

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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LEARNING PATHWAYS ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020

Members

John O'Shea
Rachel Pritchard ¹ (resigned 22 nd September 2020)
Andrew Smith ¹ (resigned 22 nd September 2020)
Andrew Coker (appointed 22 nd September 2020)

Trustees

Gavin Bradley ¹
Darren Cross ¹ Chair of Trust Board (appointed as Member 22 nd September 2020)
Anthony Davenport ¹
Alison Fiala
Lorraine Laudrum ¹ Resigned 31 December 2020
Paul Lincoln
Nick Ridley ¹ Resigned 10 December 2020
Chris Smith
Steve Whitfield
Helen Boyd ¹
Ryan Pearcy

¹ Member of the Financial committee at local governing body level

Senior Management Team

Lyons Hall Primary School	Andrew Smith, Headteacher
	Rachel Pritchard, Deputy Head
White Hall Academy	Andrew Smith, Executive Headteacher
	Gavin Bradley, Headteacher
	Ellie Eames, Deputy Head
Braiswick Primary School	Andrew Smith, Executive Headteacher
	Lorraine Laudrum, Headteacher
	Nikki Emrich, Acting Deputy Head

Company Name	Learning Pathways Academy
Principle and Registered Office	Lyons Hall Primary School Deerleap Way Braintree Essex CM7 9FH
Company Registration Number	07984238 (England and Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS
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Independent Auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Boundary House 4 County Place Chelmsford CM2 0RE
Bankers	Lloyds Bank Commercial Banking PO Box 1000 BX1 1LT
Solicitors	Brait Limited 67 Lapins Lane Kings Hill West Mailing Kent ME19 4LE

LEARNING PATHWAYS ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 3 primary academies in Braintree, Clacton and Colchester. Its academies have a combined pupil capacity of 1860 and had a roll of 1667 in the school census on 8 January 2020. Braiswick Primary School has a planned phased increase in intake for next year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Learning Pathways Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Lyons Hall Primary School, White Hall Academy and Braiswick Primary School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited and appointed or elected as outlined in the Trust's Articles of Association paragraphs 45-63.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction programme for new Trustees would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to their role. The Board of Trustees meet regularly and any training needs are identified at this time. Trustees will receive training on all matters necessary to enable them to perform their duties effectively.

Organisational Structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trustees have delegated responsibilities to local governing body committees as outlined in each committee's terms of reference. These committees are Finance & Premises and Curriculum & Personnel.

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The leadership team consisted of the following:

Lyons Hall Primary School

Andrew Smith	Headteacher
Rachel Pritchard	Deputy Headteacher

White Hall Academy

Andrew Smith	Executive Headteacher
Gavin Bradley	Headteacher
Ellie Eames	Deputy Headteacher

Braiswick Primary School

Andrew Smith	Executive Headteacher
Lorraine Laudrum	Headteacher
Nikki Emrich	Acting Deputy Headteacher

The team control the Academies at an executive level implementing policies and reporting to the Trust Board. The Leadership Team is responsible for the day to day operation of the Academies, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of Key Management Personnel

The Trust follows the recommended national pay structures for both Teachers and Local Government and updates the pay policy each year to reflect those changes, also complying with the School Teachers' Pay and Conditions Document (STPCD). Salary ranges for the Leadership Team are based on the Group size of each school which is set using the table within the STPCD. Any salary changes are approved by the Local Governing Body of each school through the delegated authority from the Trust Board.

Trade union facility time

One Member of staff undertook union duties totalling 47 days during the period September 2019 to July 2020. These days were fully reimbursed by Essex County Council at a rate of £170 per day.

Related Parties and other Connected Charities and Organisations

Learning Pathways Academy is part of the Professional Learning Network Teaching School Alliance which promotes the training and development of teachers both within the network of schools and beyond.

The Trust works with; Canterbury Christ Church, Essex Primary SCITT, Teach First and Greenwich University for the provision of school leadership training and student teacher placements, Education Development Trust for the provision of Early Career Framework, Surrey Teaching School Network on the delivery of NPQ.

Thinksay Communications has developed new websites for all the academies in the Trust. This contract was agreed in early 2014 as part of the bid for Braiswick Primary School where pricing for marketing and communications was required. Nick Ridley was elected Chair of White Hall Academy governing body in October 2014. Nick Ridley left the governing body of White Hall Academy in December 2018 but continues his role as Director until he stepped down on 10th December 2020.

Paul Lincoln has provided educational consultancy to the Trust Leadership team with his wife Susan Kerfoot since 2014. Paul Lincoln was elected to the board in July 2016.

The Trust worked with The Sigma Trust providing leadership development and staffing support through secondments.

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Event Disco Hire, owned by the husband of Ellie Eames Deputy Head of White Hall Academy, provided entertainment for the pupil's end of year parties.

Engagement with employees (including disabled persons)

The Trust is committed to equal opportunities in employment and to avoiding unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy.

The Trust makes reasonable adjustments in the recruitment and employment of disabled people. This includes adjustments to recruitment and selection procedures, to terms and conditions of employment, to working arrangements and physical changes to the premises or equipment. In assessing the reasonableness of the adjustment, the Trust considers:

- proportionality and impact of the adjustment on the role;
- the costs/financial support available;
- medical opinion from the employee's doctor and the occupational health advisor; and
- impact on the operational requirements of the school.

Employee consultation takes place throughout the year with respect to pay, policy and procedures through direct email communication, notices and meetings.

