

Registered number: 08296921

Trustees' Report and Financial Statements

For the year ended 31st August 2021



L.E.A.D. Academy Trust
Lead • Empower • Achieve • Drive



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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr P Berry (appointed 1st September 2017)
Mr A Buck (appointed 8th July 2020 and resigned 24th November 2020)
Mrs D Harvey (appointed 1st September 2017)
Ms L Talmadge (resigned 27th July 2020)
Ms A Frost (appointed 24th November 2020)

Trustees

Mr A Buck, Chair (appointed 24th November 2020)
Mr M Blois, Vice Chair
Ms D Owen, Chief Executive and Accounting Officer
Mr M Kenyon (resigned 3rd December 2021)
Mr N Ydlibi
Mr D Williams
Mr P Graham
Mr J Hobson
Mrs H McNamara
Ms M Farrar (appointed 8th December 2021)

Co-opted

Ms Angela Browne (appointed 16th November 2021)

Company registered number

08296921

Company name

L.E.A.D. Academy Trust

Principal and registered office

5a The Ropewalk, Nottingham, NG1 5DU.

Company secretary

Mrs L Bird

Executive management team

Ms D Owen, Chief Executive and Accounting Officer
Mr B Thandi, Deputy Chief Executive and Chief Finance Officer
Mr N Spencelayh, Deputy Chief Executive

Independent auditor

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW.

Bankers

Lloyds Bank PLC, 1 City Road East, Manchester, M15 4PU.

Solicitors

Eversheds-Sutherland LLP, Water Court, 116-118 Canal Street, Nottingham, NG1 7HF.

TRUSTEES' REPORT

L.E.A.D. Academy Trust comprises of 25 academies and 1 Teaching School Hub across Nottingham, Leicester, Derby, Lincoln and Sheffield. Our philosophy is to; lead, empower, achieve and drive. Its academies have a pupil capacity of 11,390 and had a roll of 10,489 in the October 2020 school census.

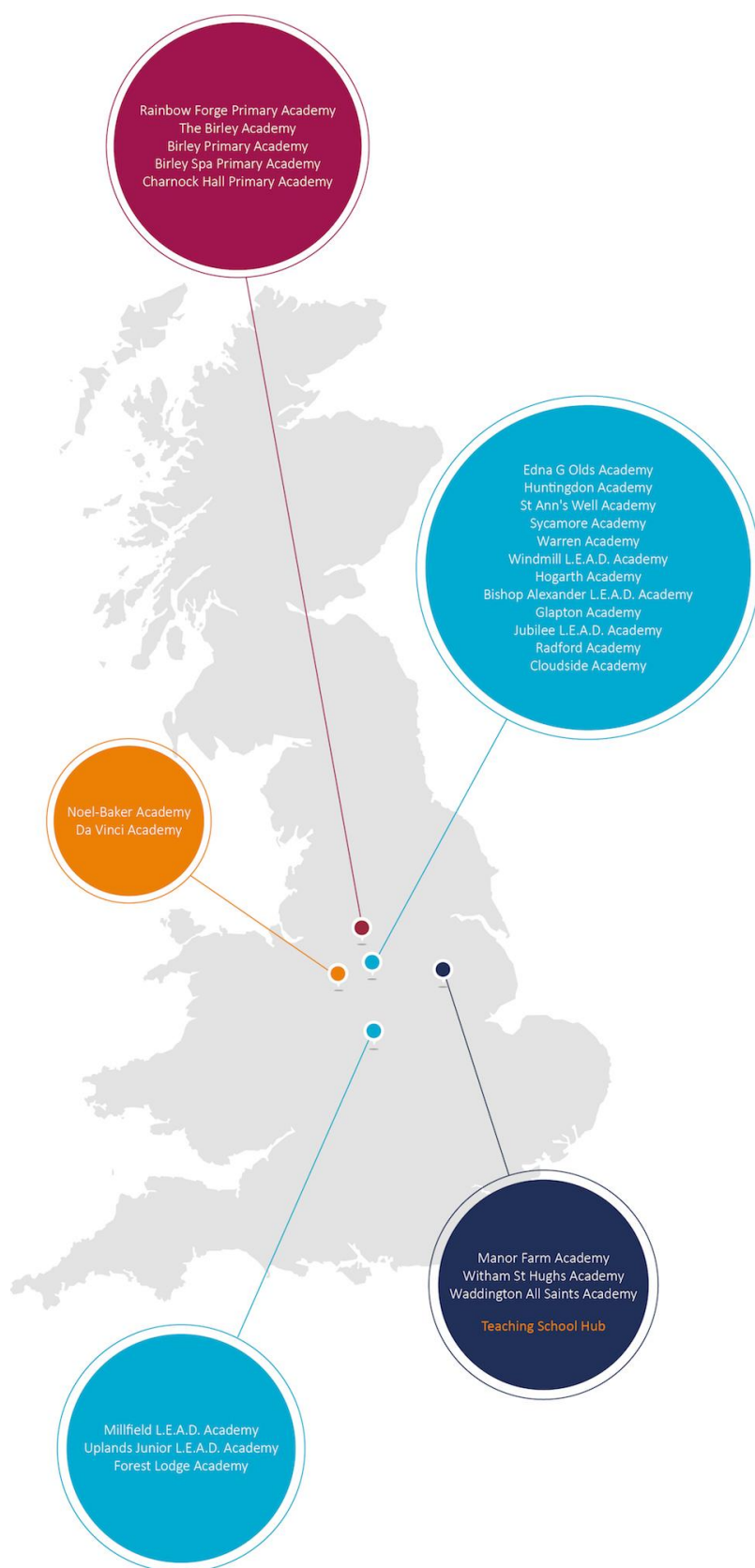
At the heart of our Trust is the development of outstanding leaders. We empower individuals in our academies to provide the highest quality education, enabling every pupil to realise their full potential. We have also been recognised by Ofsted as an organisation which ensures children are at the heart of the Trust's principles, visions and values.

The combination of autonomy and collaboration across key areas of leadership and management, underpinned by shared vision, values and best practice, positions L.E.A.D. as a unique Trust.

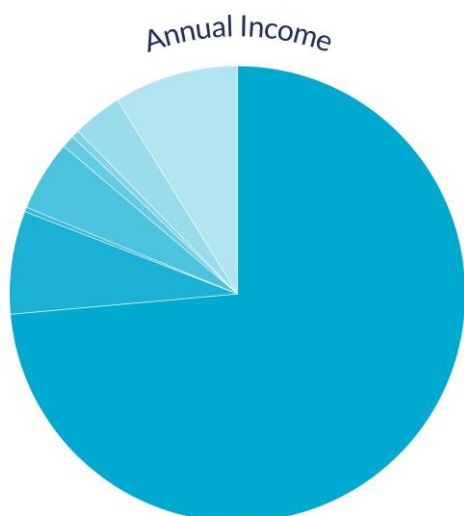
The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2019 to 31st August 2020.

The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

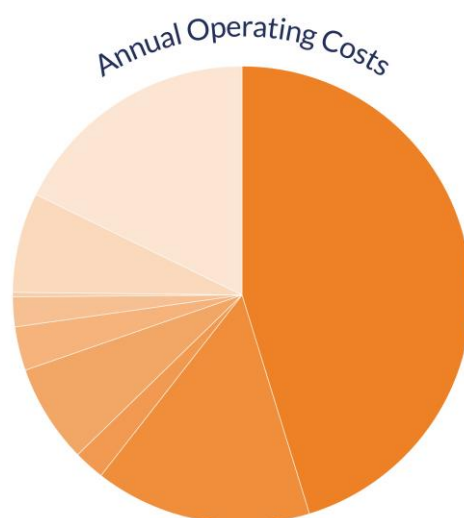
The charitable company was incorporated on 16th November 2012 and commenced trade as an Academy Trust on 1st January 2013.



Finances



- General Annual Grant
- Pupil Premium
- Rates Relief
- Local Authority
- Lettings
- Catering
- Trips
- Capital
- Other



- Teaching Staff
- Educational Support Staff
- Premises Staffing
- Admin Staffing
- Other Staff
- Agency Staff
- Apprenticeship Levy
- Premises
- Non Staffing

Reserves

£5.3m held as at 31st August 2021 which equates to 8% of revenue expenditure.

