

LYDIATE LEARNING TRUST

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31st August 2020



LYDIATE
LEARNING
TRUST

ENGAGE, ENABLE,
EMPOWER

Company Registration Number 07732559 (England & Wales)

LYDIATE LEARNING TRUST

**Report and Financial Statements
For the year ended 31st August 2020**

Contents	Page
Reference and Administrative Details	1
Trustees' Report	2 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 - 18
Statement of Financial Activities, incorporating Income and Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	22 - 26
Other Notes to the Financial Statements	26 - 37
Independent Reporting Accountant's Assurance Report on Regularity	38 - 39

LYDIATE LEARNING TRUST

Reference and Administrative Details

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

Directors (Trustees)

John Graham (Chair) *	8 th August 2011	
Helen Heap *	1 st June 2016	
Graham Hewer *	1 st January 2015	
John Pearce	9 th July 2018	31 st October 2020
Ann Stahler (Accounting Officer) *	8 th August 2011	
Hooshang Rahmani	1 st May 2019	
Jane Morris *	7 th September 2020	

* indicates members of the Finance & Resources Committee

Company Secretary: Mrs D Moss

Senior Management Team:

Executive Head Teacher	Ann Stahler
CSSA Head Teacher	Janette Vincent
Deyes High School Head of School	Peter Duffy (to 31 st August 2020)
Deyes High School Head of School	Victoria Beaney (from 1 st September 2020)
Studio@Deyes Head of School	John Parry (to 31 st August 2020)
Head of AMP SCITT	Pauline Treanor (to 31 st August 2019)
Head of AMP SCITT	Alison Brady (from 1 st September 2019)
Director of School Improvement	Wendy Jack
Director of School Improvement	Suzanne Pountain (from 13 th July 2020)
Director of Finance	John Halstead (to 15 th July 2020)
Director of Finance	Vicki Askham (from 26 th June 2020)
Director of HR	Vickie Sumner
Director of Operations	Paul Hasleden (from 4 th November 2019)

Company Name: Lydiate Learning Trust

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

Company Registration Number: 07732559 (England & Wales)

Academies Operated: Childwall Sports and Science Academy (CSSA)
Deyes High School (DHS)
Studio@Deyes (S@D) (closed on 31st August 2020)

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

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

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

LYDIATE LEARNING TRUST

Trustees' Report

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

During the year, the Trust operated three secondary academies in Liverpool and Sefton and a teaching school from its academy in Sefton. One of these academies, Studio@Deyes, was closed as planned on 31st August 2020. Going forward, the Trust has a pupil capacity of 2,326 and had a roll of 2,360 in the October 2020 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)

Organisational Structure

The governance structure consists of three levels: Members of the Trust, the Board of the Trust (trustees) and the Local Governing Body of each school. The 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 including the chair.

Trade Union Facility Time

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

Related Parties and Other Connected Charities and Organisations

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

Details of related party transactions are given in Note 23.

Engagement with Employees

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

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

Individuals schools operate local health and wellbeing (H&W) initiatives. For example, Studio@Deyes held a H&W twilight session, introducing a number of mindfulness initiatives. Both Childwall Sports & Science Academy and Deyes High School have designated people who are responsible for H&W initiatives.

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

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

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

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

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

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

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

During the year, the Board considered a number of matters where it was important to be mindful of the interests of employees. One example of this was with regard to the closure of Studio@Deyes. The consultation process considered the interests of employees, taking the approach of seeking to minimise redundancies of affected staff by supporting them into alternative employment wherever possible.

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 a new reprographics contract which was put out for tender.

Engagement with customers (students) enables the Trust to deliver its vision to "engage, enable, empower". Their interests are at the forefront of all key decisions, in particular the school improvement initiatives that are detailed in the Strategic Report on page 6. During the year, and with the interests of customers in mind, the Board commenced a review of proposals for the COVID-19 Recovery Curriculum, in order to provide students with appropriate academic and pastoral support upon their return to school in September 2020.

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 a series of meetings with the Department for Education to oversee the closure of Studio@Deyes.

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. Given the specialist and alternative nature of the provision at Studio@Deyes admissions were based on parental choice.

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.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	1,272,024
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	23.81
Owned transport – mini-buses	4.86
Total Scope 1	28.67
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	258.23
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	3.43
Total gross emissions in metric tonnes CO2e	290.33
Intensity ratio Tonnes CO2e per pupil	0.12
Quantification and reporting methodology	
We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.	
Intensity measurement	
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.	
Measures taken to improve energy efficiency	
No specific measures have been taken this year to improve energy efficiency. Energy usage was reduced due to the partial closure of the schools from March 2020 due to COVID-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place.	