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

During the COVID-19 pandemic, we endeavoured to maintain a clear and well-managed relationship with all our stakeholders whilst following government guidelines. We remained open during lockdown for vulnerable pupils and those with key worker parents and provided remote learning and support to all other pupils. We extended opening in response to the changing government guidelines. We continue to use and support our suppliers and local businesses whilst ensuring best value.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust will provide:

- Excellence in standards for all Members of the Academy Community pursued with courage and relentless commitment.
- Collaboration at every level between individuals, teams and academies.
- Outstanding leadership at all levels; valuing and nurturing the contribution of every Member of the academy community and planning for succession.
- Outstanding continuous professional development at all levels.
- An outward looking culture - searching for even better answers and innovating with courage.

The Trust will:

- Value the unique identity of each Member of the Trust community.
- Underpin all of the above with a strong moral purpose.

TRUSTEES' REPORT
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The Academies within the Trust will provide:

- Successful and aspirational learning
- Learning provision that actively engages all pupils and offers a sense of fulfilment, enjoyment and challenge.
- Personalised learning that gives enjoyable opportunities for creativity and problem solving.
- Active learning in which there are rich opportunities for learning outside the classroom.
- A resource rich environment that reflects the needs of the pupils and adults.
- Pupil involvement in learning with a strong focus on learning to learn and responsiveness to different learning styles.
- High expectations for learning and behaviour which manifest in a strong ethos of mutual respect from and for all Members of the school and wider community.
- A curriculum that is responsive to a changing world.
- A strong focus on the individual and SEAL which is embedded in the curriculum.
- An ICT rich, real and virtual environment with a strategic approach to the development of aspirations.
- A positive, physical and emotional learning environment which is safe and nurturing.
- A supportive environment in which children are open to new experiences and feel able to take risks and celebrate mistakes as learning opportunities.
- Support for all Members of the community in the continuing skills for life development in order to make a positive contribution locally.
- A highly inclusive environment where every Member of the school community is able to access learning and support.
- A focus for sustained extended school services and multi-agency support to all support groups to achieve their potential.
- A strong collaborative ethos, within and between the staff, pupils and the wider community which manifests itself in teamwork, partnerships and learning with and from each other.

Objectives, Strategies and Activities

Objectives for the Academic Year 2020/21:

1. To improve the quality of teaching
2. To improve the rates of progress and attainment
3. To ensure Pupil Premium children make better than expected progress
4. To work in partnership with Essex LA and other agencies to improve education across Essex and beyond
5. To work in partnership with North East Essex Collaborative Academy to help develop a clear system of support for children at risk of exclusion and within alternative provisions to reintegrate effectively into mainstream education (GROW provision)
6. To work in partnership with The Sigma Trust to improve education across Colchester and Tendring

TRUSTEES' REPORT
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Strategies to achieve objectives:

1. Strategic and effective recruitment plan for new staff
2. Collaboration and sharing of resources and expertise across the Trust
3. At senior management expanding into governor level the development and understanding of the trust principles and practices (facilitated by Paul Lincoln and Sue Kerfoot)
4. Developing an Outstanding Teacher Programme
5. Maths Mastery
6. Hive Learning platform
7. Talk for Writing
8. Kagan pupil engagement
9. Visible Learning
10. Coaching
11. Developing phonics
12. Teaching School status
13. Spelling Programme
14. Reading Programme
15. MAT2MAT support work for CEO's and MATs
16. Mindfulness training for staff

Public Benefit

The key public benefit delivered by Learning Pathways Academy is to maintain and develop the high-quality educational provision for children in Braintree, Clacton and Colchester. The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

Achievements and Performance

The Trust schools were on track to achieve their predicted targets in EYFS, phonics, KS1 and KS2 results up until March 2020. However, this is in the national context of exams being cancelled and teacher calculated grades being used. We have agreed with other local schools not to publish exam statistics, in view of the particular circumstances of Summer 2020. However, it is certainly true that our success in enabling students to move on to the secondary phase of their education commensurate with their peers has continued.

Key Performance Indicators

The Trust uses the following key performance indicators:

- Staff pay as a percentage of total expenditure
- Average teacher cost
- Pupil to teacher & total educational staff ratio
- Current Reserve & Contingencies
- Total payroll as a % of GAG & LA grant income
- % payroll split Teaching: Non-Teaching
- Cash flow balance

The cash flow has remained positive and the Trust has a buffer for future years. LA grant income is included with GAG funding for calculation with payroll costs as this significant value of income covers staffing costs.

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Going Concern

The financial impact of COVID-19 has not been too detrimental for this period with the increase in expenditure to some extent offset by a reduction in other areas. Our reserves have held despite the reduction in generated income. The impact will continue to be carefully monitored for the 2020/21 financial year.

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

Promoting the success of the company

The Trust has clear vision and values for all stakeholders which are published on our website. These confirm the Trust's role at the heart of our communities. The annual accounts are also published on our website.

The Trust offers the letting of school premises to sports clubs, after school provisions and other community activities which helps promote health and mental wellbeing.

Our commitment to our current and potential employees is detailed on our website and staff surveys are regularly undertaken to ensure this is being met.

We recognise the need to maintain positive relationships with all our stakeholders as referred to in our engagement with suppliers, customers and others statement. Trustees and Governors also play a huge role in promoting the success of the business across our community.

FINANCIAL REVIEW

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it receives from the ESFA. For the year ended 31 August 2020 the Trust received £5,583,881 (2019 - £5,446,552) in GAG funding. A high percentage of this funding is spent on wages, salaries, and support costs to deliver the academies primary objective of the provision of education.

The Trust approved the Pay Policy, Financial Regulations, Risk Register, Scheme of Delegation and Code of Conduct Policy.

