

LEARNING TODAY LEADING TOMORROW
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020



Company Limited by Guarantee
Registration Number: 09027131
(England & Wales)

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LEARNING TODAY LEADING TOMORROW**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS, TRUSTEES AND ADVISORS****Members**

T Legge
 D Johnson
 B Abrams
 C Carter (resigned as a member 7 May 2020)
 D Noble
 S Howes (appointed 7 May 2020)

Board of Trustees

D Johnson - Chair
 T Legge
 G Brown
 K Warburton (resigned 24 October 2020)
 C Carter (appointed 9 September 2019)
 L Marsden (appointed 7 February 2020)
 F Chishty (appointed 23 October 2020)

Chief Executive and Accounting Officer

B Mullen

Chief Financial Officer

B Hodson (resigned 28 February 2020)
 A Ford (appointed 24 February 2020)

Head of Human Resources

O Newnham

Rugby Free Primary School Leadership Team

R Butters	Headteacher
K Sharp	Deputy Headteacher
N Samra	Deputy Headteacher (appointed 1 September 2020)

Rugby Free Secondary School Leadership Team

C Green	Headteacher (resigned 8 January 2020)
S Roberts	Headteacher
M Gaynon	Deputy Headteacher (resigned 4 March 2020)
D Shirley	Deputy Headteacher

Principal & Registered Office from 1 June 2020

Rugby Free Secondary School
 Anderson Ave
 Rugby
 Warwickshire
 CV23 5PE

Company Registration No

9027131

Independent Auditor

UHY Hacker Young (Birmingham) LLP
 9-11 Vittoria Street
 Birmingham
 B1 3ND

Bankers

Lloyds Banking Group
 Citymark
 150 Fountainbridge
 Edinburgh
 EH3 9PE

LEARNING TODAY LEADING TOMORROW

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020.

Learning Today Leading Tomorrow aspires to be a sub-regional academy trust covering Warwickshire and surrounding areas. Rugby Free Primary School which opened in September 2015 now operates a full Key Stage 1 and the first three years of Key Stage 2 with 360 (2019:300) pupils in each year group. At full capacity, Rugby Free Primary School will cater for 420 pupils. Rugby Free Secondary School which opened in September 2016 now educates 858 (2019:696) children across Years 7 to 11. At full capacity, Rugby Free Secondary School will cater for over 1,200 children from across Rugby.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no: 09027131) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees for Learning Today Leading Tomorrow are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning Today Leading Tomorrow.

Details of the trustees who served during the year except as noted are included in the Reference and Administrative details on page 3.

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.

Trustees' Indemnities

Learning Today Leading Tomorrow has in place directors and trustees liability insurance indemnity cover under the DfE's Risk Protection Arrangement.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Company's Standing Orders. These include application, short listing and interviewing procedures. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust. Parent, Community and Staff Trustees have been nominated and elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the trustees held six full Board meetings. The training and induction provided for new trustees depends on their existing experience. Where necessary, induction will provide training on charity and educational, legal, and financial matters. All new trustees meet with the Chair of trustees and are given a tour of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents via our governance online platform that they will need to undertake their role as trustees.

Organisational Structure

The Academy Trust Board is responsible for the overall strategic direction of the trust and for fulfilling statutory duties. The board is responsible for setting general policy, adopting and monitoring the financial plan and budget, monitoring capital expenditure, agreeing legal contracts and for making senior staff appointments.

The Chief Executive is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Arrangements for setting pay and remuneration of key management personnel**

A consistent performance management process and policy is in place across the trust. This cyclical process involves the setting of targets, a mid-year review and a final review. This final review and performance against the targets set are then considered before making a determination of remuneration.

The key management team for Learning Today Leading Tomorrow during this financial year was the CEO (0.7FTE), the Headteacher of Rugby Free Primary School, the Headteacher of Rugby Free Secondary School, the Trust CFO (0.8FTE) and the Trust Head of HR (0.6).

For key management personnel, the performance management process is carried out by the Chair and Vice Chair of the Trust for the CEO; the CEO and the Chair or Vice-Chair of the Trust for the Headteachers; the CEO and the Chair of the Audit Committee for the CFO; and the CEO and nominated trustee for the Head of HR. In making a determination on a pay award, performance against targets are the determining factor and the eventual award is at the discretion of the Trust board.

Trade union facility time

The academy had no Trade union officials during 2019/20.

Connected Organisations Including Related Party Relationships

There are no transactions for organisations connected with Learning Today Leading Tomorrow.

OBJECTIVES AND ACTIVITIES**Objects and Aims**

The principal object 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."

The main objectives of the trust during the year ended 31 August 2020 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with the local community; and
- to conduct the trust's business in accordance with the highest standards of integrity, probity and openness.

In spring 2020, due to the global COVID-19 pandemic, the Trust had to consider the challenges presented by a national lock down and the establishment of far reaching remote learning practices across the Trust for children and young people from Reception to Year 11. It was important to trustees that the approach to risk management and educational/business continuity did not compromise the above objectives wherever that was possible and within the rules that governed educational delivery as determined by the Department for Education.

Principal Activities

The Academy Trust's object in its Articles of Association is to advance for the public benefit in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, which includes provision for technical education. Under the Funding Agreement with the Department for Education, the curriculum is further defined to include an emphasis on maximising educational opportunities and improve outcomes for children of all aptitudes, abilities and backgrounds.

LEARNING TODAY LEADING TOMORROW

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Objects, Strategies and Activities

Rugby Free Primary School was set up to meet the need both for additional school places in the Rugby area but also to give local parents a choice in what their children are taught during the important primary school years. The school opened in the north of the town to serve existing residents and those moving into one of the many new housing developments in the area. It opened with two reception classes of up to 30 children each, and is growing by adding two reception classes each year until the full capacity of 420 children has been reached.

Rugby Free Secondary School opened in Rokeby, in the south of the town but draws students from across Rugby and Daventry. It opened with 146 Year 7 pupils and is growing by an additional 180 Year 7 places every year and will cater for over 1,200 pupils when at full capacity. Rugby Free Primary School and Rugby Free Secondary School aim to maximise educational opportunities and improve outcomes for children of all aptitudes, abilities and backgrounds, to enable every child to become a confident young person and achieve success.

Both schools aim to be Ofsted Outstanding and the Trust supports them by recruiting and retaining the best staff and ensuring the wellbeing of each child in the school. Rugby Free Primary School continues to build on the good (with outstanding features) judgement in May 2018. In December 2019, Rugby Free Secondary School received a positive HMI monitoring visit but due to the pandemic, no further monitoring visit was possible. Ofsted reported that the new headteacher had made a clear impact since joining the school in September 2019 and that they believed the Trust had capacity to address the identified weaknesses from the first inspection report of May 2019.