Strategic Report

Achievements and Performance

Deyes High School

Deyes High School has a history of strong academic performance and in 2020 students continued this success with 60% of students achieving a grade 5+ in English and Mathematics. Lydiate Learning Trust offers a strong and varied curriculum with 60% of students choosing to follow the EBACC pathway and 46% achieving the strong pass across the EBACC suite. Subject progress scores at Deyes are +0.03 and are projected to continue upwards. The disadvantaged gap has narrowed although this remains a focus. 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 a average grade of B- with students on average achieving over half a grade higher than their target grades. 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.

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Childwall Sports and Science Academy

GCSE results at Childwall in 2020 produced a positive subject progress figure of +0.29 with the highest ever percentage of students achieving a grade 5+ in both English and Maths. 64% of students achieved a grade 4+ in English and Mathematics with 43% achieving a grade 5+. EBACC performance continues to improve with the proportion of students entered for the EBACC increasing year on year. The performance of the disadvantaged has also improved however the focus on narrowing the gap remains a priority.

KS5 results have improved significantly with the average attainment grade improving from a D+ to a C, this is a three-year trend of improvement. Disadvantaged students performed at a similar level to non-disadvantaged achieving a positive value added score. The applied grades are particularly excellent with the average grade achieved being a distinction.

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

Studio@Deyes

Studio@Deyes was a smaller school focused on offering students a rich education with links to employment and work experience. Studio@Deyes had a successful track record in offering opportunities to students who may have struggled with main stream education and are looking for a more bespoke offer. In 2020, over 50% of students achieved a grade 4 in English or Mathematics with 33% of students achieving both. Students choose a specialism in Fashion, Business or Engineering and all students experienced success in their preferred field. The success of the Studio School was evident in their destinations with over 80% moving on to further education and the remainder finding opportunities in sixth form colleges or apprenticeships.

At key stage 5 students specialised in Fashion, Engineering or Business Studies. Success rates were very high with 66% of students progressing to higher education in their preferred field and the remainder entering apprenticeships or employment.

Unfortunately, Studio@Deyes has now closed.

Associated Merseyside Partnership SCITT (AMP)

Of the 69 students who started the 2019/20 course a total of 61 students gained qualified teacher status (16 at primary phase and 45 at secondary phase) with 6 trainees withdrawing and 2 deferred due to illness. All trainees were graded outstanding or good, with 70% outstanding overall. With a rapid adaptation to working remotely during lockdown trainees continued to benefit from training and recruitment was maximised. Due to a strong partnership with our local schools we were able to secure the required placements. Now in the sixth year of operation AMP SCITT provides courses in 22 subjects and programmes cover 4 age ranges; 3-7 and 7-11 in primary with 11-16 and 14-19 in secondary.

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Trust Development Priorities 2019/20

The Lydiate Learning Trust Board have agreed:

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

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 2019/20

- Following the release of examination results in 2020 Lydiate Learning Trust were very pleased to see that there was an upward trend in results and, in particular that of Progress 8. However, they are also aware that there is still much room for improvement. They are also confident that this will happen.
- Quality assurance visits by the Trust Executive and Academy Improvement Partners and external groups continues to play a vital role in monitoring and evaluating the standards in our schools. Judgements are always consistent with external evaluations.
- The Trust has set quality standards and the schools evaluate their position against these standards. This is then compared to the evaluation from the Executive team.
- The Trust has a well-developed self-evaluation calendar that is used in all schools on our journey to outstanding.
- Much progress has also been made this year developing a trust-wide curriculum. Each school now has a clear, agreed road map and clarity of intent. The focus going forward will be on implementation and impact.
- The standards of career education in our schools continues to improve following the requirements laid out by the Gatsby benchmarks.
- The Trust has introduced a comprehensive CPDL offer to all teaching staff which embodies the LLT culture and ethos, finding ways to address new issues and to do things differently to make continuous improvement. The rationale is research-rich and carefully interwoven between teams. Key leaders across all schools have collaborated to create the CPDL programme with a view to engage, enable and empower. The strategic intent for CPDL is based on the following:
 - To create a consistent pedagogical approach
 - To promote effective self-evaluation for sustained improvement
 - To support the development of collective CPDL and pastoral CPDL, subject leader CPDL and subject team CPDL.
- The School Improvement Executive continues to work across the schools supporting the core agenda to raise standards. Faculty reviews and deep dives have been led by this team, alongside practising Ofsted inspectors to ensure standards are at the highest level.
- AMP SCITT/The Trusts School Centred Initial Teacher Training Centre, continues to go from strength to strength, now having secured 75 trainees, both secondary and primary. Most recently, the SCITT has been approached to manage another SCITT in another region and we look forward to 2020/21 as this partnership develops. Similarly, the Trust will, hopefully, go into partnership with another local Trust to develop a bid to become a Teaching Hub and deliver the plan for Initial Teacher Training.
- Several Trust leaders continue to work closely with the local research school and 2 from Childwall Sports & Science Academy were successful in securing positions as education leaders for the recent EEF roll out.
- Leaders of LLT continue to hold key positions in the local area in which they work e.g. Chair of Maghull & District Community of schools, Co-leader of the Local Initiative for multi-academy schools and Trusts.
- Partially generated by the pandemic the Trust has fully reviewed the approach to online remote learning and much time has been injected to ensuring a blended approach to all of our learning schemes. This will be developed further in 2020/21.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