Reserves Policy

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

The Trustees believe that the current reserve level provides 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.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,372,868 (2019 - £1,236,093) and restricted reserves is £16,289,661 (2019 - £16,529,934) (excluding pension funds).

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At 31 August 2020 the total funds comprised:

Unrestricted		£1,372,868
Restricted:	Fixed asset funds	£16,080,634
	Pension reserve	(£6,021,000)
	Other	£209,027
		<u>£11,641,529</u>

Investment Policy

The Trust has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy

Principal Risks and Uncertainties

The Trustees assess the principal risks and uncertainties facing the Trust as follows:

Staff retention and recruitment:

The quality of staff (both teaching and support) is crucial in sustaining the high achievements of the academies. An important factor in addressing this risk is the academies emphasis on high quality, personalised professional development for all staff.

Falling rolls:

Unlikely. Academies within the Trust are oversubscribed and will be increasing numbers on roll for at least another year.

Budget constraints:

We are now in a period of constrained public spending on education. It will be important to balance expenditure on educational provision with available funding and reserves.

Braintree Primary:

Future growth of pupil numbers will be difficult to predict but we continue to work with Essex County Council regarding financial support for the coming financial year. Over provision of school places in the area may impact pupil numbers for coming years.

COVID-19:

The impact of the pandemic on pupil outcomes and wellbeing, staff wellbeing and academy finances continues to be difficult to predict. Changes to government guidelines will need to be met. The Trust will monitor closely and respond as necessary.

Due to the accounting rules for the Local Government Pension Scheme under SORP (FRS102), the Trust is recognising a significant pension fund deficit of £6,021,000 (2019 - £4,546,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the Trust.

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Fundraising

All three academies have parent run Friends Associations who organise fundraising activities such as Fetes, Quiz Nights, children's competitions and other social events on behalf of the academies. Funds raised are used to purchase specific items of educational, sports or play equipment as discussed with each academy. Each Association is a separate registered charity. Fundraising opportunities have been significantly restricted this year.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	1,125,673
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	135.62
Owned transport – mini-buses	0.11
<u>Total scope 1</u>	135.73
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	90.48
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	7.35
<u>Total gross emissions in metric tonnes CO2e</u>	233.56
<u>Intensity ratio</u>	
TonnesCO2e per pupil	0.14

Qualification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We are investigating the use of solar panels. Lights are on a sensor and switch off automatically. Heating systems are on a timer.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

The Trust will continue striving to improve the levels of performance of all pupils at all levels. The Trustees recognise that through good financial management they will be able to invest in and improve the quality of educational provision.

The Trust will continue working in partnership with The Sigma Trust, Essex Local Authority and local schools to develop educational opportunities for children in Essex including executive headships and secondments.

Following the successful introduction of Mindfulness training for all staff to improve wellbeing and stress management for them, this is now being rolled out to all the pupils across the Trust to improve the emotional wellbeing of the children which will further impact on standards and progress. This links to our work on ACES and Trauma Informed Practice which we are doing in partnership with Essex Local Authority.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

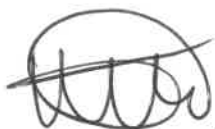
North East Braintree Inclusion Network is a cluster of Primary schools funding the ETAMHS project (Essex Targeting eMotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance at 31 August 2020 is £9,605 (2019 - £1,755). South Tending Primary Partnership is a cluster of 14 schools working together for the provision of training and school improvement. The balance at August 2020 is £107,527 (2019 - £29,501) of which £75,000 is project funding to develop Trauma Perceptive Practice within 6 schools.

AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating the Strategic Report and the Directors' Report, was approved by order of the Board of Trustees, as the company Directors, on 16 December 2020 and signed on the Board's behalf by:



Darren Cross
Chair of Trust Board

LEARNING PATHWAYS ACADEMY
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Learning Pathways Academy 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 CEO as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Learning Pathways Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Darren Cross, Chair	3	3
Helen Boyd	1	3
Gavin Bradley	3	3
Anthony Davenport	0	3
Alison Fiala	2	3
Lorraine Laudrum	3	3
Paul Lincoln	3	3
Ryan Percy	2	3
Rachel Pritchard	3	3
Nick Ridley	0	3
Andrew Smith	3	3
Chris Smith	2	3
Steve Whitfield	2	3

The Board of Trustees has maintained effective financial oversight of the Trust's funds during the period by receiving bi-monthly management accounts including KPI's. Each Academy's Headteacher and Chair of Local Governing Body is also a Member of the Board of Trustees so provides further detailed insight of the financial performance of the individual academies from each termly Local Governing Body meeting.

Rachel Pritchard and Andrew Smith resigned as Members on 22nd September 2020. Andrew Coker and Darren Cross were appointed as Members on 22nd September 2020.

Responsibility is delegated to the Local Governing Bodies through finance committees. There are representatives from all schools on the Board of Trustees which has therefore removed the need for a subcommittee of the Trust. The Trust has however bought back into the Local Authority internal audit package and reports from these reviews are presented at the Local Governing Body meetings with any exceptions further reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Senior Leadership Team have continued to work with Paul Lincoln and Sue Kerfoot to review the governance of the Trust through the development of its Vision and Values and greater depth regarding the 'non-negotiables'.

The **audit committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- maintain an oversight of the Trust's financial, governance, risk management and internal control systems.
- review internal audit reports and external audit management letter and ensure action plans are completed.
- report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's Annual Reporting requirements.

