	-	-
Other DfE/ESFA Covid-19 funding	-	32	(32)	-	-
Other	-	250	(250)	-	-
Other DfE group grants	-	959	(959)	-	-
Other government grants	-	157	(157)	-	-
Pension reserve	(9,134)	-	(529)	5,843	(3,820)
	(8,468)	15,871	(15,697)	5,676	(2,618)
Restricted fixed asset funds					
Assets transferred from LEA	37,248	-	(1,025)	(5,255)	30,968
DfE Group capital grants	126	50	-	5,255	5,431
Assets acquired from GAG	403	-	-	167	570
	37,777	50	(1,025)	167	36,969
Total restricted funds	29,309	15,921	(16,722)	5,843	34,351
Unrestricted funds	59	609	(661)	-	7
Total funds	29,368	16,530	(17,383)	5,843	34,358

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

Restricted general funds

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

Fixed assets fund

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

Other restricted funds

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

Unrestricted funds

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)*
Year ended 31 August 2023

15. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:-

Group	Unrestricted	Restricted	Restricted	Total
	funds	income	fixed asset	
	£000	£000	£000	£000
Tangible fixed assets	-	-	36,932	36,932
Net current assets	(167)	1,210	-	1,043
Long term liabilities	-	(58)	-	(58)
Pension scheme liability	-	(1,593)	-	(1,593)
Total net assets	(167)	(441)	36,932	36,324
Academy Trust				
	Unrestricted	Restricted	Restricted	Total
	funds	income	fixed asset	Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	36,932	36,932
Net current assets	(157)	1,210	-	1,053
Long term liabilities	-	(58)	-	(58)
Pension scheme liability	-	(1,593)	-	(1,593)
Total net assets	(157)	(441)	36,932	36,334

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

Group	Unrestricted	Restricted	Restricted	Total
	funds	income	fixed asset	
	£000	£000	£000	£000
Tangible fixed assets	-	-	36,969	36,969
Net current assets	(9)	1,275	-	1,266
Long term liabilities	-	(73)	-	(73)
Pension scheme liability	-	(3,820)	-	(3,820)
Total net assets	(9)	(2,618)	36,969	34,342
Academy Trust				
	Unrestricted	Restricted	Restricted	Total
	funds	income	fixed asset	funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	36,969	36,969
Net current assets	7	1,275	-	1,282
Long term liabilities	-	(73)	-	(73)
Pension scheme liability	-	(3,820)	-	(3,820)
Total net assets	7	(2,618)	36,969	34,358

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

16. Total funds analysis by academy	2023 £000	2022 £000
Childwall Sports and Science Academy	1,874	1,575
Deyes High School	538	936
SCITT	81	142
Trust Central Fund	(1,498)	(1,444)
Total before fixed assets and pension reserve	995	1,209
Restricted fixed asset fund	36,932	36,969
Pension reserve	(1,593)	(3,820)
Trust total	36,334	34,358
Subsidiary	(10)	(16)
Group total	36,324	34,342

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2023 £000	Total 2022 £000
Childwall Sports and Science Academy	4,202	1,441	677	1,421	7,741	6,480
Deyes High School	4,988	1,715	477	1,719	8,899	9,241
SCITT	-	2	6	687	695	615
Studio@Deyes	-	-	-	-	-	22
Central Services	-	1,338	61	208	1,607	-
Trust total	9,190	4,496	1,221	4,035	18,942	16,358
Subsidiary	-	49	-	-	49	71
Group total	9,190	4,545	1,221	4,035	18,991	16,429

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

17. Commitments under operating leases

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:-

	2023	2022
	£000	£000
Amounts due within one year	17	17
Amounts due between one and five years	16	33
	<u>33</u>	<u>50</u>

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Year ended	Year ended
	31 August	31 August
	2023	2022
	£000	£000
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	(348)	(844)
Adjusted for:-		
Capital grants from DfE and other capital income	(704)	(50)
Defined benefit pension scheme cost less contributions payable (note 22)	(48)	379
Defined benefit pension scheme finance cost (note 22)	151	150
Depreciation (note 11)	1,042	1,025
Decrease/(increase) in debtors	(214)	80
(Decrease) in creditors	101	11
	<u>(20)</u>	<u>751</u>

19. Analysis of changes in net debt

	At 1 September		Other non-	At 31 August
	2022	Cash flows	cash changes	2023
	£000	£000	£000	£000
Cash in hand and at bank	2,457	(308)	-	2,149
	2,457	(308)	-	2,149
Loans falling due within one year	(15)	15	(15)	(15)
Loans falling due after more than one year	(73)	-	15	(58)
	<u>2,369</u>	<u>(293)</u>	<u>-</u>	<u>2,076</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

20. 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.