The Rugby Free Primary School building is designed to provide a physically stimulating environment to achieve our educational objectives and was available for occupation for the opening in September 2015. Rugby Free Secondary School moved into a purposed build state of the art building in February 2020.

Recruitment of pupils is a key task and focuses on open days and evenings (in person and virtual), advertising, PR, and by working through the networks available to us from the Local Authorities. RFPS recruited to its full PAN for September 2020 and is now operating at full PAN (360 pupils) across all year groups. RFSS has 858 students across Years 7 to 11.

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the trust is to support recruitment and retention of pupils and employees with disabilities. The trust does this by adapting the physical environment, by making support resources available and through training and career development.

Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011, 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. Learning Today Leading Tomorrow will provide a fully comprehensive education to all pupils in its care. It will comply with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

STRATEGIC REPORT

Achievements and Performance

It has been a challenging year due to the pandemic but both schools continue to achieve important milestones in their development and both schools were exemplars of good practice in terms of remote learning and pastoral care during the lockdown period. Parental satisfaction levels following trustee surveys remains high across the Trust.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Achievements and Performance (cont'd)**

Both schools have extended their leadership teams to ensure the schools have sufficient expertise as they grow and to offer career opportunities and stable succession planning for aspirational staff. Executive leadership meetings are held regularly led by the CEO to ensure effective development and implementation of Trust wide strategy and promote school to school working, sharing of good practice and resources. As part of the post-Ofsted investment plan for RFSS, additional capacity within the leadership team was approved to enable the new headteacher to ensure rapid improvement in both academic and pastoral areas of delivery. Feedback from an external teaching and learning (pupil premium) review by a practicing Ofsted inspector in October 2019, stated that behaviour and pastoral support was good and the school's improvement plan continued to be fit for purpose.

Staff morale as measured by regular trustee surveys has remained high throughout the year including during the lockdown and beyond.

Collaborative working between the schools and with other local schools and Rugby based Teaching Schools Alliances has had an increasing focus and will continue to be a priority as the Trust grows in the future.

Impact of COVID-19 pandemic

The pandemic has had a wide-reaching impact across the Trust particularly due to the ten-week lockdown period during which the majority of children were not attending our schools. However, trustees met with school leaders on a regular basis to ensure that:

- remote learning was the best it could possibly be
- students' well-being was supported and all children were safeguarded
- staff well-being was maintained
- risk assessments for all those in school provided for a safe work and learning space

From early June, all key stage 1 children at RFPS were welcomed back following a rigorous process for approving school risk assessment by trustees. This was mirrored when Year 10 students were welcomed back to RFSS in mid-June. Levels of attendance at both schools were well above national average.

Leaders and staff within both schools met and often exceeded the expectations of trustees in terms of their creativity, commitment and dedication during this period including:

- staff have really taken the opportunity to engage independent CPD online and developed a variety of skills particularly around pastoral care and subject knowledge
- staff became much more confident and skilled in using different forms of ICT to engage pupils and deliver learning.
- teachers' and pastoral leaders' knowledge and awareness of home issues and pupils and family's mental health/wellbeing and how they can be supported, improved greatly.
- the 'Friends of RFSS' group have started a second-hand uniform shop to assist struggling families including those who were furloughed.

Trustees have worked with school leaders to consider the following operational difficulties that have arisen and the associated risks due to the pandemic including:

- performance Management/Appraisals were not able to be measured against targets set in the previous September due to many targets being based on attainment data.
- NQTS didn't get their full year entitlement of support and therefore this needs to carry on into the next academic year
- trainee teachers not able to finish their placements therefore becoming NQTS in school with less experience and knowledge to bring to their role – this has resulted in more support needed for these members of staff in their first year of teaching

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Impact of COVID-19 pandemic (cont'd)**

The Financial impact of COVID-19 both in 2019-20 and in terms of planning for 2020-21 has been significant including:

- The greatest financial impact led to a significant deficit at RFPS due to a reduction in income following the cancellation of before and after school clubs. This has had a £60k impact on reserves and has highlighted the risk of over-reliance on club income to supplement the GAG and trustees are considering alternative models to reduce this risk. The reduction in income is predicted to continue as more parents/carers now build in home working to their pattern of work. the inability for PTA or 'Friends' groups to raise funds for the schools in the usual way meant that the additional resources the schools usually benefit from have not been possible this year
- The Trust has budgeted for c.£25k annual spend on COVID related materials by cost savings in other areas.
- Several members of staff who are pregnant are required to be in non-class-based roles from 28 weeks with the associated financial impact of extended maternity cover.
- The reduction in expected income from renting out the building in accordance with the community use agreement

Trustees have worked with senior leaders to consider the planning for the operational impact in 2020-21. This has included consideration of the following difficulties and associated risks:

- Non-renewal of some Sports Coaches Contracts due to less demand for Before and after school clubs and continued reduction in revenue at RFPS
- Additional cleaning required throughout the day
- RFSS is unable to fulfil the commitment to community use agreement due to COVID risk
- The reduction in the ability for the schools to offer the usual wide range of enrichment activities and trips to support the curriculum
- Disproportionate time (especially by senior leaders) on 'gate duty' due to staggered starts, health checks and social distancing measures.
- A increase in 'cover' expectations due to staff having to self-isolate following a track and trace alert
- Increase in traffic in and around the schools and associated risk to safety due to very few students using public transport
- A number of departments work closely with other schools such as the Rugby Drama network and share good practice use each other's resources such as the drama studio. This has not been possible due to social distancing rules
- RFSS is part of a number of partnerships such as the GRIT programme which is an intervention programme for students at risk of exclusion. The programme is now run virtually which will impact on its effectiveness.
- The area behaviour partnership in Rugby provides a managed move system for students at risk of exclusion. This is currently unavailable due to social distancing requirements and therefore, there is likely to be an increase in the fixed term exclusions

The Trust has incurred the following costs and received exceptional funding from the DfE in relation to COVID-19, such as:

- Financial support scheme for schools
 - RFSS - £7,252
 - RFPS - £12,801

The funding covered additional premises costs during school holidays (4,305) and COVID related cleaning, hand sanitiser and PPE and preventative resources for social distancing.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Rugby Free Primary School**

RFPS have had a very positive year despite the challenges of COVID-19. The school was partially closed to most pupils between 23rd March - 8th June 2020, although approximately 30 Keyworker and Vulnerable pupils were in school every day during this time. From 8th June – 20th July 2020, 76% (228) of pupils were in school either full time or part time.

The school operated at full capacity with 300 pupils from Reception to Year 4 and the number of parents/carers who place RFPS as 1st choice for September 2020 was greater than the number of places. There will be 420 pupils when the school has every year group (Sept 2021) from Reception to year 6. Pupils are taught in class groups of 20s in the morning and moving to a house group system of 30s in the afternoon. This allows for extra attention and support for pupils in core subjects with lower teacher: pupil ratios.