The committee is made up of each Chair of Local Governing Body and the Finance Director. Meetings are also attended by the LPAT Business Manager. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Helen Boyd	1	1
Darren Cross	1	1
Anthony Davenport	1	1
Ryan Percy	1	1

Due to COVID-19 the audit committee was unable to meet after March 2020

REVIEW OF VALUE FOR MONEY

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

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

- The purchase of resources across the whole Trust thereby securing economies of scale, for example Maths Mastery, which has a great impact on learning across all three schools.
- Continually monitoring pupil progress and achievement against both internal targets and national levels. Ensuring staff are deployed effectively across the Trust to provide high quality teaching and learning, adult-pupil ratio and curriculum management.
- Obtaining quotes for goods and services above £5,000, reviewing annual contract prices and switching suppliers where better value is available.
- At every level across the Trust, applying the four principles of best value; Challenge, Compare, Consult, Compete.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trust has bought in the local authority's Internal Controls Evaluation service which gives advice on financial matters and performs a range of checks on the Trust's financial systems.

In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- review of governance arrangements

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

On a termly basis the Board of Trustees receive reports, through the finance committees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The schedule of works was delivered as planned and findings and any remedial action has been presented to the Local Governing Bodies and Board of Trustees for review.

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:

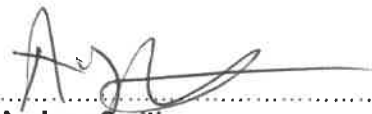
- the work of the Internal Controls Evaluation service
- the work of the external auditor
- the school resource management self-assessment tool
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Local Governing Body Finance Committees 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 16 December 2020 and signed on its behalf by:



Darren Cross
Chair of Trust Board



Andrew Smith
Accounting Officer

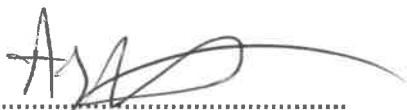
LEARNING PATHWAYS ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
A Smith

Accounting Officer

Date: 16/12/2020

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

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



.....
D Cross

Chair of Trustees

Date: 16/12/2020 .

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

Opinion

We have audited the financial statements of Learning Pathways Academy (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements, and;
- the Trustees' Report and the Strategic 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable 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 charitable Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 28 January 2021

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 9 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Pathways Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Learning Pathways Academy's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Learning Pathways Academy's funding agreement with the Secretary of State for Education dated 30 March 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

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

MHA MacIntyre Hudson

Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 28 January 2021

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	4	4,061	-	139,085	143,146	399,511
Charitable activities	5	81,451	8,361,192	-	8,442,643	8,189,461
Other trading activities	6	329,828	-	-	329,828	214,833
Investments	7	1,683	-	-	1,683	1,430
Total income		417,023	8,361,192	139,085	8,917,300	8,805,235
Expenditure on:						
Raising funds	8	16,256	-	-	16,256	20,664
Charitable activities	9,10	263,992	8,974,223	406,327	9,644,542	9,302,204
Total expenditure	8	280,248	8,974,223	406,327	9,660,798	9,322,868
Net movement in funds before other recognised gains/(losses)		136,775	(613,031)	(267,242)	(743,498)	(517,633)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(835,000)	-	(835,000)	(738,000)
Net movement in funds		136,775	(1,448,031)	(267,242)	(1,578,498)	(1,255,633)
Reconciliation of funds:						
Total funds brought forward		1,236,093	(4,363,942)	16,347,876	13,220,027	14,475,660
Net movement in funds		136,775	(1,448,031)	(267,242)	(1,578,498)	(1,255,633)
Total funds carried forward		1,372,868	(5,811,973)	16,080,634	11,641,529	13,220,027

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

The notes on pages 27 to 64 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984238

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	17		15,993,982		16,309,484
			15,993,982		16,309,484
Current assets					
Stocks	18	14,176		14,842	
Debtors	19	374,739		473,533	
Cash at bank and in hand	26	2,145,097		1,583,427	
		2,534,012		2,071,802	
Creditors: amounts falling due within one year	20	(742,587)		(615,259)	
Net current assets			1,791,425		1,456,543
Provisions for liabilities	21		(122,878)		-
Net assets excluding pension liability			17,662,529		17,766,027
Defined benefit pension scheme liability	29		(6,021,000)		(4,546,000)
Total net assets			11,641,529		13,220,027
Funds of the Trust					
Restricted funds:					
Restricted fixed asset funds	22	16,080,634		16,347,876	
Restricted general funds	22	209,027		182,058	
Restricted funds excluding pension liability	22	16,289,661		16,529,934	
Restricted general funds - pension reserve	22	(6,021,000)		(4,546,000)	
Total restricted funds	22		10,268,661		11,983,934
Unrestricted funds	22		1,372,868		1,236,093
Total funds			11,641,529		13,220,027

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984238

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 23 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



.....
D Cross

Chair of Trustees

Date:

The notes on pages 27 to 64 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	24	422,426	(71,183)
Cash flows from investing activities	25	139,244	(227,483)
Change in cash and cash equivalents in the year		561,670	(298,666)
Cash and cash equivalents at the beginning of the year		1,583,427	1,882,093
Cash and cash equivalents at the end of the year	26, 27	2,145,097	1,583,427

The notes on pages 27 to 64 form part of these financial statements

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. General information

Learning Pathways Academy is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation are detailed on page 1.

The nature of the Trust's operations and principal activity are detailed in the Trustees Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Learning Pathways Academy meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Trust to continue as a going concern including the impact of COVID-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. The Trust therefore continues to adopt the going concern basis in preparing these financial statements.

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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

2. Accounting policies (continued)

2.4 Expenditure

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

- **Expenditure on raising funds**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £5,000 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 or restricted general funds a transfer is made to reflect these assets in the restricted fixed asset fund.

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

Freehold property	- 2%
Long-term leasehold property	- 2%
Fixtures and fittings	- 10% - 20%
Computer equipment	- 33.3%

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.