- The Trust appraisal policy was further embedded in all schools with clear aspirational targets and close monitoring supported by excellent CPDL.

Operational Improvements 2019/20

- Further recruitment took place in 2019/20 to secure the final personnel to support our operational approach. A highly skilled accountant and financial director joined the team to complement the Director of Operations and Estates and the Director of HR. The central team is led by qualified professionals providing specialist knowledge.
- Studio@Deyes was finally closed in August 2020 and whilst this was a sad occasion it was also widely accepted it was necessary due to lack of Government support for the failed Studio School initiative and the financial demands required to maintain the school. This was done in a sensitive, professional and very efficient manner.
- The electronic HR system was launched across all schools and the central portal allows ease of access to all personnel data. In line with the further development of the Trust's recruitment and retention strategy much work has been completed on the Succession Policy and associated strategies on talent management and on every aspect of recruitment. All of this is now centralised. The Trust has embarked on providing a sustainable model for staffing the future.
- The financial systems underwent a full review and all schools now follow the same approach under the guidance of the FD. Coupled with the further development of an enhanced approach to ICFP the Trust now has an enhanced and efficient financial process in all areas.
- A new payroll system, outsourced to Bury payroll is now a cost-effective and efficient service for all schools.
- The Trust re-branded in 2019/20 working with MAD, a local branding company. All schools and associated providers of LLT bear the red shield logo which unites us as a family. All promotional materials are uniform in design. The websites will roll out over 2020/21.
- The re-branding also allowed for a full review of our environment strategy. Full mood Boards and colour appropriate for learning have been reviewed and agreed in line with the re-branding. The new palette is being rolled out across the schools. A minimum standard for the learning environment has been agreed.
- A full review of Governance was undertaken in 2019/20. There is a clear separation and clear lines of accountability between the role of Members, Trustees and Academy Governance Committees. Trustees and Executives continue to provide support to AGC's where it is required. The current Board of Trustees are from a wide range of professions and backgrounds bringing a varied menu of expertise to the table. They are united by their desire to support schools, and in particular, the youngsters within to do their very best and have a bright future. The vision is, of course, for all of our schools and centres to be outstanding.

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 ensure a fully inclusive curriculum that caters for all students and incorporates blended remote learning.
- The Trust will continue to ensure the development of the SCITT and the trainee teachers studying in our SCITT.
- The Trust will further develop the comprehensive CPDL offer to be broadened and offered beyond the Trust.
- The Trust looks to expand and work with other like-minded schools with the same culture and both within and beyond the region.
- To ensure the Trust Strategic Plan is fully implemented.
- To enhance the excellent reputation of the Trust.
- To further promote the CPDL programme to ensure teaching and learning is outstanding.
- To ensure that high quality leaders continue to receive the high exceptional support they have become accustomed to.

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Key Performance Indicators

Summer 2020 KS4 Headlines (2019 figures in brackets)		
Childwall Sports & Science Academy		
Progress 8 (Sisra)	+0.30	(-0.59)
English 5+	60.8%	(42.9%)
Maths 5+	49.2%	(27.8%)
English 7+	24.6%	(13.5%)
Maths 7+	12.3%	(5.6%)
Eng & Ma 5+	43.1%	(23.8%)
EBACC 5+	9.2%	(7.1%)
EBACC 7+	16.2%	(11.1%)
Deyes High School		
Progress 8 (Sisra)	+0.16	(-0.50)
English 5+	71.9%	(63.4%)
Maths 5+	67.9%	(46.4%)
English 7+	27.1%	(22.3%)
Maths 7+	17.6%	(12.5%)
Eng & Ma 5+	59.7%	(41.5%)
EBACC 5+	24.4%	(11.2%)
EBACC 7+	46.2%	(21.9%)
Studio@Deyes		
Progress 8 (Sisra)	-1.71	(-2.07)
English 5+	20%	
Maths 5+	11%	
English 4+	64%	
Maths 4+	56%	

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

Going Concern

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

Promoting the success of the charitable company

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

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

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

Financial Review

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

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

During the year ended 31st August 2020, total expenditure of £18,087,000 (2019: £16,160,000) was covered by grant funding from the Department of Education together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £60,000 (2019: £699,000).