Pupils attendance from Sept to March was 97.6% with persistent absence being very low at approximately 3% (national average being over 8%). Pupils' behaviour is outstanding and there have been no fixed term or permanent exclusions in the academic year 2019/2020.

Pupils have a broad and balanced curriculum which is taught mainly in topics. This allows children to make links between subjects and become fully immersed in their learning. Pupils at RFPS were on track to achieve above the national average in national tests before the onset of the pandemic and the national lockdown. Pupils at RFPS have access to many additional experiences at school such as: interesting visitors, educational trips (including residential), specific subject/topic days, forest school, specialist music lessons, sporting events etc. This adds to their 'cultural capital' and allows to them experience learning outside of the classroom. Pupils Social, Moral, Spiritual and Cultural education is further supported by links and visits to local places of worship, celebrating different religious festivals and events, supporting charity events, being involved with the local community and by a rich timetable of daily collective worship which involves discussions over recent news items. Pupils well-being and academic success is very well supported by staff in school and external agencies/persons such as Educational Psychologist, Speech and Language Therapist, Specialist SEND Teacher and School Therapist.

Although COVID-19 was disruptive to the pupils' education at RFPS, it was also very well managed and from day 1, RFPS taught all pupils via an online platform. 96% of pupils accessed their daily tasks and lessons on a regular basis. Staff supported the pupils online and gave feedback several times per day in order for pupils to improve further. Well-being phone calls/emails/messages were frequently made to check on pupils and families' well-being, mental health and educational support.

Both the Trust and the Local Governing Body (LGB) holds the school and its leaders to account on many different aspects of Governance and School Improvement. The LGB are an advisory board and are made up of local community members, staff and parents and have a focus on Teaching and Learning and Safeguarding. In addition to this, the school is part of the local consortium of 20 schools which provides wide ranging opportunities for training and support, a School Improvement Advisor and two teaching alliances. This provides the school with a wealth of knowledge and experience from other leaders and regular, high quality CPD.

Parents and Carers hold the school and staff in high regard and we have a very good reputation in the local community. This is evident by having waiting lists of pupils wishing to join the school, for every year group. Parental voice through parental surveys strongly show that they believe their children are safe and well cared for, enjoy a very broad and creative curriculum and are making good progress.

It has been a challenging, yet positive year at Rugby Free Secondary School (RFSS). From September 2019, an experienced leader from an outstanding school in Birmingham was seconded as acting headteacher and after a very encouraging monitoring visit from HMI in December 2019, the position was made permanent. The inspection report highlighted that there has been a significant improvement in both behaviour and Leadership and Management which were key areas of improvement identified in the post Ofsted Action Plan.

LEARNING TODAY LEADING TOMORROW**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**

The headteacher continues to report into a highly skilled Sustainable Improvement Board that had replaced the previous Local Governing Body in September 2019. Additionally, a separate Parent/carer Advisory Board was established to give sufficient focus for the Trust and School to consult on key changes that the Trust is making, act as a representative parental voice on a range of issues and improve communication between the school and the parent body.

The Sustainable Improvement Board is chaired by the vice-chair of the Trust enabling direct oversight of the Trust Board and has two current headteachers amongst its members. The chair of the Parent/Carer Advisory Board sits on the Sustainable Improvement Board to ensure communication between the professional body driving school improvement and the Parent/carer Advisory Board is effective and two way. The PCAB have been extremely active during the year (including during the lockdown period) in supporting the school in variety of ways and have co-produced a number of policies including a communication policy and homework policy.

The Sustainable Improvement Board is designed to conduct its business in a way that ensures the school will make rapid, sustainable improvement and promote high standards of educational achievement. This has been challenging in a pandemic year and rather than convening full SIB meetings during lockdown, virtual focus meetings were set up to look at key areas of the improvement plan (notably the Quality of Education and safeguarding) and reported to the board.

The SIB's main function at its inception was "to secure a sound basis for current and future improvement in the school and the safeguarding of the children and young people attending RFSS such that a future Ofsted inspection judges the school as Good or better in as short time as practically and sustainably possible". Given that Ofsted inspections (including monitoring visits) have been suspended for most of the year, the leadership have worked hard to continue to drive improvement and maintain high levels of morale as indicated by regular Trust staff surveys. The School Improvement Plan and Post Ofsted Action Plan are continuing to be fully implemented and reviewed despite the challenges with COVID.

During the closure period, RFSS operated a key worker school for children of essential workers and vulnerable children. This operated throughout the holiday periods including bank holidays and all other children received a full curriculum through the school's on-line learning platform. Attendance across all year groups was between 85% - 95% with an average of 30 vulnerable and key work children attending throughout lockdown.

Over the full academic year, senior and middle leaders have redesigned the entire curriculum and established core Trust values across the school which are used as vehicles for developing a strong and creative culture that is woven into the curriculum. Each department has a curriculum road map from Years 7-11 based on the national curriculum which has been developed collaboratively.

With the full re-opening of schools in September 2020, a wide range of quality assurance activities are planned to review the progress made since March 2020 (lockdown) and provide assurance to trustees of the progression of the improvement journey. These activities will include an external Pupil Premium review and a full quality of education review led by an external professional who is an experienced Ofsted inspector and Pupil Premium reviewer. In addition, a number of deep dives are planned for Autumn 2020 term to quality assure the appropriateness of the curriculum. These will be led by both school departmental leaders and include external scrutiny.

At the end of February 2020, the school moved into a new state-of-the-art building with access to a wide range of outdoor facilities and playing fields. Although the lockdown commenced a few short weeks later and the benefit of the new school was not felt until September 2020, leaders are now in a position to deliver their very broad and balanced curriculum an environment that is enviable and facilities that are fit for purpose.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Key Financial Performance Indicators**

The academy trust established a financial budget at the start of the year and the Board to monitor performance against budget during the period. Further financial and non-financial indicators will be introduced as the trust develops. The trustees consider that the following are key performance indicators for the academy trust moving forward:

	2020	2019
Pupil numbers	1,214	818
Staff Numbers (Average Headcount)	109	83
Staff Costs (Including on-costs) as a % of total revenue income	83%	72%
Pupil: Teaching Staff Ratio	44:2	40:2
Total revenue expenditure per pupil	£4,830	£5,022
Average salary (excluding on-costs)	£31,253	£27,843

Going Concern

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

FINANCIAL REVIEW**Overview**

The principal source of funding for the academy trust is the General Annual Grant for both schools. Both schools had Project Development Grants during the pre-opening stages. Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure was £6,387,000 (2019: £4,493,000). After adjusting for the FRS102 pension charge, capital grant income and depreciation there is an operational deficit for the year of £388,000 (2019: surplus £355,000).