2.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

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

2. Accounting policies (continued)

2.11 Liabilities

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

2.12 Provisions

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

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

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 19. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.14 Operating leases

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

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

2. Accounting policies (continued)

2.15 Pensions

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

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

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

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

2.16 Agency arrangements

The Trust manages the finances of the Local Delivery Group, an unincorporated charity which provides pastoral support to academies in the local area. Income is received from a number of schools and academies in the region, and Learning Pathways Academy holds these funds in order to make payments on behalf of the Local Delivery Group. The Trust receives no income for the management of the Group's finances. Where funds have not been fully exhausted in the accounting period, an amount will be included within other creditors.

2.17 Fund accounting

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

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 29, 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.

Any change in the valuation of the freehold and long-term leasehold property (see Note 17) would impact the total net assets of the Trust.

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

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	4,061	-	4,061
Capital grants	-	139,085	139,085
Total 2020	4,061	139,085	143,146

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	9,739	-	9,739
Capital grants	-	389,772	389,772
Total 2019	9,739	389,772	399,511

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

5. Charitable activities - Funding for the Trust's educational operations

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,583,881	5,583,881
Pupil Premium	-	648,221	648,221
Other DfE / ESFA revenue grants	-	589,280	589,280
	-	6,821,382	6,821,382
Other government grants			
Local Authority revenue grants	-	1,225,020	1,225,020
Other Government revenue grants	-	60,420	60,420
Special Educational Projects	-	330	330
	-	1,285,770	1,285,770
Other funding			
Other Educational income	81,451	254,040	335,491
Total 2020	81,451	8,361,192	8,442,643

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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

5. Charitable activities - Funding for the Trust's educational operations (continued)

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,446,552	5,446,552
Pupil Premium	-	624,360	624,360
Other DfE / ESFA revenue grants	-	382,422	382,422
	-	6,453,334	6,453,334
Other government grants			
Local Authority revenue grants	-	1,455,616	1,455,616
Other Government revenue grants	-	7,800	7,800
Special Educational Projects	-	17,750	17,750
	-	1,481,166	1,481,166
Other funding			
Other Educational income	122,867	132,094	254,961
Total 2019	122,867	8,066,594	8,189,461

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

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Rental income	25,813	25,813
Receipts from insurance claims	7,815	7,815
Training course income	63,350	63,350
Provided services income	145,110	145,110
Class sales	14,948	14,948
Music tuition income	14,984	14,984
Other income	57,808	57,808
Total 2020	329,828	329,828

	Unrestricted funds 2019 £	Total funds 2019 £
Rental income	34,314	34,314
Training course income	38,200	38,200
Provided services income	46,987	46,987
Class sales	16,557	16,557
Music tuition income	29,494	29,494
Other income	34,763	34,763
Nursery fee income	14,518	14,518
Total 2019	214,833	214,833

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NOTES TO THE FINANCIAL STATEMENTS
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7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	<u>1,683</u>	<u>1,683</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest receivable	<u>1,430</u>	<u>1,430</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Total expenditure

	Staff costs 2020 £	Premises costs 2020 £	Other costs 2020 £	Total 2020 £
Expenditure on raising funds:				
Direct costs	-	-	16,256	16,256
Educational operations:				
Direct costs	6,482,554	-	528,034	7,010,588
Allocated support costs	1,599,865	346,247	687,842	2,633,954
Total 2020	8,082,419	346,247	1,232,132	9,660,798
	Staff costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £
Expenditure on raising funds:				
Direct costs	-	-	20,664	20,664
Educational operations:				
Direct costs	5,973,734	-	767,706	6,741,440
Allocated support costs	1,510,631	323,647	726,486	2,560,764
Total 2019	7,484,365	323,647	1,514,856	9,322,868

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational operations	263,992	9,380,550	9,644,542

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational operations	61,113	9,241,091	9,302,204

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10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	7,010,588	2,633,954	9,644,542

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	6,741,440	2,560,764	9,302,204

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Defined benefit pension scheme finance cost	82,000	81,000
Staff costs	1,517,865	1,429,631
Depreciation	317,026	291,538
Technology costs	37,809	39,820
Premises costs	346,247	323,647
Other costs	301,964	361,134
Governance costs	29,751	32,702
Legal costs	1,292	1,292
Total 2020	2,633,954	2,560,764

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NOTES TO THE FINANCIAL STATEMENTS
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11. Governance costs

	2020 £	2019 £
Auditors' remuneration - Audit of the financial statements	18,575	18,575
Auditors' remuneration - Other services	11,176	11,266
Auditors' remuneration - Under provision	-	2,861
	29,751	32,702

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	10,155	13,115
Depreciation of tangible fixed assets	317,026	291,538
Auditors' remuneration - Audit of the financial statements	18,575	18,575
Auditors' remuneration - Other services	11,176	11,266
Auditors' remuneration - Under provision	-	2,861

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

13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	5,782,131	5,516,034
Social security costs	457,225	434,118
Pension costs	1,761,063	1,452,525
	8,000,419	7,402,677
Agency staff costs	-	688
Defined benefit pension scheme finance cost	82,000	81,000
	8,082,419	7,484,365

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	93	85
Management	8	8
Administration and support	241	241
	342	334

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13. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	-	1
	=====	=====

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for these staff amounted to £93,211 (2019 - £63,958).

d. Key Management Personnel

The Key Management Personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Trust was £689,576 (2019 - £597,328).