+£1.4m movement in reserves.

Capital Investment

1% investment in IT infrastructure.

4% investment in buildings.

People

544 FTE teaching staff.

553 FTE support staff.

56 FTE central staff.

502 Teachers (headcount).

948 Support staff (headcount).

98 Management (headcount).

20 primary teacher pupil ratio.

15 secondary teacher pupil ratio.

12 support staff pupil ratio.

93% staffing retention level.

Structure, governance and management

a. Constitution

The L.E.A.D. Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of the L.E.A.D. Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company was formerly known as the L.E.A.D. Multi-Academy Trust.

The company is referred to as the L.E.A.D. Academy Trust in terms of its public profile.

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

b. Members' liability

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

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

The Trustees have liability insurance with Markel effective date 1st September 2020. There is a limit of indemnity of £1,000,000.

d. Method of recruitment and appointment or election of Trustees

The total number of Trustees including the Management Team Trustees who are employees of the Company shall not exceed one third of the total number of Trustees.

Subject to Articles 45-49 and 63, the Academy Trust shall have the following Trustees:

- a) Up to ten Trustees appointed under Article 50 by Members.
- c) Management Team Trustee appointed under Article 57.
- d) Additional Co-opted Trustees, if appointed under Article 58.
- e) Parent Trustees, if appointed under Clauses 53 to 56.

The Secretary of State may appoint additional Trustees if the Trustees fail to comply with a Secretary of State warning notice.

Any vacancies or additions to the Board of Trustees are completed through a recruitment process which also involves sourcing a potential shortlist of candidates from the Academy Ambassadors programme and recruitment campaigns. The candidates are assessed jointly by the Chair of Trustees and Chief Executive, prior to being approved by the Members.

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary the induction programme will provide training on charity, educational, legal and financial matters. All Trustees of the Academy Trust are provided with access to copies of strategic plans, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees. The Academy Trust will also perform an annual skills audit of Trustees which forms part of the self-review process, should any gaps be identified training courses are offered to address these issues.

f. Organisational structure

The L.E.A.D. Academy Trust is the parent company for the trading subsidiary L.E.A.D. Services Ltd. Huntingdon Academy was the founding member and sponsor for the Trust, prior to the restructure of the company in September 2013. The Trust currently consists of the following academies.



The management structure consists of seven levels; the Members, the Board of Trustees, the Executive Management Team, the Directors, the Head Teachers of each academy, the Academy Governing Body of each academy and the Senior Leadership Team within each academy. The aim of the management structure is to devolve responsibility and encourage decision making at the appropriate level.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring of each academy's performance and appointment of the Head Teachers and Chairs of Academy Governing Bodies.

The Executive Management Team is the Chief Executive and two Deputy Chief Executives supported by Directors, Executive Headteachers and Headteachers of each academy. These managers control the academies at an executive level, implementing policies laid down by the Trustees and reporting back to them. As a group, these managers are responsible for the authorisation of spending within agreed budgets and appointment of staff.

Each Academy Governing Body receives delegated authority from the Academy Trust Board to support the Board in fulfilling its obligations.

g. Arrangement for setting pay and review of key management personnel

The pay and remuneration of the Executive Management Team and the Directors is set by the Board of Trustees. Headteachers' pay is set in line with Teacher's pay and conditions.

The Pay Committee commission external independent reports, which benchmarks the most senior roles across the public sector. Each role is benchmarked taking into consideration the following:

- Internal job size and internal pay relativities.
- Relevant external market positioning and benchmarking data.
- Individual experience, performance and contribution.

The Pay Committee through performance management, review the pay and remuneration of the Executive Management Team.

h. Trade union facility time

The following is a summary of the trade union facility time information for the one employee (0.6FTE) with relevant trade union official duties.

Number of employees	1
Percentage of time spent on facility time	51% to 99%
Total cost of facility time	£32,700
Total pay bill	£45,990,000
Percentage of the total pay bill spent on facility time	0.07%
Time spent on paid trade union activities as a percentage of total paid facility time hours	20%

i. Connected organisations, including related party relationships

The L.E.A.D. Academy Trust is the parent company of its subsidiary L.E.A.D. Services Limited (company no 08423697).

Directors of L.E.A.D. Services Limited received no remuneration and any surpluses generated by L.E.A.D. Services Limited are gifted to the L.E.A.D. Academy Trust for reinvestment as grants within the Trust.

L.E.A.D. Services provided the following range of services valued at £104,000 for no cost during 2020/21:

- £17,000 portable appliance testing.
- £28,000 for transportation, delivery and travel costs.
- £27,000 set up and installation costs.
- £24,000 helpdesk and software costs.
- £8,000 additional ICT technician onsite support.

The CEO Diana Owen is also a Member of the Queens Street Group and the Trust are also subscribing to the membership scheme with this group resulting in the following related party transaction during this financial year:

- £1,800 subscription fee.

The vice chair Andy Buck is employed by Leadership Matters and the Trust entered into a transaction with this company resulting in the following related party transaction during this financial year:

- £1,062 CPD and training.

j. Engagement with employees

Trustees ensure engagement with employees through the following;

- A staff voice consisting of representation from each academy.
- Both teaching and support staff representation on all Academy Governing Bodies.
- Engagement with trade unions through an established Joint Negotiation and Consultation Committee.
- Headteachers regularly brief all of their staff.
- The publication of a termly Trust newsletter.
- The Trust communication plan.

In addition to the Trust's equality objectives, there is a suite of policies covering all aspect of personnel management to support employee engagement.

k. Engagement with suppliers, customers and others in a business relationship with the Trust (section 172)

Engagement with suppliers engaged with the Trust are focused around the following core principles to ensure the relationship is not just purely a transactional one.

- Collaborative in the form of working in partnership to develop the service provided.
- Recognition in the form of celebrating achievements and milestones.
- Accountability in the form of response times, setting of expectations and clear communication channels.
- Transparency of the supply chain and a deeper understanding of potential delays or problems.

Engagement and promoting our success with customers (parents and carers) is focused around ensuring the following communications are utilised effectively as part of the Trust communications strategy.

- Termly Trust newsletter.
- Social media platforms which include Twitter and Facebook.
- Academy websites.
- Academy newsletters.
- 'Your Voice' campaigns.

The following are examples of media campaigns during this financial year.

Rainbow Forge
@rainbowforgeaca

What an amazing transformation to our Foundation Stage!
Thanks to @LEADAcadTrust the classrooms have been redone with new toilet areas, equipment and a fresh coat of paint! Here are some photos of one of our new Nursery classrooms. The pupils are going to love this!




Birley Primary Academy
@birleyprimaryad

Good news travels fast! Check out this Sheffield Star article all about the fantastic charity work that was taking place at Birley Primary Academy last week!
#community @SheffChildrens @LEADAcadTrust @archerproject



DVAYear11
@DvaYear11

Following our morning external session, we carried on the focus of exam preparation; student well-being! As a team, we internally delivered 4 innovative activities; the importance of brain food, physical activity, effective revision and yoga. Students thoroughly enjoyed 🧘🏻‍♀️



The Birley Academy
@birleyacademy

Congratulations to Isabelle who was awarded runner up Mentee of the Year by @sheffielduni. She was part of their mentoring in schools programme. She was presented with a voucher by Miss Clark! #CelebrationFortnight @birleyhead @LEADAcadTrust




Huntingdon Academy
@huntingdonlead

It's been wonderful to see the Early Years children enjoying their fantastic new playground equipment, especially in the snow! #snowday #edutwitter



Noel Baker Academy
@noelbakerlead

We're out and about in our resource bus today - Mr Taylor, Ms Carr and Mrs Donaghy will be on hand with work packs, stationary, toiletries and goodies. Come and see us!



Diana Owen CBE
@DianaOwenLEAD

We are delighted to announce that @Andy_Buck is our new Vice Chair of Trustees @LEADAcadTrust. Alongside his wealth of experience, Andy shares our vision and desire to provide the highest quality education to enable every pupil to realise their full potential.

Andy is an author, speaker, former headteacher and director at National College. He is now the CEO of Leadership Matters creator of the BASC coaching model and founder of HQMK Leadership, Cadogan Press and The START Foundation.