At 31 August 2020 the net book value of fixed assets was £4,815,000 (2019: £4,706,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. This includes the valuation of the land and buildings. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

The academy was admitted to the Local Government Pension Scheme (LGPS) on a fully funded basis as at 1 September 2017, with there being no past service liabilities or assets. The deficit in the scheme at 31 August 2020 was £757,000 (2019: £208,000).

It should be noted that the balance sheet, income and expenditure, and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Financial and Risk Management Objectives and Policies**

The trust's financial and risk management objectives are documented in its:

- Official budgets;
- Accounting Policy;
- Financial Regulations Manual;
- Scheme of Delegation;

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

Reserves Policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of reserves should be equivalent to one month of expenditure, approximately £511,000 (2019: £316,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

There are reserves in deficit of £411,000 after deducting 4 weeks working capital requirements (2019: £182,000 surplus).

Financial Position

The academy held fund balances at 31 August 2020 of £4,252,000 (2019 £5,032,000) comprising £4,899,000 (2019: £4,742,000) of restricted fixed asset funds, £9,000 (2019: £311,000) of restricted general funds, £757,000 deficit (2019: £208,000 deficit) of restricted pension funds and £101,000 (2019: £187,000) of unrestricted funds.

Investment Policy

All investments are made in accordance with the policy of the trust. The trust's policies on investments are one of minimum risk with all investments being held with the trust's bankers or other banking institutions regulated by the Financial Conduct Authority. The trust will nevertheless seek to maximise interest receipts within this arrangement. This policy will be reviewed in the year ending 31 August 2021. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has considered the risks faced by the trust throughout its normal operational business. It has sought to address the risks faced by the trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

The Board has built on this success by establishing a formal risk register and management policy, which is overseen by the Audit and Risk Committee. Having conducted a detailed analysis of the reputational, financial and operational risks, this process now formally documents the managerial action that is taking place, and has enabled risk management to be more systematic. The level of risk at Trust level is informed by analysis of the relevant finance, progress and achievement data and a measure of compliance with governance, operational and finance procedures within the schools.

At the time of reporting, the trust's identified key risks are:

- the reputational risk following a poor Ofsted judgement impacting on future applications/student number
- the ability to grow as an Academy Trust prior to Good or better Ofsted judgements at RFSS;
- the risk of progress and attainment in subjects or at Key Stages being below expectations;
- the risks associated with attracting new staff of the right calibre, particularly at RFSS
- the risks associated with the handover, oversight and maintenance of the new RFSS building planned for February 2020
- loss of personal and sensitive information and compliance with GDPR;

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

Risk Management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces. They have introduced operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Plans for Future Periods

Learning Today Leading Tomorrow has two schools, catering for primary and secondary children from across Rugby and further afield. The primary focus for the coming year will be to build solid foundations for Rugby Free Secondary School to achieve positive reports following Ofsted monitoring visits and to achieve a Good inspection judgement at the earliest possible opportunity. An Estates and Facilities manager is being recruited by the Trust for January 2020 to oversee the move into the new RFSS building and develop the estates of the Trust moving forward.

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the academy trust approach to fundraising practices is as follows:

- Each school works with a parent-led body 'Friends of RFPS' and 'Friends of RFSS' to raise funds for use within the schools. All events are approved by the Headteacher.
- Both schools organise fundraising activities for the students to raise funds for other charities or recognised national charity events.
- RFPS operates a School Fund that accounts for all monies raised through school events and the Friends of RFPS group.
- Friends of RFSS organise events and donate monies raised to the school.
- All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness.
- All funds collected on behalf of a school must be given to the School Business manager to be accurately recorded, accounted for and banked in accordance with the recognition of income finance procedures.
- If funds are raised by students for another charity, a cheque or online payment will be issued to the intended beneficiary in accordance with the finance procedures.
- We do not work with professional fundraisers.
- Our fundraising conforms to the following recognised standards:
 - No undue pressure is placed on students or staff to donate to a particular charity/charities.
 - No undue pressure is placed on students to apply undue pressure on their family members to donate through a school event for the schools' benefit or a particular charity/charities.
 - Staff must not use their influence over students of the Trust to persuade them to take part in Trust fundraising or external Fundraising.
 - Students are never asked to take part in door to door or street collections.
- The academy trust monitors fundraising carried out on its behalf by agreeing activities, scope, marketing and expected outcomes in advance of the fundraising activity.
- The academy trust has a Trust Complaints procedure which can be used by any internal or external stakeholder who wishes to raise a concern or a complaint relating to fundraising.
- The academy trust protects the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate by ensuring the headteachers monitor the activities organised within schools and on their behalf. The Trust does not target people who are not already involved in the school community.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

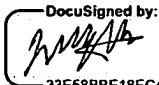
Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a Strategic Report was approved by the Board of Trustees as the company Directors on 11 December 2020 and signed on their behalf by:

DocuSigned by:


32E68BBE48EC441.....

D Johnson
Chair of Trustees
11 December 2020

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Scope of Responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Learning Today Leading Tomorrow and the Secretary of State for Education. The Chief Executive Officer is 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
D Johnson (Chair)	6	6
T Legge	6	6
J Simpson - Vince	4	6
K Warburton	3	6
G Brown	6	6
S Howes	-	4
K Carter	3	6
L Marsden	4	4

The Audit and Risk Committee of the Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Audit Committee was as follows:

Trustees	Meetings attended	Out of a possible
G Brown (Chair)	4	4
T Legge	4	4
J Simpson - Vince	4	4

Governance Review

The Academy trust reviews its governance arrangements on an annual basis. During this period, the Trust continued to employ a CEO, CFO and Head of HR on a part-time basis. Following the Ofsted inspection at RFSS, the Trust reviewed its governance arrangements and replaced the LGB with a professionally dominated Sustainable Improvement Board (SIB) and separate Parent/carer Advisory Board (PCAB). The SIB's priority is to drive the improvements outlined in the post Ofsted action plan until the next Section 5 inspection. The PCAB focuses on policies that impact on day to day delivery and communication between the school and parent body.