21. Pension and similar obligations

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

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

Contributions amounting to £235,064 were payable to the schemes at 31 August 2023 (2022 £204,123) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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.

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

21. Pension and similar obligations *(continued)*

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,540,059 (2022: £930,285).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £751,000 (2022 £647,000), of which employer's contributions totalled £598,000 (2022 £525,000) and employees' contributions totalled £153,000 (2022 £122,000). The agreed contribution rates for future years range from 16.7 to 19.5 per cent for employers and between 5.5 per cent and 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

As the scheme is in deficit the academy has entered into an agreement with the scheme trustees to make additional contributions of £96,642 per year in addition to normal funding levels. These additional contributions are expected to continue for the foreseeable future.

Principal actuarial assumptions	At 31 August	At 31 August
	2023	2022
	%	%
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment/inflation	2.9	3.0
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.9

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

21. Pension and similar obligations *(continued)*

Local government pension scheme *(continued)*

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

	At 31 August 2023 Years	At 31 August 2022 Years
Retiring today		
Males	20.85	20.9
Females	23.65	24.0
Retiring in 20 years		
Males	22.25	22.4
Females	25.50	25.9

	At 31 August 2023 £'000
Sensitivity analysis (impact on liability)	
Discount rate +0.1% pa	(179)
Discount rate -0.1% pa	183
Mortality assumption - 1 year increase in life expectancy	219
Mortality assumption - 1 year decrease in life expectancy	(214)
CPI rate +0.1% pa	183
CPI rate -0.1% pa	(179)

The academy trust's share of the assets in the scheme was:-

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equities	4,670	3,881
Gilts	512	748
Corporate bonds	162	282
Property	1,078	869
Cash and other liquid assets	98	177
Other	2,461	2,092
Total market value of assets	8,981	8,049

The actual return on scheme assets was £ 303,000 (2022: £(344,000)).

LYDIATE LEARNING TRUST

Notes to the Financial Statements *(continued)* Year ended 31 August 2023

21. Pension and similar obligations *(continued)*

Local government pension scheme *(continued)*

Amounts recognised in the Statement of Financial Activities	Year ended 31 August 2023 £000	Year ended 31 August 2022 £000
Current service cost	538	894
Net interest cost	151	150
Administrative expenses	12	10
Total amount recognised in the SOFA	701	1,054

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

	2023 £000	2022 £000
At 1 September 2022	11,869	17,013
Current service cost	538	894
Interest cost	515	289
Employee contributions	153	122
Actuarial (gain)/loss	(2,564)	(6,325)
Benefits paid/transfers	63	(124)
At 31 August 2023	10,574	11,869

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

	2023 £000	2022 £000
At 1 September 2022	8,049	7,879
Interest income	364	139
Actuarial (loss)/gain	(234)	(482)
Employer contributions	598	525
Employee contributions	153	122
Benefits paid/transfers	63	(124)
Administration expenses	(12)	(10)
At 31 August 2023	8,981	8,049

LYDIATE LEARNING TRUST

Notes to the Financial Statements (continued) Year ended 31 August 2023

22. Related parties

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

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

Patricia Graham is an employee with remuneration £25,434 (2022: £23,878) and a relation of John Graham. Deborah Moss is an employee with remuneration £27,929 (2022: £24,347) and a relation of Stephen Moss. Amounts outstanding at the end of the year were £Nil.

23. Subsidiary undertaking

The trust has one wholly owned subsidiary, Lydiate Services Company Limited (company number 13304916, registered in England and Wales). The principal activity of the subsidiary is the operation of sports facilities. At 31 August 2023 this investment is recognised at the cost of £1 in the balance sheet of the trust (2022 £1).

The trading results of the subsidiary were:-

	2023	2022
	£000	£000
Turnover	55	80
Operating costs	(49)	(71)
Profit/(loss) on ordinary activities before taxation	6	9
Taxation	-	-
Profit/(loss) on ordinary activities after taxation	6	9

The assets and liabilities of the subsidiary were:

	2023	2022
	£000	£000
Current assets	10	17
Creditors: Amounts falling due within one year	(20)	(33)
Total assets less current liabilities	(10)	(16)