Witham St Hughes Academy
@WSHacademy

We are absolutely thrilled to have been awarded the status as a Behaviour Hub and feel very privileged to work in partnership with schools to develop a whole school culture and ethos to optimise behaviour. @LEADEquateTSA @LEADAcadTrust @educationgovuk



L.E.A.D. Teaching School Hub
@LEADTSHub

We are really excited to share the introduction of the Teaching School Hub in Lincolnshire. We hope that it helps to understand the changes and the partnerships in preparation for September 2021.



Windmill Academy
@windmilllead

Our School Eco Council took part in a litter pick with councillors from Nottingham City Council. They helped to clean our local environment safely by picking up litter and rubbish covering Sneinton Boulevard. Well done to all the children and the councillors! @MyNottingham



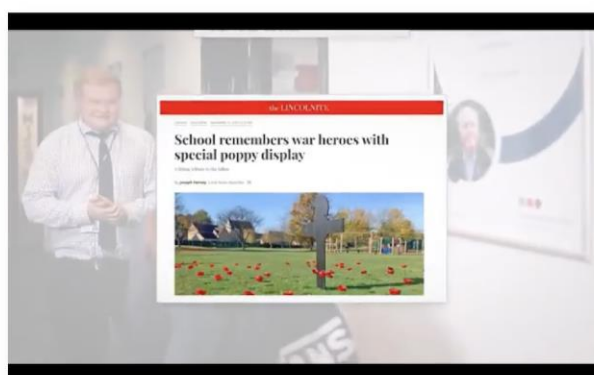
Millfield Academy
@millfieldlead

What a way to end the year and their time at Millfield. Year 6 Badminton COUNTY CHAMPS! #achieve Thank you to Greg for his coaching in PE lessons and Mrs Gorman for continuing to talent spot and develop the raw talent into really competitive sportspersons. 🏸️



L.E.A.D. IT Services
@leaditservices

We're always looking at ways to improve access to reading in schools & our @ITman_Dan helped a L.E.A.D. Academy Trust school who had a pupil with visual impairment. Dan provided an iPad & installed @Splashtop - software that mirrors the info on the teacher's board onto the iPad

Objectives and Activities

a. Objectives and aims

The principal objective and activity of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living in the regional hubs and surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the articles of association, the charitable company has entered into relevant funding agreements with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main aims of the Trust during the period ended 31st August 2021 are summarised below:

- Through outstanding leadership we, at the L.E.A.D. Academy Trust, will provide the highest quality education to enable every pupil to realise their full potential.
- Utilising the power of partnership working as a catalyst for ensuring more children receive an exceptional education.
- Embracing a combination of autonomy and collaboration across key areas of leadership and management, underpinned by shared vision, values and best practice.
- Provide value for money for the funds expended.

b. Objectives, strategies and activities

In every aspect of life the ability to lead is essential. Strong leadership is the key to the success of our schools. We will develop leadership skills in everyone, ensuring the development of pupils as leaders of their own learning.

At the Trust academies, pupils are empowered to have high aspirations for their futures. We nurture and challenge pupils to take responsibility, make decisions and work together so they grow into confident and resilient young people.

We believe in achievement in its broadest sense and that enjoyment of learning is crucial to success. We continually look for and reward achievement in every individual in our schools. We also know that a strong command of English and Maths is vital as a foundation for the whole curriculum and prioritise learning in these core subjects.

We will provide the very best education and training for every individual in our schools and will ensure that this is delivered. We value excellent teaching, underpinned by high quality professional development and will constantly move forwards, using and instigating the best ideas and practice.

We also understand that children need to be motivated if they are to succeed in life and we will provide a stimulating curriculum and environment which will prepare them for their futures with confidence and determination.

c. Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Achievements and performance

Strategic report

The Trust now provides the education for approximately 11,000 children across the East Midlands and South Yorkshire fulfilling its primary objective in some of the most deprived areas in England. To add further context, 46% of the pupils served by the Trust live in the 20% of wards with the highest level of deprivation.

The following is a summary of our stated priorities for 2020/21:

Quality of Education	1. To ensure that the quality of provision is at least 'good' in all Trust academies 2. To improve pupil attendance and reduce persistent absence in Trust academies
Growth	3. To ensure the work of the Trust impacts on a greater number of pupils
Governance	4. Develop the effectiveness of governance across the Trust 5. Enhance the level of diversity across all tiers of governance
Finance and Operations	6. Ensure financial resources and systems support the Trust in implementing its strategic intent 7. Ensure procured supply chains are held to account for both performance and value for money.
People	8. Ensure the Trust has a proficient and highly motivated workforce 9. Ensure the Trust has effective systems in place
Communications	10. Ensure communications throughout the Trust and beyond are of consistently high quality

By way of context, the Covid-19 pandemic affected service and KPI delivery through its impact on staff and pupils:

Covid -19 Cases

	Positive Cases	Self-Isolation	Positive Cases as a % of the Total	% of Total (+ve & self-isolation)
Staff	185	*589	12.3%	*39.2%
Pupils	321	*8453	2.9%	*76.8%

* Self-isolation figures include double-counted individuals – i.e. those who have had to self-isolate on more than one occasion

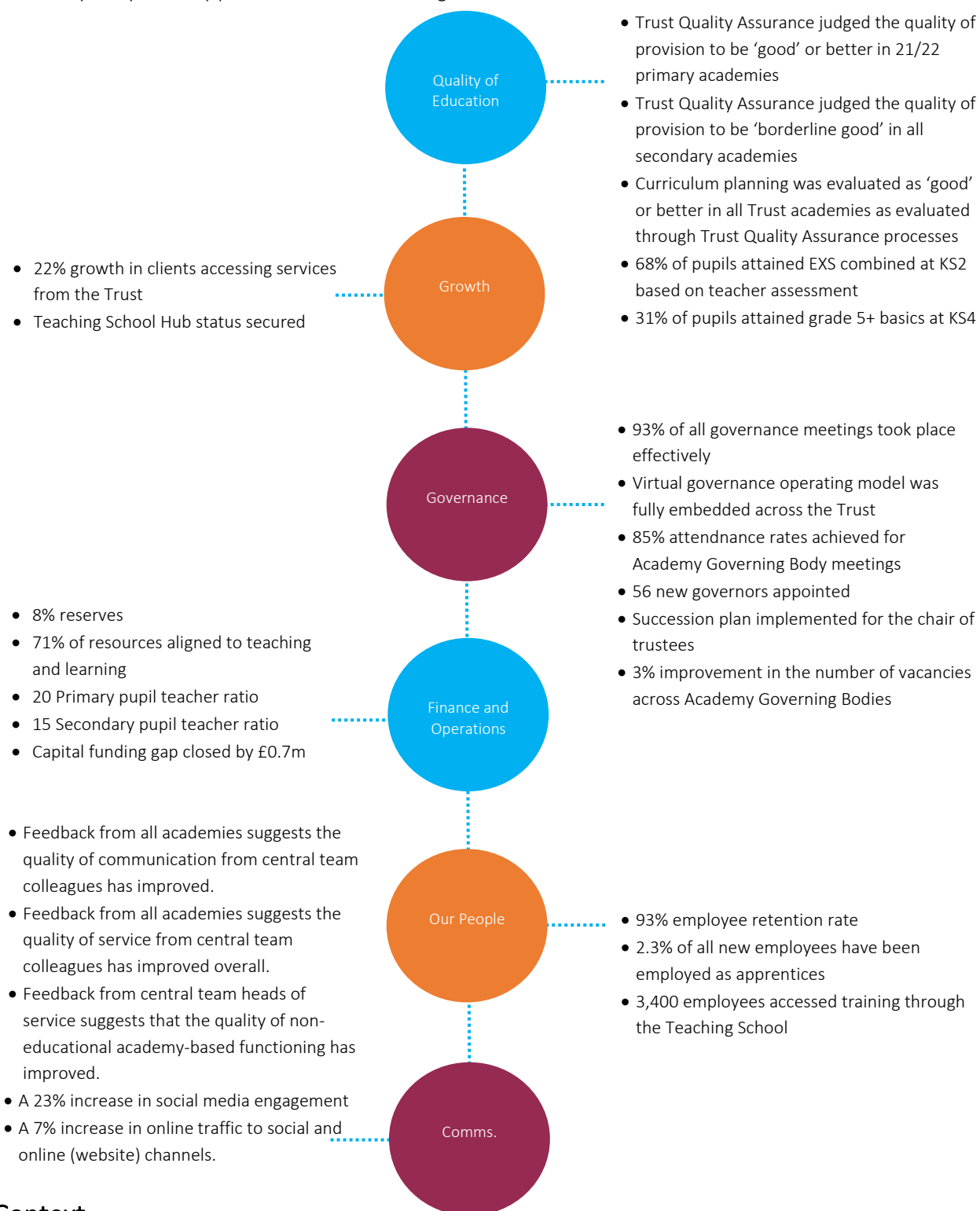
Pupil Attendance

	Actual Attendance
Primary	73.9%
Secondary	62.9%

Pupil attendance was severely affected due to the pandemic during the 2021/21 academic year. The above attendance figures show the overall attendance of pupils for this period. Comparative national data is not yet available.