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NOTES TO THE FINANCIAL STATEMENTS
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14. Central services

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

- Human Resources
- Financial services
- Legal services
- Educational support services
- Others as arising
- Insurance

The Trust charges for these services on the following basis:

Flat percentage (2.5%) of GAG funding income, less national SEN funding and RPA insurance costs.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
White Hall Academy	37,883	50,462
Lyons Hall Primary School	31,134	40,383
Braiswick Primary Academy	21,037	23,202
Total	90,054	114,047

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Trustees' remuneration and expenses

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

		2020	2019
		£	£
A Smith, Executive Headteacher and Accounting Officer	Remuneration	105,000 -	110,000 -
		110,000	115,000
	Pension contributions paid	25,000 -	15,000 -
		30,000	20,000
G Bradley, Headteacher	Remuneration	100,000 -	100,000 -
		105,000	105,000
	Pension contributions paid	20,000 -	10,000 -
		25,000	15,000
R Pritchard, Staff Trustee	Remuneration	70,000 -	75,000 -
		75,000	80,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
L Laudrum, Headteacher	Remuneration	65,000 -	65,000 -
		70,000	70,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000

During the year ended 31 August 2020, travel expenses totalling £2,529 were reimbursed or paid directly to 2 Trustees (2019 - £2,063 to 3 Trustees).

16. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and 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 membership.

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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17. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	3,671,379	14,177,601	289,692	269,651	18,408,323
Additions	-	1,524	-	-	1,524
At 31 August 2020	3,671,379	14,179,125	289,692	269,651	18,409,847
Depreciation					
At 1 September 2019	464,734	1,130,165	239,043	264,897	2,098,839
Charge for the year	68,407	234,363	12,219	2,037	317,026
At 31 August 2020	533,141	1,364,528	251,262	266,934	2,415,865
Net book value					
At 31 August 2020	3,138,238	12,814,597	38,430	2,717	15,993,982
At 31 August 2019	3,206,645	13,047,436	50,649	4,754	16,309,484

Included within property is freehold land at valuation of £251,000 and leasehold land of £2,461,000 (2019 - £251,000 and £2,461,000 respectively) which is not depreciated.

The leasehold property of Lyons Hall Primary School and freehold property of White Hall Academy was valued on conversion by Mouchel, a RICS Registered Valuer using the Fair Value method. The leasehold property of Braiswick Primary School was valued on 18 December 2015 by Lambert Smith Hampton, a RICS Registered Valuer, using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The freeholds of Lyons Hall Primary School and Braiswick Primary School are owned by Essex County Council who have granted the Trust a 125 year lease on a peppercorn rent from 1 April 2012 and 18 December 2015 respectively.

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18. Stocks

	2020	2019
	£	£
Uniform stock	11,488	11,536
Goods for resale	2,688	3,306
	14,176	14,842

19. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	67,388	92,429
Other debtors	36,924	180,532
Prepayments and accrued income	270,427	200,572
	374,739	473,533

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20. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	128,925	148,939
Other taxation and social security	98,960	94,829
Other creditors	258,275	140,519
Accruals and deferred income	256,427	230,972
	<u>742,587</u>	<u>615,259</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September	157,979	176,147
Resources deferred during the year	146,737	157,979
Amounts released from previous periods	(157,979)	(176,147)
Deferred income at 31 August	<u>146,737</u>	<u>157,979</u>

At the Balance Sheet date the Trust was holding funds received in advance of the 20/21 academic year in respect of;

- Universal Infant Free School Meals
- Residential trips
- Free Early Education Entitlement income
- Essex County Council funding.

21. Provisions

	GAG clawback £
Additions	122,878
	<u>122,878</u>

The provision above is in relation to the potential clawback of GAG funding received from the ESFA. The provision has been calculated by comparing pupil numbers that the funding was based on against actual pupil numbers for the period. The amount is shown as being due after one year as the final value or timing of any clawback has not yet been agreed with the ESFA.

LEARNING PATHWAYS ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	1,236,093	417,023	(280,248)	-	-	1,372,868
Restricted general funds						
General Annual Grant (GAG)	182,058	5,583,881	(5,556,912)	-	-	209,027
Pupil Premium	-	648,221	(648,221)	-	-	-
Other DfE / ESFA revenue grants	-	589,280	(589,280)	-	-	-
Local Authority revenue grants	-	1,225,020	(1,225,020)	-	-	-
Other Government revenue grants	-	60,420	(60,420)	-	-	-
Special Educational Projects	-	330	(330)	-	-	-
Other Educational income	-	254,040	(254,040)	-	-	-
Pension reserve	(4,546,000)	-	(640,000)	-	(835,000)	(6,021,000)
	<u>(4,363,942)</u>	<u>8,361,192</u>	<u>(8,974,223)</u>	<u>-</u>	<u>(835,000)</u>	<u>(5,811,973)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,309,484	-	(317,026)	1,524	-	15,993,982
DfE / ESFA capital grants	38,392	139,085	(89,301)	(1,524)	-	86,652
	<u>16,347,876</u>	<u>139,085</u>	<u>(406,327)</u>	<u>-</u>	<u>-</u>	<u>16,080,634</u>
Total Restricted funds	<u>11,983,934</u>	<u>8,500,277</u>	<u>(9,380,550)</u>	<u>-</u>	<u>(835,000)</u>	<u>10,268,661</u>
Total funds	<u>13,220,027</u>	<u>8,917,300</u>	<u>(9,660,798)</u>	<u>-</u>	<u>(835,000)</u>	<u>11,641,529</u>

NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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

The General Fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other DfE / ESFA revenue grants fund has been created to recognise the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The Other Government revenue grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational income fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. The transfer of £1,524 represents capital additions purchased during the year.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds. The transfer of £1,524 was made in the year for this purpose.