At 31st August 2020 the net book value of fixed assets was £38,505,000 (2019: £40,176,000). Movements in tangible fixed assets are shown in Note 11 to the accounts. The assets were used exclusively for providing education and the associated support service to pupils of the Trust.

Reserves Policy

The trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's current level of revenue reserves (total reserves less the amounts held in fixed asset reserve and the pension fund reserve) is £502,000 (2019: £154,000).

The level of reserves has been significantly negatively affected by the financial support needed to effectively manage the closure of Studio@Deyes. The Board is making every effort to increase the level of reserves going forward to a level that it considers necessary for future operations and capital investment.

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.

Investment Policy

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

Principal Risks and Uncertainties

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

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

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

LYDIATE LEARNING TRUST

Trustees' Report (continued)

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

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

Employee Involvement

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

Equality and Disability Statement

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

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

Auditor

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

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16th December 2020 and signed on the board's behalf by:



Mr John Graham
Chair
16th December 2020

LYDIATE LEARNING TRUST

Governance Statement

Scope of Responsibility

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

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

Governance

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

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

Director	Meetings Attended	Out of a Possible
John Graham	12	13
Helen Heap	13	13
Graham Hewer	11	13
John Pearce	12	13
Ann Stahler	13	13
Hooshang Rahmani	12	13

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

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

Director	Meetings Attended	Out of a Possible
John Graham	2	3
Helen Heap	3	3
Graham Hewer	1	2
Ann Stahler	3	3

Review of Value for Money

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

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

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

LYDIATE LEARNING TRUST

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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

The RO'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 resources committees.

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

Review of Effectiveness

As accounting officer, the 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 Responsible Officer
- the work of the external auditor
- the work of the managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

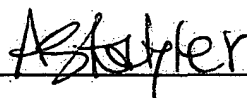
LYDIATE LEARNING TRUST

Governance Statement (continued)

Approved by order of the board of trustees on 16th December 2020 and signed on its behalf by:



John Graham
Chair of Trustees



Ann Stahler
Accounting Officer

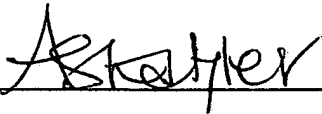
LYDIATE LEARNING TRUST

Statement of Regularity, Propriety and Compliance

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

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

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



Ann Stahler
Accounting Officer
16th December 2020

LYDIATE LEARNING TRUST

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 16th December 2020 and signed on its behalf by:



John Graham
Chair of Trustees

LYDIATE LEARNING TRUST

Independent Auditors' Report to the Members of Lydiate Learning Trust (continued) For the year ended 31st August 2020

Opinion

We have audited the financial statements of Lydiate Learning Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our 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.

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, which includes the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report included within the Trustees Report have been prepared in accordance with applicable legal requirements.

LYDIATE LEARNING TRUST

Independent Auditors' Report to the Members of Lydiate Learning Trust (continued) For the year ended 31st August 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included within the Trustees Report.

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

- adequate accounting records have not been kept, 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 set out on page 13 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

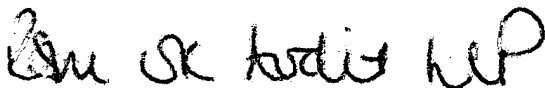
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

Dated: 18 December 2020

LYDIATE LEARNING TRUST

Statement of Financial Activities For the year ended 31st August 2020 (including Income and Expenditure Account)

		2020	2020	2020		
	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from :						
Donations and capital grants	2	-	-	55	55	1,515
Charitable activities:						
- Funding for the Trust's educational operations	3	-	14,825	-	14,825	13,351
Other trading activities	4	460	-	-	460	770
Investments	5	1	-	-	1	1
Total		461	14,825	55	15,341	15,637
Expenditure on :						
Charitable activities :						
- Academy trust educational operations	6,7	536	14,810	2,741	18,087	16,160
Total		536	14,810	2,741	18,087	16,160
Net income / (expenditure)		(75)	15	(2,686)	(2,746)	(523)
Transfers between funds		-	-	-	-	-
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	22	-	(454)	-	(454)	(2,505)
Net movement in funds		(75)	(439)	(2,686)	(3,200)	(3,028)
Reconciliation of funds						
Total funds brought forward		154	(7,949)	41,230	33,435	36,463
Total funds carried forward		79	(8,388)	38,544	30,235	33,435