a. Key performance indicators

A summary analysis of key performance indicators is given below:



Context

33% (primary) and 41% (secondary) disadvantaged backgrounds

23% (primary) and 6% (secondary) English as an additional language

14% (primary) and 16% (secondary) SEN

1% looked after

The Trust also provides education for almost 3,000 secondary-aged pupils living in Derby and Sheffield. The demographic of the secondary estate shows that the Trust serves communities with higher than average levels of social deprivation.

b. Going concern

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

The going concern judgement of the Board of Trustees is reinforced by the projected level of future financial reserves which are forecast to remain within the Trust's tolerance levels, which equates to 5% and 6% of expenditure levels. The ability of the Trust to operate at 5% if required provides a contingency for dealing with projected COVID related financial pressures. In addition the Trusts strategy to secure additional income through its trading subsidiary and site development plans is expected to reinforce the financial security of the Trust over the next five years.

Financial review

The vast majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants to the Trust's academies (Revenue and Capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31st August 2021 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

At 31st August 2021 the net book value of fixed assets was £101,292K and the net book value of intangible assets was £13k; the movements in tangible and intangible fixed assets are shown in notes 14 & 15 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the academies.

During the year capital expenditure of £3,427k was utilised for investment in the Trust's fixed assets.

Key financial policies adopted or reviewed during the period cover Assets and Depreciation, Finance Procedures and Regulations which are set out within the Trust's Finance Procedures. In addition the Trust has approved policies on Fraud, Whistleblowing, Tendering and Expenses and Charges. The Trust's procedures set out the framework for financial management, including the financial responsibilities of Trustees, Executive Management Team, Headteachers and Finance staff centrally and in academies. Delegated financial responsibilities are set out within the Trust's scheme of delegation and the financial procedures.

Central support services have been developed covering Educational Support, Finance, Governance, IT, Risk Management, Legal and Human Resources. These services will continue to develop further over the next 12 months.

a. Reserves policy

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

The Trust is mindful of the level of cash required to ensure the ongoing liquidity and success of the Trust and will continue to invest surplus reserves in capital projects across its academies.

The Board of Trustees have agreed that the minimum level of reserves held for revenue purposes should be maintained at 6% of expenditure which equates to £3.6m, with current reserves held at £5.3M exceeding the target by £1.7M. The current level of reserves has increased despite the financial pressures driven by COVID.

Future financial pressures driven by COVID, High Level Needs (HLN) and future pay awards may place additional pressure on reserves, however the Trust has the financial security to transition future reserves to 5% of expenditure, which would equate to £3m if required.

At the year end, the total unrestricted funds were £2,340k (2020: £2,372k) and the total restricted general funds were £2,952k (2020: £1,503k).

b. Material investments policy

Trustees have adopted an Investment Policy which is included in the Finance Policy. It allows for surplus funds to be invested in low risk short term bonds with high street banks only.

c. Principal risks and uncertainties

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed, and systems and procedures have been established to mitigate those risks. The schedule of risks is tabled and reviewed at all Board Meetings and mitigating actions are agreed as required.

Operational Risk

The uncertainties relating to the delayed implementation of the National Funding Formula has been addressed by the implementation of the Trust Funding Formula. However the potential financial impact of COVID19, future pay awards, and pension costs could contribute towards cost pressure in future periods, which increases the importance of maintaining a robust level of revenue reserves.

Credit Risk

The Trust recognises exposure to credit risk, being the risk that revenues (self-generated or government funding) cannot be collected, and the exposure to banks where the Trust's own cash is deposited. The credit risk is low for the Trust due to all cash and performance fee balances being with banks assigned high credit ratings.

The Trust does not hold client cash balances or assets, so is not exposed to client credit risk.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and interest bearing deposits. To minimise this risk a high percentage of asset funds are held within flexible accounts. The Trust recognises that the defined benefit schemes deficits (Local Government Pension Schemes), set out in note 29 to the financial statements, which represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Cash Flow

Forward financial planning and the strategy to maintain reserves at 6% has mitigated the risk of any potential cash flow issues across the Trust.

Energy and Carbon Reporting

The UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021 and The UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021 and methodology applied is summarised in the following table. The total energy consumption used to calculate emissions KWH 11,086,169 for comparison purposes this was 10,300,864 in 2019/20.

		Current Year Figures 2020/21	Comparison Reporting Year 2019/20
Scope	Energy Source	Emissions calculation tonnes (CO ² e)	Emissions calculation tonnes (CO ² e)
1	Gas	1349.08	1188.37
	Vehicles	28.45	16.04
2	Electricity Standard	789.67	839.49
3	Staff mileage	25.81	41.95
	Intensity ratio	0.21	0.20

Note 1 - total KWH used for the year taken from gas bills for each academy

Note 2 - total KWH used for the year taken from oil bills for each academy

Note 3 - miles in the year for Trust vehicles

Note 4 - total KWH used for the year taken from electricity bills for each academy

Note 5 – total mileage for fuel reimbursed from staff claims

Note 6 – based on total pupil numbers

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

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

for the sector.

Measures taken during this academic year to improve energy efficiency include the following.

- Installed LED lighting at a number of academies
- Upgraded windows at a number of academies
- Installed PV Solar Panels at 2 academies
- Installed energy efficient hand dryers across the Trust
- Enabled virtual meetings reducing the requirement for travel between sites and regions.

Fundraising

The Trust has no commercial fund raising arrangements in place with any internal or external partners. Academies within the Trust do secure a relatively small amount of funding as voluntary contributions.

Plans for future periods

a. Future developments

The Trust will continue to work towards delivering the following core characteristics in all of its Schools:

- the highest standards of behaviour and conduct;
- outstanding teaching and learning;
- a fully inclusive approach where all children are equally important;
- a climate of mutual respect between the children, staff and community;
- positive relationships;
- high aspirations for all involved with the schools – a ‘can do’ attitude;
- a wide range of enrichment opportunities for all to get involved;
- a celebration of all the cultures and faiths represented in the schools;
- an organisation where there are no excuses for underachievement.

The Trust plans in the short term to maintain the number of academies it runs. It is anticipated during the 2021/22 financial year, there may be further schools joining the Trust, as the development of hubs within each region continues.

The next phase of growth is currently being carefully planned and measured and will be reviewed on an annual basis by the Trustees.

Funds held as custodian

None.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust aims to carry out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy

In accordance with the Trust’s Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust and individual academy websites.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on the 15th December 2021 and signed on its behalf by:

A handwritten signature in blue ink, appearing to be 'AB' with a flourish.

Mr A Buck
Chair of Trustees

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 L.E.A.D. Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Blois, Chair	5	5
Mr A Buck, Vice Chair	4	4
Ms D Owen, Chief Executive and Accounting Officer	5	5
Mr D Williams	4	5
Mr M Kenyon	5	5
Mr N Ydlibi	5	5
Mr P Graham	4	5
Mr J Hobson	5	5
Mrs H McNamara	4	5

The Board of Trustees meets five times a year which complements the regional governance model and the committee cycle. The trustees do not feel that they need to meet more frequently in order to discharge their obligations due to the governance structure providing an effective framework of robust challenge and interrogation through the subcommittees and Academy Governing Bodies.

Trustees regularly discuss strategic matters and organisational development as a group of trustees and with their respective Executive Management Team. Some of the key pieces of work throughout the year included:

- Approval of a revised scheme of delegation.
- Approval of 2020-21 budget.
- Approval of the strategic plan.
- Approval of the revised Executive Management pay policy.
- Further development of the risk appetite framework and risk register.
- Development of a change management protocol.
- Recruitment of additional Trustees to the Board.
- Oversight of an updated growth strategy.
- Approval of the Chair succession plan.
- Oversight of the impact and risks of COVID19.