Due to the pandemic, the trustees operated a proportional approach to governance from April 2020. Local governance meetings were suspended until September 2020 and trustees took direct oversight of the schools. All meetings were held remotely and monthly headteacher reports and monthly virtual COVID meetings provided trustees with regular updates on key performance indicators relating to safeguarding, attendance, student and staff well-being. The Trust Board signed off all COVID risk assessments and additional meetings were set up to give trustees the opportunity to fully scrutinise the risk assessments as that were updated.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Review of Value for Money**

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

- Used an energy broker to negotiate a Trust wide energy contract to get best value across the Trust. This resulted in a lower price per kWh for the RFSS new building and enabled RFPS to be added when their contract came up for renewal in October 2020.
- Negotiated a reduction in meal price for UIFSM & FSM of 15p per meal (RFPS) and 20p per meal at RFSS
- Procured photocopying lease contract across the Trust to replace two service contracts
- Using 'back office' staff from both schools interchangeably across the Trust to cover gaps in knowledge and skills and reduce the need to bring in expensive, temporary staff. e.g. premises team, IT and finance team

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 Learning Today Leading Tomorrow for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

Learning Today Leading Tomorrow 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 Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- clear delegation of authority and segregation of duties;
- identification and management of risks.

LEARNING TODAY LEADING TOMORROW**GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Tiaa to provide an internal audit programme of work. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included testing:

- procurement
- accounts payable
- payroll (starters, leavers and overtime)

During the period the internal auditor by sample testing and review of documentary information, identified that adequate controls are in place and operating as intended. The audit noted some areas requiring improvement in order to enhance the control environment, as follows:

- Amend the procurement financial threshold pertaining to the level 'up to £10000';
- Management to review secondary school's finance staff performance in undertaking tasks, particularly with third parties; and
- Devise an 'Action Plan' to address the invoice processing backlog at both schools.

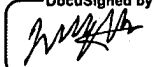
Review of Effectiveness

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

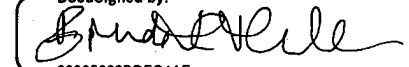
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2020 and signed on its behalf by:

DocuSigned by:

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D Johnson
Chair of Trustees

DocuSigned by:

 38385082BD5C4A5.....

B Mullen
Accounting Officer

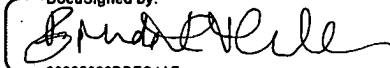
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the 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

I confirm that there has been two instances of material irregularity, impropriety or funding non-compliance have been discovered to date, as detailed below. If any further instances are identified after the date of this statement, these will be notified to the board of trustees and the ESFA.

- The management information provided to the board during the year did not include balance sheet and cash flow information. At the year end there was an in year deficit of £388k, compared to various budgeted deficits reported to the board during the year ranging from £25k to £203k;
- Deficiencies in internal controls around payroll have resulted in a number of erroneous payments amounting to over payments of £22k and under payments of £14k being made to current and previous employees.

DocuSigned by:


.....28385082B0EC4AE.....

B Mullen

Chief Executive and Accounting Officer

11 December 2020

LEARNING TODAY LEADING TOMORROW**STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020**

The trustees (who act as governors of Learning Today Leading Tomorrow and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

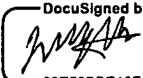
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2020 and signed on its behalf by:

DocuSigned by:


33E58BBE18EC441.....

D Johnson
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2020**Opinion**

We have audited the financial statements of Learning Today Leading Tomorrow (the 'academy trust') for the year ended 31 August 2020 which comprise Statement of Financial Activities, the Balance Sheet and the 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, governance statement, statement on regularity, propriety and compliance and statement of trustees responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

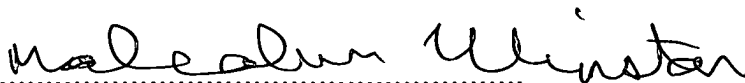
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEARNING TODAY, LEADING TOMORROW FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Auditor's responsibilities for the audit of the financial statements**

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

11 December 2020

LEARNING TODAY LEADING TOMORROW**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO LEARNING TODAY LEADING TOMORROW AND THE EDUCATION FUNDING AND SKILLS AGENCY FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter dated 28 July 2020 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learning Today Leading Tomorrow and the ESFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the ESFA those matters we are required to state to it 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 Learning Today Leading Tomorrow and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Learning Today Leading Tomorrow's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Learning Today Leading Tomorrow funding agreement with the Secretary of State for Education dated 23 March 2015, and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2019 to 2020 issued by 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.

LEARNING TODAY LEADING TOMORROW**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO LEARNING TODAY LEADING TOMORROW AND THE EDUCATION FUNDING AND SKILLS AGENCY FOR THE YEAR ENDED 31 AUGUST 2020****Approach (con't)**

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/strategic business manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

In the course of our work, two material aspects of regularity has come to our attention, as detailed below. Nothing further has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- The management information provided to the board during the year did not include balance sheet and cash flow information. At the year end there was an in year deficit of £388k, compared to various budgeted deficits reported to the board during the year ranging from £25k to £203k;
- Deficiencies in internal controls around payroll have resulted in a number of erroneous payments amounting to over payments of £22k and under payments of £14k being made to current and previous employees.

..... UHY Hacker Young (Birmingham) LLP

Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

11 December 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020**(Including Income and Expenditure Account)**

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2020	2019
		£'000	Funds	Asset	£'000	£'000
			£'000	Funds		
Income from:						
Donations and capital grants	3	3	4	407	414	137
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	5,341	-	5,341	3,947
Other trading activities	5	127	-	-	127	186
Investment income	6	1	-	-	1	-
Total		131	5,345	407	5,883	4,270
Expenditure on:						
Raising funds	7	91	-	-	91	103
Charitable activities:						
- Academy trust's educational operations	7&8	-	6,046	250	6,296	4,111
Freehold impairment	7&13	-	-	-	-	279
Total		91	6,046	250	6,387	4,493
Net income/(expenditure)		40	(701)	157	(504)	(223)
Transfers between funds	16	(126)	126	-	-	-
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	27	-	(276)	-	(276)	(131)
Net movement in funds		(86)	(851)	157	(780)	(354)
Reconciliation of funds						
Total funds brought forward	16	187	103	4,742	5,032	5,386
Total funds carried forward	16	101	(748)	4,899	4,252	5,032

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

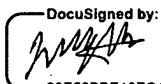
LEARNING TODAY LEADING TOMORROW

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BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	13	<u>4,815</u>	<u>4,706</u>
		<u>4,815</u>	<u>4,706</u>
Current assets			
Debtors	14	674	121
Cash at bank and in hand		<u>378</u>	<u>616</u>
		<u>1,052</u>	<u>737</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(858)</u>	<u>(203)</u>
Net current assets		194	534
Total assets less current liabilities		5,009	5,240
Defined benefit pension scheme liability	27	(757)	(208)
Total Net Assets		<u><u>4,252</u></u>	<u><u>5,032</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	16	4,899	4,742
- Restricted income fund	16	9	311
- Pension reserve	16	<u>(757)</u>	<u>(208)</u>
Total Restricted Funds		<u>4,151</u>	<u>4,845</u>
Unrestricted income fund	16	<u>101</u>	<u>187</u>
Total unrestricted funds		<u>101</u>	<u>187</u>
Total Funds		<u><u>4,252</u></u>	<u><u>5,032</u></u>

The financial statements on pages 25 to 44 were approved by the trustees and authorised for issue on 11 December 2020 and signed on their behalf by:

DocuSigned by:


33E58BBF18EC441

D Johnson
Chair of Trustees

LEARNING TODAY LEADING TOMORROW

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020	2019
		£'000	£'000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(287)	258
Cash flows from investing activities	21	1	-
Cash flows from financing activities	22	48	30
Change in cash and cash equivalents in the reporting period		<u>(238)</u>	<u>288</u>
Cash and cash equivalents at 1 September	23	616	328
Cash and cash equivalents at 31 August	23	<u>378</u>	<u>616</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**1 Statement of Accounting Policies**

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

Basis of Preparation

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

Learning Today Leading Tomorrow meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

• Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the 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.