LYDIATE LEARNING TRUST

**Balance Sheet
As at 31st August 2020**

Company Number: 07732559

		2020	2020	2019	2019
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		38,505		40,176
Current assets					
Debtors	12	441		781	
Cash at bank and in hand		1,549		2,202	
		<u>1,990</u>		<u>2,983</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	13	(1,345)		(1,670)	
Net current assets			645		1,313
Total assets less current liabilities			<u>39,150</u>		<u>41,489</u>
Creditors: Amounts falling due after more than one year	14		(104)		(105)
Net assets excluding pension liability			<u>39,046</u>		<u>41,384</u>
Defined benefit pension scheme liability	22		(8,811)		(7,949)
Total net assets			<u>30,235</u>		<u>33,435</u>
Funds of the Trust:					
Restricted funds					
- Restricted fixed asset fund	16	38,544		41,230	
- Restricted general fund	16	423		-	
- Pension reserve	16	(8,811)		(7,949)	
Total restricted funds			<u>30,156</u>		<u>33,281</u>
Unrestricted income funds	16		79		154
Total funds			<u>30,235</u>		<u>33,435</u>

The financial statements on pages 19 to 37 were approved by the board of trustees, and authorised for issue on 16th December 2020 and are signed on their behalf by:



**John Graham
Trustee**

LYDIATE LEARNING TRUST

Statement of Cash Flows For the year ended 31st August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	362	152
Cash flows from investing activities			
Dividend, interest and rents from investments		1	1
Purchase of tangible fixed assets		(1,071)	(904)
Capital grants from DfE/ESFA		55	1,515
		<u>(1,015)</u>	<u>612</u>
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>(653)</u>	<u>764</u>
Cash and cash equivalents at beginning of the year		2,202	1,438
Cash and cash equivalents at the end of the year		<u>1,549</u>	<u>2,202</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020

1. Statement of Accounting Policies

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

1.1. Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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

1.2. Going Concern

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

The trustees have reviewed the fund balances at 31st August 2020 and have approved budget and cash flow forecasts for 2020/21 and future years, and consider it appropriate for the financial statements to be drawn up on a going concern basis.

The COVID-19 pandemic has developed rapidly in 2020. The trustees have considered the consequences of COVID-19, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

At 31st August 2020 the Trust had net assets of £30,235,000 after providing for a defined benefit pension scheme deficit under FRS102 of £8,811,000. The Board have considered a period of at least 12 months from the date of approval of these financial statements and are satisfied that the Trust can continue to operate and meet its liabilities as they fall due. The pension scheme deficit is not expected to crystallise for the foreseeable future. Accordingly, the Board consider that it is appropriate to prepare the accounts on a going concern basis.

1.3. Income

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

- **Grants**

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020

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

▪ **Grants (continued)**

Capital grants are recognised when there is entitlement when performance related conditions have been met and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

▪ **Sponsorship income**

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

▪ **Donations**

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

▪ **Other Income**

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

▪ **Donated Services and Gifts in Kind**

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

1.4. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are stated inclusive of any irrecoverable VAT.

▪ **Expenditure on Raising Funds**

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

▪ **Charitable Activities**

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

1.5. Tangible Fixed Assets

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

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

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

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

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

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

1.6. Liabilities

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

1.7. Provisions

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

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

1.8. Leased Assets

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

1.9. Financial Instruments

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

1.10. Financial Assets and Liabilities

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

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

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

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

De-recognition of Financial Assets and Liabilities

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

1.11. 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.

1.12. Pension Benefits

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

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

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13. Fund Accounting

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

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

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

1.14. Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	55	55	1,515
	-	55	55	1,515

The income from donations and capital grants in 2020 was £55,000 (2019: £1,515,000) of which £55,000 (2019: £1,515,000) was restricted fixed asset funds.

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

3. Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
General annual grant (GAG)	-	12,147	12,147	11,874
Other DfE / ESFA grants	-	2,548	2,548	1,351
	-	14,695	14,695	13,225
Other government grants				
Other government grants	-	-	-	-
Local authority grants	-	124	124	126
	-	124	124	126
Exceptional government funding				
Coronavirus exceptional support	-	6	6	-
	-	6	6	-
	-	14,825	14,825	13,351

The income from the Trust's educational operations was £14,825,000 (2019: £13,351,000), all of which was restricted general funds.

The Trust has been eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. The funding claimed is shown above under "exceptional government funding". The funding claimed for Coronavirus exceptional support covers £6k of costs incurred for additional cleaning and free school meal (FSM) vouchers. These costs are included in notes 6 and 7 as appropriate. The funding claimed was received after 31st August 2020.

4. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	32	-	32	30
Catering income	291	-	291	457
Other income	137	-	137	283
	460	-	460	770

The income from other trading activities was £460,000 (2019: £770,000) all of which was unrestricted funds.

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Bank interest received	1	-	1	1
	1	-	1	1

The investment income was £1,000 (2019: £1,000) all of which was unrestricted funds.

6. Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2020 £000	Total 2019 £000
Trust's educational operations:					
- Direct costs	9,713	-	417	10,130	9,583
- Allocated support costs	2,703	1,720	3,534	7,957	6,577
	12,416	1,720	3,951	18,087	16,160

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

Expenditure on raising funds was £18,087,000 (2019: £16,160,000) of which £536,000 (2019: £605,000) was from unrestricted funds and £14,810,000 (2019: £14,216,000) was from restricted general funds.

Net expenditure for the period includes:

	Total 2020 £000	Total 2019 £000
Operating lease rentals	23	14
Depreciation	1,031	1,339
Net interest on defined benefit pension liability	137	132
Past service cost on defined benefit pension liability	30	294
Fees payable to auditor for :		
- Audit	18	14
- Other services	1	2
Loss on disposal of fixed assets	<u>1,710</u>	<u>-</u>

The loss on disposal of fixed assets relates to the reduction in the value of fixed assets which has arisen as a result of reclamation of assets by the ESFA on the closure of Studio@Deyes.

Central services

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

7. Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs - educational operations	10,130	9,583
Support costs - educational operations	7,957	6,577
	<u>18,087</u>	<u>16,160</u>

Analysis of support costs

	Total 2020 £000	Total 2019 £000
Support staff costs	2,703	2,685
Depreciation	1,031	1,339
Technology costs	168	139
Premises costs	689	689
Other support costs	1,124	1,273
Governance costs	532	452
Loss on disposal of fixed assets	1,710	-
Total support costs	<u>7,957</u>	<u>6,577</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

8. Staff Costs

a. Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	8,688	8,580
Social security costs	859	784
Operating costs of defined benefit pension schemes	2,192	1,826
Apprenticeship levy	28	28
	11,767	11,218
Supply staff costs	560	588
Staff restructuring costs	89	-
	12,416	11,806
Staff restructuring costs comprise :		
Redundancy payments	53	-
Severance payments	36	-
	89	-

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £36,391 (2019: nil). This relates to one payment.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	143	146
Administration and support	186	179
Management	20	20
	349	345

d. Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	-	3
£70,001 - £80,000	2	2
£80,001 - £90,000	2	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

e. Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1, in addition to other key management personnel. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £877,880 (2019: £776,244).

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

9. Trustees' Remuneration and Expenses

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

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

Ann Stahler (Chief Executive / Executive Headteacher, Lydiate Learning Trust)
 Remuneration: £141,017 (2019: £135,372)
 Employer's pension contributions: £33,306 (2019: £22,236)

During the period ended 31st August 2020, travel and subsistence expenses totalling £367 (2019: £300) were also incurred. This amounted to 2 different claims by trustees/governors.

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

10. Trustees and Officers Insurance

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

11. Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Assets Under Construction £000	2020 Total £000	2019 Total £000
Cost							
At 1 September 2019	45,211	2,340	1,247	42	387	49,227	48,323
Additions	1,047	7	17	-	-	1,071	904
Transfer	387	-	-	-	(387)	-	-
Disposals	(1,776)	(147)	(245)	-	-	(2,168)	-
At 31 August 2020	44,869	2,200	1,019	42	-	48,130	49,227
Depreciation							
At 1 September 2019	5,680	2,139	1,210	22	-	9,051	7,712
Charge in year	933	61	30	7	-	1,031	1,339
Disposals	(141)	(73)	(243)	-	-	(457)	-
At 31 August 2020	6,472	2,127	997	29	-	9,625	9,051
Net book values							
At 31 August 2019	39,531	201	37	20	387	40,176	40,611
At 31 August 2020	38,397	73	22	13	-	38,505	40,176

The disposal of assets is in relation to the closure of Studio@Deyes.