The Pay Committee is a subcommittee of the main Board of Trustees. Its purpose is to review remuneration of the Executive Management Team.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Blois	2	2
Mrs H McNamara	2	2
Mr D Williams	2	2

The work of the Pay subcommittee this year has included:

- Independent benchmarking and review of Executive pay.
- Review of the Executive pay policy.

The Audit and Risk Committee is also a subcommittee of the main Board of Trustees. The core purpose of the committee is to ensure the quality and integrity of the organisation's risk management framework; accounting and reporting practices, controls and financial statements; legal and regulatory compliance; the auditor's qualifications and independence; and the performance of the company's internal audit function and independent auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Williams	3	3
Mr M Kenyon	3	3
Mr N Ydlibi	3	3

The work of the Audit and Risk subcommittee this year has included:

- Oversight of the 2019-2020 and 2020-2021 Mazars audit.
- Closure of the 2019-20 Audit Management actions, all of which have been completed.
- Recommendation of the statutory accounts.
- Strategic oversight and scrutiny of Internal Audit Plan.
- An updated risk register and review of actions points.
- Receipt and scrutiny of internal audit and Cyber Security audit reports.
- Scrutiny of Health and Safety, with a particular focus on COVID19 and Fire Risk Assessments.
- Scrutiny of Cyber Security and GDPR compliance.
- Impact of COVID19.

The Finance and Resources Committee is also a subcommittee of the main Board of Trustees. Its purpose is to review the financial performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Graham	2	2
Mr N Ydlibi	2	2
Mrs H McNamara	2	2

The work of the Finance and Resources subcommittee this year has included:

- Review of the management accounts.
- 2021-22 budget approval and recommendation to the Board.
- Principles for financial planning.
- Oversight of the People Plan.
- Strategic oversight of staff vacancies, sickness and retention.
- Financial impact of COVID19.

The Performance and Standards Committee is also a subcommittee of the main Board of Trustees. Its purpose is to review the education performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Hobson	3	3
Mr D Williams	3	3
Mr A Buck	1	1

The work of the Performance and Standards subcommittee this year has included:

- Regular review of the performance of academies.
- Review of exam results and projections.
- Regular oversight of Safeguarding.
- Educational impact of COVID19.

Review of Value for Money

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

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

- 27% reduction to IT licencing costs.
- 7% reduction to subscription costs.
- 26% reduction in contracts for cleaning services.
- 65% reduction to staff travel costs.
- 17% reduction to building insurance costs.
- Continued drive for supplier rationalisation.

Due to COVID19 there has been a requirement to delay a number of procurement processes and in some cases a need to accelerate support, in order to enable academies to transition from accommodating key workers children to a wider reopening strategy during the summer term.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board, of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- the review and monitoring of the main risks are reflected in the risk register which includes the following:
 - Safeguarding.
 - Maintaining academic standards.
 - Managing growth.
 - Cyber Security and GDPR
 - Political change.
 - Financial management.
 - Governance.
 - Effective leadership.
 - L.E.A.D. Services Ltd subsidiary.
 - Health and Safety.
 - COVID19.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Veritau as internal auditors, who have supported meeting the requirements of the Audit and Risk Committee.

Veritau is a shared service company providing a broad range of public sector assurance services, including internal audit, counter fraud, risk management and information governance.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the internal auditor reports to the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The current checks carried out include:

- Safeguarding
- GDPR
- Payroll
- Financial Controls
- Budgeting

- L.E.A.D. Services Ltd
- Procurement

In addition an independent Cyber Security network testing has also been completed alongside assurances from Ofsted Inspections and HMRC reviews.

No material control issues were identified by the internal auditors.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive 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 audit committee and a plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 15th December 2021 and signed on their behalf by:



Mr A Buck
Chair of Trustees



Ms D Owen
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of L.E.A.D. Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency ('the ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



.....
Ms D Owen
Accounting Officer

Date: 15/12/2021

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



.....

Mr A Buck
Chair of Trustees

Date: 15/12/2021

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
L.E.A.D. ACADEMY TRUST**

Opinion

We have audited the financial statements of L.E.A.D. Academy Trust and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated Statement of Cash Flows 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), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
L.E.A.D. ACADEMY TRUST**

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees'

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees' 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' 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' responsible for assessing the Group's and the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the Trustees' to liquidate the Group or the Academy Trust or to cease operations, or Trustees' no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
L.E.A.D. ACADEMY TRUST**

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Trustees' and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Trustees' and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
L.E.A.D. ACADEMY TRUST**

Use of the audit report

This report is made solely to the Academy Trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 15/12/2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO L.E.A.D. ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by L.E.A.D. Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to L.E.A.D. Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to L.E.A.D. Academy 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 L.E.A.D. Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of L.E.A.D. Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of L.E.A.D. Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

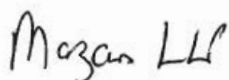
- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO L.E.A.D. ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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



Mazars LLP
Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 16/12/2021

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants	3	18	-	2,933	2,951	2,027
Other trading activities	5	2,859	426	-	3,285	1,977
Investments	6	1	-	-	1	5
Charitable activities: Funding for the Academy Trust's educational operations	4	392	61,793	-	62,185	58,766
Teaching schools	30	-	667	-	667	874
Total income		3,270	62,886	2,933	69,089	63,649
Expenditure on:						
Raising funds	7	2,684	65	-	2,749	1,667
Charitable activities: Academy Trust educational operations	8	618	63,656	3,401	67,675	63,732
Teaching schools	30	-	658	-	658	877
Total expenditure carried forward		3,302	64,379	3,401	71,082	66,276

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Total expenditure brought forward		3,302	64,379	3,401	71,082	66,276
Net expenditure		(32)	(1,493)	(468)	(1,993)	(2,627)
Transfers between funds	19	-	(748)	748	-	-
Net movement in funds before other recognised losses		(32)	(2,241)	280	(1,993)	(2,627)
Actuarial losses on defined benefit pension schemes	26	-	(7,955)	-	(7,955)	(2,941)
Net movement in funds		(32)	(10,196)	280	(9,948)	(5,568)
Reconciliation of funds:						
Total funds brought forward		2,372	(40,369)	101,946	63,949	69,517
Net movement in funds		(32)	(10,196)	280	(9,948)	(5,568)
Total funds carried forward		2,340	(50,565)	102,226	54,001	63,949

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	13	38
Tangible assets	15	101,292	101,304
		<u>101,305</u>	<u>101,342</u>
Current assets			
Stocks	16	82	96
Debtors	17	3,432	3,497
Cash at bank and in hand	24	9,725	7,069
		<u>13,239</u>	<u>10,662</u>
Creditors: Amounts falling due within one year	18	(7,026)	(6,183)
Net current assets		<u>6,213</u>	<u>4,479</u>
Total assets less current liabilities		<u>107,518</u>	<u>105,821</u>
Net assets excluding pension liability		<u>107,518</u>	<u>105,821</u>
Defined benefit pension scheme liability	26	(53,517)	(41,872)
Total net assets		<u><u>54,001</u></u>	<u><u>63,949</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	102,226	101,946
Restricted income funds	19	2,952	1,503
Restricted funds excluding pension liability	19	<u>105,178</u>	<u>103,449</u>
Pension reserve	19	(53,517)	(41,872)
Total restricted funds	19	<u>51,661</u>	<u>61,577</u>
Unrestricted income funds	19	<u>2,340</u>	<u>2,372</u>
Total funds		<u><u>54,001</u></u>	<u><u>63,949</u></u>

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr A Buck
Chair of Trustees

Date:

15/12/2021

The notes on pages 36 to 70 form part of these financial statements.