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

• Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

• Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

• Other income

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

• Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

- **Donated goods, facilities and services (cont'd)**

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

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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Freehold buildings	2%
Furniture and equipment	10 - 15%
Computer equipment and software	33.33%

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Leased assets**

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

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 Chapter 3 Part 11 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a 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 multi funded employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Critical accounting estimates and assumptions (cont'd)**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020 (See note 16).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Free school capital grant - ESFA	-	387	387	104
Devolved formula capital	-	20	20	31
School Fund	-	4	4	-
Other donations	3	-	3	2
	<u>3</u>	<u>411</u>	<u>414</u>	<u>137</u>

The income from donations and capital grants was £414,000 (2019 : £137,000) of which £3,000 (2019 : £2,000) was unrestricted, £4,000 (2019 : £Nil) restricted and £407,000 (2019 : £135,000) restricted fixed assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
DfE/ESFA grants				
General annual grant (GAG) (note 2)	-	4,386	4,386	3,290
Start up grant		178	178	239
Pupil premium grant	-	233	233	177
Teachers pay grant	-	61	61	31
Teachers pension grant	-	173	173	-
Other DfE/ESFA grants	-	139	139	129
	<u>-</u>	<u>5,170</u>	<u>5,170</u>	<u>3,866</u>
Other Government grants				
Special Needs Grant - LA	-	140	140	81
Other LA Grants	-	11	11	-
	<u>-</u>	<u>151</u>	<u>151</u>	<u>81</u>
Exceptional Government funding				
Coronavirus Job Retention Scheme grant	-	-	-	-
Coronavirus exceptional support	-	20	20	-
Other Coronavirus funding	-	-	-	-
	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Other income from the academy trust's educational operations	-	-	-	-
	<u>-</u>	<u>5,341</u>	<u>5,341</u>	<u>3,947</u>

The funding received of £20,053 for coronavirus exceptional support covers £3,492 of premises costs, £13,614 of cleaning costs and £2,947 of preventative materials costs. These costs are included in notes 7 and 8.

The income from the academy trusts's educational operations was restricted for both 2020 and 2019.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Before and after school club income	89	-	89	146
Rental income	38	-	38	39
Other Income	-	-	-	1
	<u>127</u>	<u>-</u>	<u>127</u>	<u>186</u>

The income from the academy trusts's other trading activities was unrestricted for both 2020 and 2019.

6 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Bank interest received	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The income from the academy trusts's other investment income was unrestricted for both 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7 EXPENDITURE	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2020	2019
	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds					
- Direct costs	-	-	-	-	-
- Allocated support costs	-	-	91	91	103
Academy's educational operations					
- Direct costs	3,840	-	336	4,176	2,591
- Allocated support costs	1,004	690	426	2,120	1,799
	4,844	690	762	6,296	4,390
	4,844	690	853	6,387	4,493

The expenditure was £6,387,000 (2019 : £4,493,000) of which £109,000 (2019 : £103,000) was unrestricted, £6,028,000 (2019 : £3,726,000) restricted and £250,000 (2019 : £664,000) restricted fixed assets.

Incoming/outgoing resources for the year include:

	2020	2019
	£'000	£'000
Operating leases rentals	11	5
Depreciation	311	385
Impairment of land and buildings	-	279
Gain on disposal of fixed assets	(61)	-
Fees payable to auditor for:		
Audit	7	7
Other services	5	3

8 CHARITABLE ACTIVITIES

	2020	2019
	£'000	£'000
Direct costs - educational operations	4,176	2,591
Support costs - educational operations	2,120	1,799
	6,296	4,390
Analysis of Support Costs	£'000	£'000
Support staff costs	1,004	509
Depreciation	311	385
Technology costs	62	60
Premises costs	379	467
Other support costs	273	251
Governance	66	127
Legal	86	-
Gain on disposal of fixed assets	(61)	-
	2,120	1,799

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**9 STAFF**

a Staff costs	2020	2019
	£'000	£'000
Staff costs during the year were:		
Wages and salaries	3,400	2,311
Social security costs	330	225
Pension costs	997	402
	<u>4,727</u>	<u>2,938</u>
Agency staff costs	114	106
Staff restructuring costs	3	-
	<u>4,844</u>	<u>3,044</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	-
Other restructuring costs	3	-
	<u>3</u>	<u>-</u>

b Staff severance payments

Included in staff restructuring costs is one non statutory/non contractual severance payments. Individually the payment is £3k (2019 : £Nil).

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2020 expressed as whole persons was as follows:

	2020	2019
Charitable Activities	No.	No.
Teachers	55	41
Administration and support	40	37
Management	14	5
	<u>109</u>	<u>83</u>

d Higher paid staff

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

	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

e Key management personnel

The key management of the academy trust comprise the trustees and the senior management team as listed on page 3. 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 £655,612 (2019: £515,216).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**10 CENTRAL SERVICES**

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

- human resources;
- financial services;
- legal services;
- educational support services.

The multi academy trust charges for these services a flat percentage, 5% to Rugby Free Primary School and 5% to Rugby Free Secondary School of all general annual grant and ESG income.

The actual amounts charged during the year were as follows:

	2020 £'000	2019 £'000
Rugby Free Primary School	54	45
Rugby Free Secondary School	174	132
	<u>228</u>	<u>177</u>

11 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer received remuneration in respect of her contract of services as CEO and not in respect of her services as trustee. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustees' remuneration and other remuneration was as follows:

	2020	2019
B Mullen (Chief Executive Officer and Accounting Officer)		
Remuneration	£90,000 - £95,000	(2019: £85,000 - £90,000)
Employers pension contribution	£20,000 - £25,000	(2019: £10,000 - £15,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,068 (2019: £944) were reimbursed or paid directly to 3 trustees.