12. Debtors

	Total 2020 £000	Total 2019 £000
Trade debtors	76	115
VAT recoverable	48	184
Other debtors	1	-
Prepayments and accrued income	316	482
	441	781

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

13. Creditors: amounts falling due within one year

	Total 2020 £000	Total 2019 £000
Trade creditors	310	630
Other taxation and social security	203	204
Other creditors	358	503
Accruals and deferred income	474	333
	<u>1,345</u>	<u>1,670</u>
	Total 2020 £000	Total 2019 £000
Deferred income		
Deferred income at 1 September	104	130
Released from previous years	(104)	(130)
Resources deferred in the year	119	104
Deferred income at 31 August	<u>119</u>	<u>104</u>

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

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

	Total 2020 £000	Total 2019 £000
Other creditors	104	105
	<u>104</u>	<u>105</u>

Included within Other Creditors are Salix loans of £118,902 (2019: £120,796) of which £15,336 (2019: £15,336) is payable within 1 year and included in Note 13). The loan repayments are payable every 6 months over an 8 year period with repayments commencing on completion of the funded project.

15. Financial instruments

	Total 2020 £000	Total 2019 £000
Financial assets carried at amortised cost	223	236
	<u>223</u>	<u>236</u>
Financial liabilities carried at amortised cost	1,127	1,467
	<u>1,127</u>	<u>1,467</u>

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

16. Funds

	Balance at 1 September 2019 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General annual grant	-	12,147	(11,724)	-	423
Other government grants	-	2,678	(2,678)	-	-
Pension reserve	(7,949)	-	(408)	(454)	(8,811)
Other	-	-	-	-	-
	<u>(7,949)</u>	<u>14,825</u>	<u>(14,810)</u>	<u>(454)</u>	<u>(8,388)</u>
Restricted fixed asset funds					
Inherited funds	37,248	-	-	-	37,248
DfE/ESFA capital grants	3,780	55	(2,741)	-	1,094
Capital expenditure from GAG	202	-	-	-	202
	<u>41,230</u>	<u>55</u>	<u>(2,741)</u>	<u>-</u>	<u>38,544</u>
Total restricted funds	<u>33,281</u>	<u>14,880</u>	<u>(17,551)</u>	<u>(454)</u>	<u>30,156</u>
Unrestricted funds					
Unrestricted funds	154	461	(536)	-	79
Total unrestricted funds	<u>154</u>	<u>461</u>	<u>(536)</u>	<u>-</u>	<u>79</u>
Total funds	<u>33,435</u>	<u>15,341</u>	<u>(18,087)</u>	<u>(454)</u>	<u>30,235</u>

Resources expended from DfE/ESFA capital grants include £1,709,990 for the reduction in the value of fixed assets, which has arisen as a result of reclamation of assets by the ESFA on the closure of Studio@Deyes.

	Balance at 1 September 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General annual grant	-	11,874	(12,228)	354	-
Other government grants	-	1,477	(1,477)	-	-
Pension reserve	(4,933)	-	(511)	(2,505)	(7,949)
Other	-	-	-	-	-
	<u>(4,933)</u>	<u>13,351</u>	<u>(14,216)</u>	<u>(2,151)</u>	<u>(7,949)</u>
Restricted fixed asset funds					
Inherited funds	37,248	-	-	-	37,248
DfE/ESFA capital grants	3,577	1,515	(1,339)	27	3,780
Capital expenditure from GAG	202	-	-	-	202
	<u>41,027</u>	<u>1,515</u>	<u>(1,339)</u>	<u>27</u>	<u>41,230</u>
Total restricted funds	<u>36,094</u>	<u>14,866</u>	<u>(15,555)</u>	<u>(2,124)</u>	<u>33,281</u>
Unrestricted funds					
Unrestricted funds	369	771	(605)	(381)	154
Total unrestricted funds	<u>369</u>	<u>771</u>	<u>(605)</u>	<u>(381)</u>	<u>154</u>
Total funds	<u>36,463</u>	<u>15,637</u>	<u>(16,160)</u>	<u>(2,505)</u>	<u>33,435</u>

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

Restricted general fund

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

Fixed assets fund

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

Other restricted funds

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

Unrestricted funds

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

Total funds analysis by academy

Fund balances at 31st August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Childwall Sports and Science Academy	741	554
Deyes High School	1,061	798
Studio@Deyes	-	(1,198)
Accumulated losses on Studio @ Deyes at the point of closure	(1,300)	-
Total before fixed assets and pension reserve	<u>502</u>	<u>154</u>
Restricted fixed asset fund	38,544	41,230
Pension reserve	(8,811)	(7,949)
	<u>30,235</u>	<u>33,435</u>

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (Including Depreciation) £000	Total 2020 £000	Total 2019 £000
Childwall Sports and Science Academy	3,471	998	425	974	5,868	5,578
Deyes High School	5,658	1,615	325	1,934	9,532	9,286
Studio@Deyes	584	90	110	1,903	2,687	1,295
	<u>9,713</u>	<u>2,703</u>	<u>860</u>	<u>4,811</u>	<u>18,087</u>	<u>16,159</u>