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	13	38
Tangible assets	15	101,233	101,264
		<u>101,246</u>	<u>101,302</u>
Current assets			
Debtors	17	2,402	2,528
Cash at bank and in hand	24	9,605	7,039
		<u>12,007</u>	<u>9,567</u>
Liabilities			
Creditors: Amounts falling due within one year	18	(5,981)	(5,292)
		<u>6,026</u>	<u>4,275</u>
Net current assets		<u>6,026</u>	<u>4,275</u>
Total assets less current liabilities		<u>107,272</u>	<u>105,577</u>
Net assets excluding pension liability		<u>107,272</u>	<u>105,577</u>
Defined benefit pension scheme liability	26	(53,517)	(41,872)
Total net assets		<u><u>53,755</u></u>	<u><u>63,705</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	102,226	101,946
Restricted income funds	19	2,952	1,503
		<u>105,178</u>	<u>103,449</u>
Restricted funds excluding pension liability	19	105,178	103,449
Pension reserve	19	(53,517)	(41,872)
		<u>51,661</u>	<u>61,577</u>
Total restricted funds	19	<u>51,661</u>	<u>61,577</u>
Unrestricted funds	19	2,094	2,128
Total funds		<u><u>53,755</u></u>	<u><u>63,705</u></u>

L.E.A.D. ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08296921

ACADEMY TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 70 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
Mr A Buck
Chair of Trustees

Date:

15/12/2021

The notes on pages 36 to 70 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	2,993	612
Cash flows from investing activities	23	(337)	(183)
Cash flows from financing activities	22	-	(1)
Change in cash and cash equivalents in the year		2,656	428
Cash and cash equivalents at the beginning of the year		7,069	6,641
Cash and cash equivalents at the end of the year	24, 25	<u>9,725</u>	<u>7,069</u>

The notes on pages 36 to 70 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

L.E.A.D. Academy Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary, L.E.A.D. Services Limited, are consolidated on a line by line basis.

L.E.A.D. Teaching School Hub Ltd is a newly incorporated trading subsidiary which was incorporated in May 2021. The results of this company have not been consolidated for the year as the results are immaterial to the group.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Group 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 Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £1,000 (ICT), £2,000 (Fixtures & Fittings), £5,000 (Long Leasehold) and £5,000 (Motor Vehicles) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Consolidated 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 Consolidated Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

The estimated useful lives are as follows:

Freehold buildings	- 50 years
Leasehold buildings	- 50 years
Furniture, fittings and equipment-	5 years
Motor vehicles	- 5 years
Computer hardware	- 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 and reclassified to freehold or leasehold land and buildings.

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 Consolidated Statement of Financial Activities.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.9 Provisions

Provisions are recognised when the Group 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.

1.10 Leased assets

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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

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

1.14 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	18	-	18	8
Capital Grants	-	2,933	2,933	2,019
Total 2021	18	2,933	2,951	2,027
Total 2020	8	2,019	2,027	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	48,569	48,569	46,655
Other DfE/ESFA grants				
Pupil Premium	-	4,474	4,474	4,475
UIFSM	-	993	993	990
Teachers' Pay/Pension Grant	-	2,145	2,145	2,178
Others	-	755	755	695
	-	56,936	56,936	54,993
Other Government grants				
Local authority grants	-	3,510	3,510	3,131
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	772	772	-
Other DfE/ESFA Covid funding	-	302	302	87
	-	4,584	4,584	3,218
Other income from the Academy Trust's educational operations	392	273	665	555
	392	61,793	62,185	58,766
Total 2020	555	58,211	58,766	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Group's funding for Pupil Premium, Universal Infant Free School Meals and Teachers' Pay/Pension Grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Hire of facilities	53	-	53	81
Income from other charitable activities	2,806	426	3,232	1,896
Total 2021	2,859	426	3,285	1,977
Total 2020	1,670	307	1,977	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	1	1	5
Total 2020	5	5	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Expenditure on fundraising trading	165	-	2,584	2,749	1,667
Academy's educational operations:					
Direct costs	38,031	1,954	3,303	43,288	39,723
Allocated support costs	15,279	4,383	4,725	24,387	24,009
Teaching school	372	-	286	658	877
Total 2021	53,847	6,337	10,898	71,082	66,276
Total 2020	50,365	6,046	9,865	66,276	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Charitable activities

	2021 £000	2020 £000
Direct costs - educational operations	43,288	39,723
Support costs - educational operations	24,387	24,009
	<u>67,675</u>	<u>63,732</u>

	2021 £000	2020 £000
Analysis of support costs		
Support staff costs	15,279	14,618
Depreciation	1,339	1,199
Technology costs	687	651
Premises costs	4,383	4,298
Legal costs - other	43	45
Other support costs	2,539	2,681
Governance costs	117	517
	<u>24,387</u>	<u>24,009</u>

9. Net expenditure

Net expenditure for the year includes:

	2021 £000	2020 £000
Operating lease rentals	1,482	1,433
Depreciation of tangible fixed assets	3,283	2,925
Amortisation of intangible assets	25	28
Fees paid to auditor for:		
- audit	34	32
- other services	25	25
	<u>3,829</u>	<u>3,443</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Wages and salaries	36,846	34,709	36,092	33,931
Social security costs	3,540	3,453	3,469	3,395
Pension costs	11,930	10,814	11,830	10,733
	<u>52,316</u>	<u>48,976</u>	<u>51,391</u>	<u>48,059</u>
Agency staff costs	1,470	1,338	1,470	1,332
Staff restructuring costs	61	51	61	51
	<u>53,847</u>	<u>50,365</u>	<u>52,922</u>	<u>49,442</u>

Staff restructuring costs comprise:

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Severance payments	61	51	61	51
	<u>61</u>	<u>51</u>	<u>61</u>	<u>51</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2k (2020 - £Nil). Individually, the payment was £2k.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Staff numbers

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

	Group 2021 No.	Group 2020 No.	Academy Trust 2021 No.	Academy Trust 2020 No.
Teachers	502	494	502	494
Administration and support	948	960	926	932
Management	98	89	98	89
	<u>1,548</u>	<u>1,543</u>	<u>1,526</u>	<u>1,515</u>

d. Higher paid staff

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	12	15
In the band £70,001 - £80,000	10	7
In the band £80,001 - £90,000	4	7
In the band £90,001 - £100,000	6	2
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	1	2
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	1
In the band £180,001 - £190,000	1	1
In the band £190,001 - £200,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £625k (2020 - £590k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services

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

- Educational support services
- ICT services
- Governance services
- Data services
- Academy conversion services
- Internal audit
- Human Resources services
- Financial services
- Estates services
- Procurement services
- Marketing
- Legal
- Software and licences
- Strategic
- Systems and GDPR

The Group charges for these services on the following basis:

Academy charges for these services is 6% for all academies apart from PFI academies which have a 4.6% charge

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services (continued)

The actual amounts charged during the year were as follows:

	2021	2020
	£000	£000
Birley Academy	369	326
Birley Primary Academy	147	137
Birley Spa Academy	109	101
Bishop Alexander Academy	77	72
Charnock Hall Primary School	96	89
Cloudside Academy	68	56
Da Vinci Academy	182	153
Edna G Olds Academy	68	69
Forest Lodge Academy	165	155
Glapton Academy	96	90
Hogarth Academy	59	61
Huntingdon Academy	119	114
Jubilee Academy	96	100
Manor Farm Academy	38	28
Millfield Academy	97	87
Noel Baker Academy	265	290
Radford Academy	64	62
Rainbow Forge Primary Academy	91	85
St Ann's Well Academy	69	69
Sycamore Academy	131	134
Uplands Junior Academy	124	115
Waddington All Saint Academy	87	86
Warren Academy	63	60
Windmill Academy	127	127
Witham St Hughes Academy	92	80
Total	2,899	2,746

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Trustees' remuneration and expenses

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

		2021 £000	2020 £000
Ms D Owen, Chief Executive and Accounting Officer	Remuneration	195 - 200	195 - 200
	Pension contributions paid	-	-

During the year ended 31 August 2021, travel expenses totalling £17 were reimbursed or paid directly to 1 Trustee (2020 - £1,562 to 5 Trustees).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides unlimited indemnity cover. It is not possible to quantify the Trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Intangible assets

Group and Academy Trust

	Computer software £000
Cost	
At 1 September 2020	138
At 31 August 2021	138
Amortisation	
At 1 September 2020	100
Charge for the year	25
At 31 August 2021	125
Net book value	
At 31 August 2021	13
At 31 August 2020	38