12 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 business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 September 2019	4,989	460	796	6,245
Additions	-	27	395	422
Disposals	-	-	(51)	(51)
At 31 August 2020	<u>4,989</u>	<u>487</u>	<u>1,140</u>	<u>6,616</u>
Depreciation				
At 1 September 2019	668	224	647	1,539
Charged in year	100	72	139	311
Disposals	-	-	(49)	(49)
At 31 August 2020	<u>768</u>	<u>296</u>	<u>737</u>	<u>1,801</u>
Net book value				
At 31 August 2020	<u>4,221</u>	<u>191</u>	<u>403</u>	<u>4,815</u>
At 31 August 2019	<u>4,321</u>	<u>236</u>	<u>149</u>	<u>4,706</u>

On 20 March 2015 Rugby Free Primary School's freehold land and buildings was purchased by the Education and Skills Funding Agency and donated to Learning Today Leading Tomorrow for £2,875,000. Refurbishment of the land and buildings was subsequently undertaken through further Education and Skills Funding Agency funding of £2,062,000 which was completed on 28 August 2015.

In accordance with the requirements of FRS 102 an existing use valuation has been prepared for the academy trust by a firm of Chartered Surveyors Kier. As a result of this valuation an impairment of £279,150 has been charged to reduce the net book value of the land and buildings to their fair value of £2,423,350 at 1 September 2018.

Freehold land and building at the Rugby Free Secondary School have not been formally valued by the DfE since completion of the building. A formal valuation will be sought in the year 2020/21.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

14 DEBTORS	2020	2019
	£'000	£'000
Trade debtors	1	1
VAT recoverable	262	64
Prepayments	119	17
Other debtors	292	39
	<u>674</u>	<u>121</u>

Included in other debtors is an amount of £6,500 (2019: £Nil) which is receivable after more than one year.

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£'000	£'000
Trade creditors	76	55
Taxation and social security	84	-
ESFA creditor : VAT	24	12
Accruals	327	42
Deferred income	68	94
Other Creditors	279	-
	<u>858</u>	<u>203</u>
	2020	2019
	£'000	£'000
Deferred Income		
Deferred income at 1 September 2019	94	68
Resources deferred in the year	68	94
Amounts released from previous years	(94)	(68)
Deferred income at 31 August 2020	<u>68</u>	<u>94</u>

At the balance sheet date the academy was holding funds received in advance for 2020/21 for universal infant free school meals £41,626 (2019: £43,336), rates relief £4,211 (2019: £4,146) and clubs income £21,780 (2019: £Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**16 FUNDS**

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General annual grant (note i)	306	4,386	(4,818)	126	-
Local authority grant (note ii)	-	151	(151)	-	-
Project develop't grant - RFSS (note iii)	-	-	-	-	-
Pupil premium grant (note iv)	-	233	(233)	-	-
Other DfE/ESFA grants (note v)	-	571	(571)	-	-
Other grants (note vi)	-	-	-	-	-
School Fund (note vii)	5	4	-	-	9
	<u>311</u>	<u>5,345</u>	<u>(5,773)</u>	<u>126</u>	<u>9</u>
Restricted fixed asset funds					
Free school capital grant (note viii)	2,334	387	(180)	-	2,541
ESFA land and building donation (note ix)	2,333	-	(58)	-	2,275
DfE/ESFA capital grants (note x)	41	20	(4)	-	57
Capital expenditure transfer (note xi)	34	-	(8)	-	26
	<u>4,742</u>	<u>407</u>	<u>(250)</u>	<u>-</u>	<u>4,899</u>
Restricted pension scheme liability					
Pension reserve	(208)	-	(273)	(276)	(757)
	<u>(208)</u>	<u>-</u>	<u>(273)</u>	<u>(276)</u>	<u>(757)</u>
Total Restricted Funds	4,845	5,752	(6,296)	(150)	4,151
Unrestricted funds					
Unrestricted funds (note xii)	187	131	(91)	(126)	101
	<u>187</u>	<u>131</u>	<u>(91)</u>	<u>(126)</u>	<u>101</u>
Total funds	5,032	5,883	(6,387)	(276)	4,252

Notes

- i) General annual grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2020. (see note 2)
- ii) The local authority grant is utilised to meet the special needs of pupils.
- iii) The project development grant is utilised to meet the costs of setting up Rugby Free Secondary School which opened on 5 September 2016, including project management, consultancy, property and legal fees.
- iv) Pupil premium are funds paid to disadvantaged pupils.
- v) Other grants, including rates relief and universal free school meals awarded by the ESFA and for specific purposes.
- vi) Other grants are used to support apprenticeships at the academy.
- vii) School fund are legacy funds from contributions and donations received from parents and other organisations which are used to support the academy trust's activities.
- viii) The free school capital grant is utilised to refurbish the donated land and buildings for school use.
- ix) On 20 March 2015, Rugby Free Primary School's freehold land and buildings were purchased by the ESFA for £2,875,000 and donated to Learning Today Leading Tomorrow (note 13).
- x) Devolved formula capital grants received from the ESFA to support capital spend at the academy.
- xi) Capital expenditure transfer from GAG or unrestricted funds totalled £Nil (2019: £Nil).
- xii) Unrestricted funds include receipts from the trust's trading activities and spent at the discretion of the trustees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**16 FUNDS (cont'd)**

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

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General annual grant (note i)	35	3,529	(3,258)	-	306
Local authority grant (note ii)	-	81	(81)	-	-
Project develop't grant - RFSS (note iii)	-	-	-	-	-
Pupil premium grant (note iv)	-	177	(177)	-	-
Other DfE/ESFA grants (note v)	-	160	(160)	-	-
School Fund (note vii)	6	-	(1)	-	5
	<u>41</u>	<u>3,947</u>	<u>(3,677)</u>	<u>-</u>	<u>311</u>
Restricted fixed asset funds					
Free school capital grant (note viii)	2,558	104	(328)	-	2,334
ESFA land and building donation (note ix)	2,660	-	(327)	-	2,333
DfE/ESFA capital grants (note x)	11	31	(1)	-	41
Capital expenditure transfer (note xi)	42	-	(8)	-	34
	<u>5,271</u>	<u>135</u>	<u>(664)</u>	<u>-</u>	<u>4,742</u>
Restricted pension scheme liability					
Pension reserve	(28)	-	(49)	(131)	(208)
	<u>(28)</u>	<u>-</u>	<u>(49)</u>	<u>(131)</u>	<u>(208)</u>
Total Restricted Funds	5,284	4,082	(4,390)	(131)	4,845
Unrestricted funds					
Unrestricted funds (note xii)	102	188	(103)	-	187
	<u>102</u>	<u>188</u>	<u>(103)</u>	<u>-</u>	<u>187</u>
Total funds	5,386	4,270	(4,493)	(131)	5,032

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2020 were allocated as follows:

	2020 Total £'000	2019 Total £'000
Rugby Free Primary School	79	158
Rugby Free Secondary School	10	320
Central services	21	20
Total before fixed assets and pension reserve	<u>110</u>	<u>498</u>
Restricted fixed assets fund	4,899	4,742
Pension reserve	(757)	(208)
	<u>4,142</u>	<u>4,534</u>
Total	4,252	5,032

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

16 FUNDS (cont'd)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Dep'n)	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rugby Primary	991	172	65	265	1,493	1,154
Rugby Secondary	2,849	612	270	601	4,332	2,493
Central services	-	220	1	30	251	182
Academy Trust	3,840	1,004	336	896	6,076	3,829

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restrict'd Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed	-	-	-	4,815	4,815
Current assets	141	-	827	84	1,052
Current liabilities	(40)	-	(818)	-	(858)
Pension scheme liability	-	(757)	-	-	(757)
	101	(757)	9	4,899	4,252

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Pension Restricted Funds	General Restricted Funds	Fixed Assets Restrict'd Funds	Total
	£'000	£'000	£'000	£'000	£'000
Tangible fixed	-	-	-	4,706	4,706
Current assets	187	-	514	36	737
Current liabilities	-	-	(203)	-	(203)
Pension scheme liability	-	(208)	-	-	(208)
	187	(208)	311	4,742	5,032

18 CAPITAL COMMITMENTS

Contracted for, but not provided in the financial statements

	2020	2019
	£'000	£'000
	-	-

19 COMMITMENTS UNDER OPERATING LEASES

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

	2020	2019
	Other	Other
	£'000	£'000
- Amounts due within one year	16	5
- Amounts due between one and five years	38	5
	54	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

20 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(504)	(223)
Adjusted for:		
Interest receivable	(1)	-
Fixed asset depreciation (note 13)	311	385
Gain from sale of tangible fixed assets	(61)	-
Impairment (note 13)	-	279
Capital grants from DfE and other capital income (note 3)	(407)	(135)
Defined benefit pension scheme cost less contributions payable (note 26)	266	49
Defined benefit pension scheme finance cost (note 26)	7	-
(Increase)/decrease in debtors	(553)	88
Increase/(decrease) in creditors	655	(185)
Net cash (used in)/provided by operating activities	(287)	258

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2020	2019
	£'000	£'000
Interest received	1	-
Net cash provided by investing activities	1	-

22 CASH FLOWS FROM FINANCING ACTIVITIES

	2020	2019
	£'000	£'000
Purchase of tangible fixed assets	(422)	(105)
Capital grants from DfE/ESFA	407	135
Proceeds from sale of tangible fixed assets	63	-
Net cash provided by financing activities	48	30

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 Aug	At 31
	2020	2019
	£'000	£'000
Cash in hand and at bank	378	616
Total cash and cash equivalents	378	616

24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 September	Cash	Aug
	2019	Flows	2020
	£'000	£'000	£'000
Cash at bank	616	(238)	378
Overdraft	-	-	-
	616	(238)	378
Loans within one year	-	-	-
Loans within more than one year	-	-	-
	616	(238)	378

25 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**26 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.

27 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2020 was £997,000 (2019 : £402,000) of which £494,000 (2019: £261,000) relates to the TPS and £503,000 (2019: £141,000) relates to the LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £87,504 were payable to the schemes at 31 August 2020 (2019:£Nil) and are included within other creditors

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employers costs paid to TPS in the year amounted to £494,000 (2019: £261,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the year ended 31 August 2020 was £571,000 (2019:£233,000) of which employer's contributions totalled £503,000 (2019:£141,000) and employees contributions totalled £68,000 (2019: £92,000). The agreed contributions for future years for employers are 20.5% (2019: 23.7%) for Rugby Free Primary School and 20.5% (2019: 23.7%) for Rugby Free Secondary School. The average rate of contributions for employees are 6.0% (2019: 5.5%) for Rugby Free Primary School and 6.0% (2019: 5.5%) for Rugby Free Secondary School.

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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2020 % per annum	At 31 August 2019 % per annum
Discount rate	1.7%	1.9%
Salary increases	3.0%	2.9%
Pension increases	2.2%	2.3%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2020 £'000	2019 £'000
Discount rate decreased by 0.5% per annum	223	122
Pension increased by 0.5%	216	121

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

	2020 years	2019 years
Longevity at age 65 retiring today		
- Men	21.6	21.4
- Women	23.8	23.6
Longevity at age 65 retiring in 20 years		
- Men	22.5	22.4
- Women	25.4	25.0

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equity instruments	334	149
Debt instruments	139	63
Property	72	29
Cash/liquidity	11	2
Total market value of assets	<u>556</u>	<u>243</u>

Present value of scheme liabilities

- Funded	(556)	(243)
- Unfunded	(757)	(208)
Total liabilities	<u>(1,313)</u>	<u>(451)</u>
Deficit in the scheme	<u>(757)</u>	<u>(208)</u>

The actual return on the scheme assets in the year was a deficit of £13,000 (2019:£11,000 surplus).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**27 PENSION AND SIMILAR OBLIGATIONS (cont'd)****Local Government Pension Scheme (cont'd)****Amounts recognised in the Statement of Financial Activities**

	2020	2019
	£'000	£'000
Current service cost	496	136
Past service cost	-	4
Interest income	(8)	(5)
Interest cost	15	6
Total operating charge	503	141

	2020	2019
	£'000	£'000
Movement in deficit during the year		
Balance brought forward at 1 September	208	28
Movement in year:		
Opening balance adjustment	28	-
Employer service cost (net of employee contributions)	468	140
Employer contributions	(230)	(92)
Expected return on scheme assets	(8)	(5)
Interest cost	15	6
Actuarial loss	276	131
Deficit in the scheme at 31 August	757	208

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

	2020	2019
	£'000	£'000
Scheme liabilities at 1 September	452	145
Opening balance adjustment	55	-
Current service cost	468	136
Past service cost	-	4
Interest cost	15	6
Contributions by scheme participants	68	24
Actuarial loss	255	137
Scheme liabilities at 31 August	1,313	452

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

	2020	2019
	£'000	£'000
Fair value of scheme assets at 1 September	244	117
Opening balance adjustment	27	-
Expected return on scheme assets	8	5
Contributions by employer	230	92
Contributions by scheme participants	68	24
Actuarial (loss)/gain	(21)	6
Fair value of scheme assets at 31 August	556	244

The estimated value of employer contributions for the year ended 31 August 2021 is £211,000 (2020 : £94,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**28 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and 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. During the year ended 31 August 2020 there were no such transactions.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2019.

No related party transactions took place in the period of account, other than certain trustee's remuneration and expenses already disclosed in note 11.

29 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting events arising after the balance sheet date.