17. Analysis of Net Assets between Funds

Fund balances at 31st August are represented by:

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

	2019 Unrestricted Funds £000	2019 Restricted General Funds £000	2019 Restricted Fixed Asset Funds £000	2019 Total Funds £000
Tangible fixed assets	-	-	40,176	40,176
Current assets	154	1,775	1,054	2,983
Current liabilities	-	(1,670)	-	(1,670)
Non-current liabilities	-	(105)	-	(105)
Pension scheme liability	-	(7,949)	-	(7,949)
Total net assets	154	(7,949)	41,230	33,435

18. Capital Commitments

	Total 2020 £000	Total 2019 £000
Contracted for, but not provided in the financial statements	42	1,056
	42	1,056

19. Commitments under Operating Leases

At 31st August 2020 the total of the academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2020 £000	Total 2019 £000
Amounts due within one year	13	1
Amounts due between one and five years	45	-
Amounts due after five years	-	-
	58	1

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

	Total 2020 £000	Total 2019 £000
Net (expenditure) for the reporting period (as per statement of financial activities)	(2,746)	(523)
Adjusted for :		
Capital grants from DfE and other capital income	(55)	(1,515)
Interest receivable (Note 5)	(1)	(1)
Defined benefit pension scheme cost less contributions payable (Note 22)	271	379
Defined benefit pension scheme finance cost (Note 22)	137	132
Depreciation (Note 11)	1,031	1,339
Loss on disposal of fixed assets	1,710	-
(Increase)/decrease in debtors	340	(98)
(Decrease) in creditors	(325)	439
Net cash provided by / (used in) operating activities	362	152

21. Members Liability

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

22. Pension and Similar Obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £943,384 (2019: £976,037).

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

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

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2020 was £569,000 (2019: £587,000), of which employer's contributions totalled £416,000 (2019: £472,000) and employees' contributions totalled £153,000 (2019: £115,000). The agreed contribution rates for future years range from 13.6% to 20.4% for employers with employee contributions of 5.5% to 12.5%.

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

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

Additional past service costs totalling £nil (2019: £294,000) have been incurred due to the McCloud ruling.

Principal Actuarial Assumptions

	At 31/08/20	At 31/08/19
Rate of increase in salaries	3.9%	3.6%
Rate of increase for pensions in payment / inflation	2.5%	2.2%
Discount rate for scheme liabilities	1.8%	1.8%
Inflation assumption (CPI)	2.4%	2.1%

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

	At 31/08/20	At 31/08/19
<i>Retiring today</i>		
Males	20.9	22.2
Females	24.0	25.0
<i>Retiring in 20 years</i>		
Males	22.5	25.2
Females	25.9	27.9

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	3,228	3,315
Government bonds	166	662
Other bonds	916	357
Property	598	584
Cash and other liquid assets	358	207
Other	1,366	1,362
Total market value of assets	6,632	6,487
Actual return on scheme assets	(40)	304

LYDIATE LEARNING TRUST

Notes to the Financial Statements for the Year Ended 31st August 2020 (continued)

Amounts recognised in the statement of financial activities

	Total 2020 £000	Total 2019 £000
Current service cost	682	547
Net interest cost	137	132
Administration Expenses	8	10
Past Service Cost	30	294
Total amount recognised in the SOFA	857	983

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

	Total 2020 £000	Total 2019 £000
At 1 September	14,436	10,744
Current service cost	682	547
Interest cost	258	301
Employee contributions	103	115
Actuarial (gain) / loss	92	2,626
Benefits paid	(158)	(191)
Past service cost	30	294
Curtailments and settlements	-	-
At 31 August	15,443	14,436

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

	Total 2020 £000	Total 2019 £000
At 1 September	6,487	5,811
Interest income	121	169
Actuarial (loss) / gain	(362)	121
Employer contributions	449	472
Employee contributions	103	115
Benefits paid	(158)	(191)
Administration Expenses	(8)	(10)
At 31 August	6,632	6,487

23. Related Party Transactions

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

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

Patricia Graham (remuneration £29,233) is an employee and a relation of John Graham. Deborah Moss (remuneration £28,865) is an employee and a relation of Stephen Moss. Amounts outstanding at the end of the year were £nil.

LYDIATE LEARNING TRUST

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 19th August 2019 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by Lydiate Learning Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of Lydiate Learning Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Lydiate Learning Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Lydiate Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2015 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees¹ (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Lydiate Learning Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures


LYDIATE LEARNING TRUST

that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

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

Use of our report

This report is made solely to Lydiate Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 19th August 2019. Our work has been undertaken so that we might state to the Lydiate Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lydiate Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Date: 18 December 2020