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22. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
White Hall Academy	517,446	463,062
Lyons Hall Primary School	774,084	757,258
Braiswick Academy	257,496	173,274
Learning Pathways Academy Trust	32,869	24,557
Total before fixed asset funds and pension reserve	1,581,895	1,418,151
Restricted fixed asset fund	16,080,634	16,347,876
Pension reserve	(6,021,000)	(4,546,000)
Total	11,641,529	13,220,027

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22. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
White Hall Academy	2,949,826	684,500	215,967	307,882	4,158,175
Lyons Hall Primary School	2,410,599	602,011	211,069	252,573	3,476,252
Braiswick Academy	1,113,129	308,354	110,335	90,736	1,622,554
Learning Pathways Academy Trust	9,000	5,000	6,919	65,872	86,791
Trust	6,482,554	1,599,865	544,290	717,063	9,343,772

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
White Hall Academy	2,799,982	669,252	334,328	319,328	4,122,890
Lyons Hall Primary School	2,242,851	577,996	287,976	160,239	3,269,062
Braiswick Academy	921,901	258,383	134,210	232,180	1,546,674
Learning Pathways Academy Trust	9,000	5,000	31,856	46,848	92,704
Trust	5,973,734	1,510,631	788,370	758,595	9,031,330

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	980,067	348,869	(81,777)	(11,066)	-	1,236,093
Restricted general funds						
General Annual Grant (GAG)	298,017	5,446,552	(5,562,511)	-	-	182,058
Pupil Premium	-	624,360	(624,360)	-	-	-
Other DfE / ESFA revenue grants	-	382,422	(382,422)	-	-	-
Local Authority revenue grants	153,000	1,455,616	(1,608,616)	-	-	-
Other Government revenue grants	-	7,800	(7,800)	-	-	-
Special Educational Projects	-	17,750	(17,750)	-	-	-
Other Educational income	-	132,094	(132,094)	-	-	-
Pension reserve	(3,194,000)	-	(614,000)	-	(738,000)	(4,546,000)
	<u>(2,742,983)</u>	<u>8,066,594</u>	<u>(8,949,553)</u>	<u>-</u>	<u>(738,000)</u>	<u>(4,363,942)</u>
Restricted fixed asset funds						
NBV of fixed assets	15,982,337	-	(291,538)	618,685	-	16,309,484
DfE / ESFA capital grants	256,239	389,772	-	(607,619)	-	38,392
	<u>16,238,576</u>	<u>389,772</u>	<u>(291,538)</u>	<u>11,066</u>	<u>-</u>	<u>16,347,876</u>
Total Restricted funds	<u>13,495,593</u>	<u>8,456,366</u>	<u>(9,241,091)</u>	<u>11,066</u>	<u>(738,000)</u>	<u>11,983,934</u>
Total funds	<u>14,475,660</u>	<u>8,805,235</u>	<u>(9,322,868)</u>	<u>-</u>	<u>(738,000)</u>	<u>13,220,027</u>

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

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	15,993,982	15,993,982
Current assets	1,372,868	1,074,492	86,652	2,534,012
Creditors due within one year	-	(742,587)	-	(742,587)
Non-current liabilities	-	(6,143,878)	-	(6,143,878)
Total	1,372,868	(5,811,973)	16,080,634	11,641,529

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	16,309,484	16,309,484
Current assets	1,236,093	797,317	38,392	2,071,802
Creditors due within one year	-	(615,259)	-	(615,259)
Defined benefit pension scheme liability	-	(4,546,000)	-	(4,546,000)
Total	1,236,093	(4,363,942)	16,347,876	13,220,027

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

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

		2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)		(743,498)	(517,633)
Adjustments for:			
Depreciation	17	317,026	291,538
Capital grants from DfE and other capital income	4	(139,085)	(389,772)
Investment income	7	(1,683)	(1,430)
Defined benefit pension scheme cost less contributions payable	29	558,000	533,000
Defined benefit pension scheme finance cost	29	82,000	81,000
Decrease in stocks	18	666	3,875
Decrease in debtors	19	98,794	2,521
Increase/(decrease) in creditors	20	127,328	(74,282)
Increase in provisions	21	122,878	-
Net cash provided by/(used in) operating activities		422,426	(71,183)

25. Cash flows from investing activities

		2020 £	2019 £
Investment income	7	1,683	1,430
Purchase of tangible fixed assets	17	(1,524)	(618,685)
Capital grants from DfE Group	4	139,085	389,772
Net cash provided by/(used in) investing activities		139,244	(227,483)

26. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,145,097	1,583,427
Total cash and cash equivalents	2,145,097	1,583,427

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27. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,583,427	561,670	2,145,097
	<u>1,583,427</u>	<u>561,670</u>	<u>2,145,097</u>

28. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>85,204</u>	<u>-</u>

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29. Pension commitments

The 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 Essex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £113,980 were payable to the schemes at 31 August 2020 (2019 - £109,951) and are included within creditors.

Teachers' Pension Scheme

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £706,000 (2019 - £454,238).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £632,000 (2019 - £599,000), of which employer's contributions totalled £495,000 (2019 - £465,000) and employees' contributions totalled £ 137,000 (2019 - £134,000). The agreed contribution rates for future years are 19.9% to 24.3% per cent for employers and 5.5 - 12.5 per cent for employees.