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets

Group

	Assets under construction £000	Freehold and Leasehold land and buildings £000	Furniture and equipment £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2020	170	105,140	3,969	3,446	11	112,736
Additions	212	1,403	1,155	657	-	3,427
Disposals	-	(156)	-	-	-	(156)
Transfers between classes	(170)	170	-	-	-	-
At 31 August 2021	212	106,557	5,124	4,103	11	116,007
Depreciation						
At 1 September 2020	-	7,047	2,133	2,242	10	11,432
Charge for the year	-	1,954	735	594	-	3,283
At 31 August 2021	-	9,001	2,868	2,836	10	14,715
Net book value						
At 31 August 2021	212	97,556	2,256	1,267	1	101,292
At 31 August 2020	170	98,093	1,836	1,204	1	101,304

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets (continued)

Academy Trust

	Assets under construction £000	Freehold and Leasehold land and buildings £000	Furniture and equipment £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2020	170	105,140	3,966	3,388	11	112,675
Additions	212	1,403	1,148	629	-	3,392
Disposals	-	(156)	-	-	-	(156)
Transfers between classes	(170)	170	-	-	-	-
At 31 August 2021	212	106,557	5,114	4,017	11	115,911
Depreciation						
At 1 September 2020	-	7,047	2,131	2,223	10	11,411
Charge for the year	-	1,954	735	578	-	3,267
At 31 August 2021	-	9,001	2,866	2,801	10	14,678
Net book value						
At 31 August 2021	212	97,556	2,248	1,216	1	101,233
At 31 August 2020	170	98,093	1,835	1,165	1	101,264

16. Stocks

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Finished goods and goods for resale	82	96	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Debtors

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Due within one year				
Trade debtors	820	814	89	30
VAT recoverable	639	551	639	524
Amounts owed by group undertakings	-	-	218	85
Other debtors	148	244	123	237
Prepayments and accrued income	1,825	1,888	1,333	1,652
	<u>3,432</u>	<u>3,497</u>	<u>2,402</u>	<u>2,528</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Other loans	-	6	-	6
Trade creditors	2,708	2,258	1,836	1,577
Other taxation and social security	853	771	831	761
Other creditors	950	914	939	905
Accruals and deferred income	2,515	2,234	2,375	2,043
	<u>7,026</u>	<u>6,183</u>	<u>5,981</u>	<u>5,292</u>

Included within other loans is a loan from Salix, which is an approved ESFA loan via the Salix loan programme for capital projects. The loan is interest free, unsecured and repayable via a General Annual Grant sacrifice.

	Group 2021 £000	Group 2020 £000	Academy Trust 2021 £000	Academy Trust 2020 £000
Deferred income at 1 September 2020	896	1,187	896	1,187
Resources deferred during the year	1,317	896	1,317	896
Amounts released from previous periods	(896)	(1,187)	(896)	(1,187)
	<u>1,317</u>	<u>896</u>	<u>1,317</u>	<u>896</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Creditors: Amounts falling due within one year (continued)

Deferred income includes the following income received in advance:

Universal Infant Free School Meal Income of £451k (2020 - £514k)
SEN of £363k (2020 - £Nil)
Early Years of £320k (2020 - £303k)
Rates Relief of £8k (2020 - £Nil)
Pupil growth funds of £Nil (2020 - £51k)
Expansion funding of £Nil (2020 - £16k)
Trip income of £107k (2020 - £Nil)
Miscellaneous items of £68k (2020 - £12k)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	2,372	3,270	(3,302)	-	-	2,340
Restricted general funds						
General Annual Grant (GAG)	773	48,569	(46,391)	(748)	-	2,203
Pupil Premium	730	4,474	(4,455)	-	-	749
UIFSM	-	993	(993)	-	-	-
Teachers' Pay/Pensions Grant	-	2,145	(2,145)	-	-	-
Catch up premium	-	772	(772)	-	-	-
Other DfE/ESFA Covid funding	-	302	(302)	-	-	-
Other grants and income	-	5,631	(5,631)	-	-	-
Pension reserve	(41,872)	-	(3,690)	-	(7,955)	(53,517)
	<u>(40,369)</u>	<u>62,886</u>	<u>(64,379)</u>	<u>(748)</u>	<u>(7,955)</u>	<u>(50,565)</u>
Restricted fixed asset funds						
Capital Donations	91,071	-	(2,953)	-	-	88,118
DfE Group capital grants	8,233	2,933	(362)	-	-	10,804
Capital expenditure from GAG	2,642	-	(86)	748	-	3,304
	<u>101,946</u>	<u>2,933</u>	<u>(3,401)</u>	<u>748</u>	<u>-</u>	<u>102,226</u>
Total Restricted funds	<u>61,577</u>	<u>65,819</u>	<u>(67,780)</u>	<u>-</u>	<u>(7,955)</u>	<u>51,661</u>
Total funds	<u><u>63,949</u></u>	<u><u>69,089</u></u>	<u><u>(71,082)</u></u>	<u><u>-</u></u>	<u><u>(7,955)</u></u>	<u><u>54,001</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Transfers relate to GAG funds used for capital expenditure.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	2,197	2,238	(2,063)	-	-	2,372
Restricted general funds						
General Annual Grant (GAG)	231	46,655	(45,327)	(786)	-	773
Pupil Premium	722	4,475	(4,467)	-	-	730
UIFSM	-	990	(990)	-	-	-
Teachers' Pay/Pensions Grant	-	2,178	(2,178)	-	-	-
Other DfE/ESFA Covid funding	-	87	(87)	-	-	-
Other grants and income	-	5,007	(5,007)	-	-	-
Pension reserve	(35,721)	-	(3,210)	-	(2,941)	(41,872)
	<u>(34,768)</u>	<u>59,392</u>	<u>(61,266)</u>	<u>(786)</u>	<u>(2,941)</u>	<u>(40,369)</u>
Restricted fixed asset funds						
Capital Donations	93,724	-	(2,653)	-	-	91,071
DfE Group capital grants	6,454	2,019	(240)	-	-	8,233
Capital expenditure from GAG	1,910	-	(54)	786	-	2,642
	<u>102,088</u>	<u>2,019</u>	<u>(2,947)</u>	<u>786</u>	<u>-</u>	<u>101,946</u>
Total Restricted funds	<u>67,320</u>	<u>61,411</u>	<u>(64,213)</u>	<u>-</u>	<u>(2,941)</u>	<u>61,577</u>
Total funds	<u>69,517</u>	<u>63,649</u>	<u>(66,276)</u>	<u>-</u>	<u>(2,941)</u>	<u>63,949</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Birley Academy	(15)	(203)
Birley Primary Academy	(20)	103
Birley Spa Academy	56	40
Bishop Alexander Academy	(270)	(200)
Charnock Hall Primary School	129	8
Cloudside Academy	81	24
Da Vinci Academy	47	(219)
Edna G Olds Academy	160	178
Forest Lodge Academy	725	602
Glapton Academy	197	228
Hogarth Academy	71	118
Huntingdon Academy	255	202
Jubilee Academy	26	91
Manor Farm Academy	109	84
Millfield Academy	261	241
Noel Baker Academy	6	100
Radford Academy	152	110
Rainbow Forge Primary Academy	44	100
St Ann's Well Academy	103	107
Sycamore Academy	965	989
Uplands Junior Academy	464	216
Waddington All Saint Academy	324	286
Warren Academy	122	47
Windmill Academy	548	442
Witham St Hughes Academy	492	491
Central and trading subsidiary	260	(310)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	5,292	3,875
Restricted fixed asset fund	102,226	101,946
Pension reserve	(53,517)	(41,872)
	<hr/>	<hr/>
Total	54,001	63,949
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Birley Academy	15
Birley Primary Academy	20
Bishop Alexander Academy	270
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The Academy Trust is taking the following action to return the academies to surplus:

Birley Secondary – this academy will return to surplus in 2021/22.

Birley Primary – we are currently reviewing the surplus places in Sheffield and considering a PAN change at this academy in order to secure a break even position within three financial years.