As described in Note 2.15 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.20 to 3.25	3.70
Rate of increase for pensions in payment/inflation	2.20 to 2.25	2.20
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.20 to 2.25	2.20
Inflation assumption (RPI)	3.00 to 3.05	3.20

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

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29. Pension commitments (continued)

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23.0
Females	25.2	25.4

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(295)	(222)
Discount rate -0.1%	304	229
Mortality assumption - 1 year increase	355	294
Mortality assumption - 1 year decrease	(342)	(283)

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

	2020 £	2019 £
Equities	2,533,000	2,234,000
Gilts	175,000	195,000
Other bonds	228,000	199,000
Property	318,000	283,000
Cash and other liquid assets	110,000	104,000
Alternative assets	474,000	347,000
Other managed funds	247,000	181,000
Total market value of assets	4,085,000	3,543,000

The actual return on scheme assets was £100,000 (2019 - £246,000).

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29. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(1,053,000)	(893,000)
Past service cost	-	(105,000)
Interest income	72,000	78,000
Interest cost	(154,000)	(159,000)
Total amount recognised in the Statement of Financial Activities	(1,135,000)	(1,079,000)

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

	2020 £	2019 £
At 1 September	8,089,000	5,831,000
Current service cost	1,053,000	893,000
Interest cost	154,000	159,000
Employee contributions	137,000	134,000
Actuarial losses	705,000	905,000
Benefits paid	(32,000)	62,000
Past service costs	-	105,000
At 31 August	10,106,000	8,089,000

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

	2020 £	2019 £
At 1 September	3,543,000	2,637,000
Interest income	72,000	78,000
Actuarial (losses)/gains	(130,000)	167,000
Employer contributions	495,000	465,000
Employee contributions	137,000	134,000
Benefits paid	(32,000)	62,000
At 31 August	4,085,000	3,543,000

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Reconciliation of opening to closing Defined Benefit Pension Scheme Liability

	2020 £	2019 £
Balance brought forward at 1 September	4,546,000	3,194,000
Defined benefit pension scheme cost less contributions payable	558,000	533,000
Defined benefit pension scheme finance cost	82,000	81,000
Actuarial losses	835,000	738,000
Balance carried forward at 31 August	6,021,000	4,546,000

The amounts recognised in the Balance Sheet are as follows:

	2020 £	2019 £
Present value of defined benefit obligation	(10,106,000)	(8,089,000)
Fair value of scheme assets	4,085,000	3,543,000
Total	(6,021,000)	(4,546,000)

30. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	10,156	7,232
Later than 1 year and not later than 5 years	18,351	13,382
Later than 5 years	333	333
	28,840	20,947

31. Members' liability

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

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

32. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

S Kerfoot - a company whom P Lincoln's (a Trustee of Learning Pathways Academy) spouse owns.

- The Trust purchased services from S Kerfoot totalling £1,339 (2019 - £3,837) during the period. There were no amounts payable to S Kerfoot at 31 August 2020 (2019 - £3,837).
- The purchase was authorised by the Trustees.
- All purchases have been provided purely at cost.
- In entering into the transaction the Academy Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019.

Thinksay Communications - a company in which N Ridley (a Trustee of Learning Pathways Academy) has a majority interest.

- The Trust purchased services from Thinksay Communications totalling £806 (2019 - £806) during the period. There were no amounts outstanding at 31 August 2020 (2019 - £NIL).
- The Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which N Ridley neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019.

The SIGMA Trust - a Trust in which A Smith (a Trustee of Learning Pathways Academy) is a Director.

- The Trust sold services to the SIGMA Trust totalling £72,416 (2019 - £52,598) and purchased services totalling £17,808 (2019 - £115) in the period. There was £17,364 owed from the SIGMA Trust at 31 August 2020 (2019 - £NIL).
- All transactions were made at arm's length following a competitive tendering exercise in accordance with its financial regulations, in which A Smith neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019.

Lee Chapel Trust - a Trust in which A Fiala (a Trustee of Learning Pathways Academy) is a Trustee.

- The Trust purchased services from the Lee Chapel Trust totalling £NIL (2019 - £205) during the period. There were no amounts outstanding at 31 August 2020 (2019 - £NIL).
- The Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which A Fiala neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019.

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

32. Related party transactions (continued)

Tendering Primary School - a school at which Anthony Davenport is a governor.

- The Trust sold services totalling £NIL (2019 - £11,500) in the period. At the year end no amounts were owed from the school (2019 - £NIL).
- The transactions were made at arm's length, and Anthony Davenport neither participated in, nor influenced the transactions.

Event Disco Hire - a company owned by the husband of E Eames (Deputy Head of White Hall Academy).

- The Trust purchased services from Event Disco Hire worth £200 (2019 - £400) during the period. There were no amounts outstanding at 31 August 2020 (2019 - £NIL).
- All transactions were made at arm's length following a competitive tendering exercise in accordance with its financial regulations, which E Eames neither participated in, nor influenced.
- In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019.

Two of the Trustess have spouses that are employed by the Trust receiving combined remuneration of £42,382 (2019 - £50,925). Their remuneration is based on an annual salary review process in which the relevant Trustees are not involved.

33. Funds held as custodian Trustee on behalf of others

The Trust acts as an agent in managing funds for a number separate entities. Payments received, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of these funds.

North East Braintree Inclusion Network is a cluster of primary schools funding the ETAMHS project (Essex Targeting Emotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance owed at 31 August 2020 is £9,605 (2019 - £1,755) and is included within other creditors.

The Trust holds funds on behalf of South Tendring Primary Partnership, whose members are local schools who contribute to a fund from which education services and training are purchased for the group. The balance owed at 31 August 2020 is £107,527 (2019 - £29,501) and is included within other creditors.

Funds are also held in respect of Schools Direct. The balances owed at 31 August 2020 is £NIL (2019 - £11,545) and is included within other creditors.

34. Controlling party

There is no ultimate controlling party.