Bishop Alexander – due to the agreed reduction to Pupil Admission Numbers (PAN) we do not expect to secure a breakeven position for a number of years, however we are reviewing the Trust Funding Formula to enable additional targeted funding for academies undergoing a PAN change.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Birley	3,946	1,539	368	605	6,458	6,298
Birley Primary	1,822	647	100	217	2,786	2,606
Birley Spa	1,446	465	102	240	2,253	2,127
Bishop Alexander	1,100	342	62	173	1,677	1,541
Charnock Hall	1,110	266	45	236	1,657	1,623
Cloudside	796	242	67	209	1,314	1,264
Da Vinci	2,406	1,103	274	854	4,637	3,947
Edna G Olds	794	347	81	128	1,350	1,331
Forest Lodge	2,106	576	91	381	3,154	2,859
Glapton	1,319	253	66	249	1,887	1,729
Hogarth	734	256	68	130	1,188	1,150
Huntingdon	1,701	561	132	227	2,621	2,321
Jubilee	1,178	506	82	295	2,061	1,937
Manor Farm	471	119	54	112	756	643
Millfield	1,370	443	59	184	2,056	1,926
Noel Baker	3,894	1,400	488	1,346	7,128	6,622
Radford	760	332	46	122	1,260	1,181
Rainbow Forge	1,297	356	69	202	1,924	1,854
St Ann's Well	913	349	64	123	1,449	1,423
Sycamore	1,676	447	197	425	2,745	2,519
Uplands Junior	1,445	417	77	167	2,106	2,086
Waddington All Saint	1,246	214	72	151	1,683	1,544
Warren	731	283	38	136	1,188	1,158
Windmill	1,588	608	101	227	2,524	2,400
Witham St Hughes	1,290	278	101	201	1,870	1,544
Central services	891	2,542	400	863	4,696	4,657
L.E.A.D. Services	372	553	286	2,135	3,346	3,039
Academy Trust	38,402	15,444	3,590	10,338	67,774	63,329

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Analysis of net assets between funds

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	101,292	101,292
Intangible fixed assets	-	-	13	13
Current assets	2,340	9,978	921	13,239
Creditors due within one year	-	(7,026)	-	(7,026)
Provisions for liabilities and charges	-	(53,517)	-	(53,517)
Total	2,340	(50,565)	102,226	54,001

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

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	101,304	101,304
Intangible fixed assets	-	-	38	38
Current assets	2,372	7,686	604	10,662
Creditors due within one year	-	(6,183)	-	(6,183)
Provisions for liabilities and charges	-	(41,872)	-	(41,872)
Total	2,372	(40,369)	101,946	63,949

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,993)	(2,627)
Adjustments for:		
Amortisation	25	28
Depreciation	3,283	2,925
Capital grants from DfE and other capital income	(2,933)	(2,019)
Interest receivable	(1)	(5)
Defined benefit pension scheme cost less contributions payable	2,994	2,547
Defined benefit pension scheme finance cost	696	663
Decrease/(increase) in stocks	14	(44)
Decrease/(increase) in debtors	65	(941)
Increase in creditors	843	85
Net cash provided by operating activities	2,993	612

22. Cash flows from financing activities

	Group 2021 £000	Group 2020 £000
Repayments of borrowing	-	(1)

23. Cash flows from investing activities

	Group 2021 £000	Group 2020 £000
Interest received	1	5
Purchase of tangible fixed assets	(3,427)	(2,207)
Proceeds from the sale of tangible fixed assets	156	-
Capital grants from DfE Group	2,933	2,019
Net cash used in investing activities	(337)	(183)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. Analysis of cash and cash equivalents

	Group 2021 £000	Group 2020 £000
Cash in hand and at bank	9,725	7,069

25. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	7,069	2,656	9,725
Debt due within 1 year	(6)	6	-
	<u>7,063</u>	<u>2,662</u>	<u>9,725</u>

26. Pension commitments

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

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

Contributions amounting to £916k were payable to the schemes at 31 August 2021 (2020 - £864k) and are included within creditors.

Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £5,095k (2020 - £4,787k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £3,934k (2020 - £3,370k), of which employer's contributions totalled £3,145k (2020 - £2,673k) and employees' contributions totalled £789k (2020 - £697k). The agreed contribution rates for future years are 12.2% - 24.3% per cent for employers and 2.5% - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.15 - 3.90	2.70 - 3.65
Rate of increase for pensions in payment/inflation	2.80 - 2.90	2.20 - 2.50
Discount rate for scheme liabilities	1.65 - 1.70	1.60 - 1.80

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

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

	2021 Years	2020 Years
Retiring today		
Males	21.3 - 22.5	21.5 - 22.4
Females	23.8 - 25.3	23.7 - 25.2
Retiring in 20 years		
Males	22.5 - 24.0	22.2 - 25.9
Females	25.3 - 27.2	25.2 - 27.1

Sensitivity analysis on defined benefit obligations

	2021 £000	2020 £000
Discount rate +0.1%	(2,295)	(1,712)
CPI rate +0.1%	2,135	1,432
Salary rate +0.1%	259	218

Share of scheme assets

The Group's share of the assets in the scheme was:

	2021 £000	2020 £000
Equities	23,020	16,946
Gilts	1,632	508
Corporate bonds	4,891	5,074
Property	3,379	3,068
Cash and other liquid assets	4,948	3,622
Total market value of assets	37,870	29,218

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021	2020
	£000	£000
Current service cost	(6,115)	(5,206)
Interest income	521	490
Interest cost	(1,217)	(1,153)
Administrative expenses	(24)	(14)
Total amount recognised in the Consolidated Statement of Financial Activities	(6,835)	(5,883)

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

	2021	2020
	£000	£000
At 1 September	71,090	61,452
Current service cost	6,115	5,206
Interest cost	1,217	1,153
Employee contributions	789	697
Actuarial losses	12,675	3,125
Benefits paid	(499)	(543)
At 31 August	91,387	71,090

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

	2021	2020
	£000	£000
At 1 September	29,218	25,731
Interest income	521	490
Actuarial gains	4,720	184
Employer contributions	3,145	2,673
Employee contributions	789	697
Benefits paid	(499)	(543)
Administration expenses	(24)	(14)
At 31 August	37,870	29,218

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. Operating lease commitments

At 31 August 2021 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Academy	Academy
	2021	2020	Trust	Trust
	£000	£000	2021	2020
			£000	£000
Not later than 1 year	1,447	1,465	1,421	1,459
Later than 1 year and not later than 5 years	5,419	5,449	5,365	5,449
Later than 5 years	11,984	13,320	11,984	13,320
	<u>18,850</u>	<u>20,234</u>	<u>18,770</u>	<u>20,228</u>

28. Members' liability

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Related party transactions

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 trustees have an interest. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Queens Street Group - a Company in which Ms D Owen (a Trustee) is a Director:

- The Academy Trust purchased subscription services from Queens Street Group totalling £1,800 (2020 - £Nil) during the year. There were no amounts outstanding at 31 August 2021 (2020 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Ms D Owen neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook.

LM Education Limited - a Company in which Mr A Buck (a Member) is a Director:

- The Academy Trust purchased subscription services from LM Education Limited totalling £1,062 (2020 - £Nil) during the year. There were no amounts outstanding at 31 August 2021 (2020 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr A Buck neither participated in, nor influenced.
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Nicola Spencelayh, spouse of Neil Spencelayh, a member of the key management personnel, is employed by the Academy Trust. Nicola Spencelayh's appointment was made in open competition and Neil Spencelayh was not involved in the decision-making process regarding the appointment. Nicola Spencelayh is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a member of the senior management team.

L.E.A.D. ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

30. Teaching school trading account

	2021	2021	2020	2020
	£000	£000	£000	£000
Income				
Direct income				
Other income	667		874	
Total income		667		874
Expenditure				
Direct expenditure				
Direct staff costs	372		345	
Other staff costs	-		62	
Other direct costs	286		470	
Total other expenditure	286		532	
Total expenditure		658		877
Surplus/(deficit) from all sources		9		(3)
Teaching school balances at 1 September 2020		219		222
Teaching school balances at 31 August 2021		228		219

31. Principal subsidiaries

L.E.A.D. Services Limited

Subsidiary name	L.E.A.D. Services Limited
Company registration number	08423697
Basis of control	100% owned subsidiary
Total assets as at 31 August 2021	£1,508,000
Total liabilities as at 31 August 2021	£(1,261,000)
Total equity as at 31 August 2021	£247,000
Turnover for the year ended 31 August 2021	£3,571,000
Expenditure for the year ended 31 August 2021	£(3,362,000)
Profit for the year ended 31 August 2021	£209,000