

**Leigh
Academies
Trust**

**Annual Report and Financial
Statements**

31 August 2022

Company Limited by Guarantee
Registration Number 2336587
(England and Wales)

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Reference and administrative information

Members	Sir G Leigh	Professor G Randsley de Moura
	Mr A F X Green	Cllr R Gough
	Cllr J Kite	Professor D Moore
	Mr R Race	

Directors	Mr A F X Green (Chairman)	Mrs T Davies
	Mr S P Beamish	Mr K Ellis
	Cllr Sir P Carter	Mrs H Esmonde
	Mr G Clewes	Mr J Nicholson
	Mr M Costello	Dr J Wetherall

Secretary Mr N Willis

Trust Executives	Mr S P Beamish	Chief Executive
	Mr S Avis	Chief Financial Officer
	Mr P Whittall	Estates Director
	Mr S Vernoux	Chief Information Officer
	Mr R Taylor	People Director
	Mrs D Biggenden	Academies Director
	Mrs T Trusler	Academies Director
	Mrs E Elwin	Academies Director

Registered office Strood Academy
Carnation Road
Rochester
ME2 2SX

Company registration number 2336587 (England and Wales)

External Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Reference and administrative information

Bankers	HSBC plc 38 High Street Dartford Kent DA1 1DG	NatWest Bank County Gate 2 Stacey's Street Maidstone ME14 1ST
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Lloyds Bank plc
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Solicitors	T G Baynes Baynes House Market Street Dartford Kent DA1 1DB
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Actuaries	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
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Directors' report 31 August 2022

The Directors present their report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 51 of the attached financial statements and comply with the Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are its primary governing documents. The Trustees are also Directors of the charitable company for the purposes of company law. The charitable company is known as Leigh Academies Trust (LAT).

Members of the company are nominated by the sponsors, Sir Geoffrey Leigh, Kent County Council, the University of Kent and the University of Greenwich.

Since February 2008, LAT has been a multi-academy Trust with Master Funding Agreements (MFA) and separate Supplemental Funding Agreements (SFA) to govern each academy.

LAT Academies

There were 31 academies within the Trust on 31 August 2022 as shown below. Three academies, Ebbsfleet Academy (an 11-19 Secondary School), Hayesbrook Academy (an 11-19 Secondary School) and High Weald Academy (an 11-19 Secondary School), all previously part of the Brook Learning Trust, joined the Trust on 1 September 2021. High Weald Academy closed with effect from 1 September 2022. On 1 September 2021, Stoke Primary Academy and Allhallows Primary Academy merged to form a single 3-11 Primary School and Nursery called Peninsula East Primary Academy. At the same point, the Trust opened Leigh Academy Rainham, a brand new secondary free school, in east Medway.

- ◆ Bearsted Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Cherry Orchard Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Dartford Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Eastcote Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Ebbsfleet Academy (an 11-19 Secondary School)
- ◆ The Halley Academy (an 11-19 Secondary School)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

LAT Academies (continued)

- ◆ Hartley Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Hayesbrook Academy (an 11-19 Secondary School)
- ◆ High Halstow Primary Academy (a 4-11 Primary School)
- ◆ High Weald Academy (an 11-19 Secondary School) – closed 1 September 2022
- ◆ Horsmonden Primary Academy (a 4-11 Primary School)
- ◆ The Hundred of Hoo Academy (a 4-19 all-through School)
- ◆ Langley Park Primary Academy (a 3-11 Primary School and Nursery)
- ◆ The Leigh Academy (an 11-19 Secondary School)
- ◆ Leigh Academy Blackheath (an 11-19 Secondary School)
- ◆ Leigh Academy Rainham (an 11-19 Secondary School)
- ◆ The Leigh UTC (an 11-19 free school with a licence from the Baker Dearing Trust to operate as a University Technical College)
- ◆ Longfield Academy (an 11-19 Secondary School)
- ◆ Marden Primary Academy (a 4-11 Primary School)
- ◆ Mascalls Academy (an 11-19 Secondary School)
- ◆ Milestone Academy (a 3-19 Special School)
- ◆ Molehill Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Oaks Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Paddock Wood Primary Academy (a 4-11 Primary School)
- ◆ Peninsula East Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Sir Joseph Williamson's Mathematical School (an 11-19 Grammar School)
- ◆ Snowfields Academy (an 11-19 Special School)
- ◆ Stationers' Crown Woods Academy (an 11-19 Secondary School)
- ◆ Strood Academy (an 11-19 Secondary School)
- ◆ Tree Tops Primary Academy (a 3-11 Primary School and Nursery)
- ◆ Wilmington Academy (an 11-19 Secondary School)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

LAT Academies (continued)

Kent and Medway Training (KMT), which is a school-centred initial teacher training (SCITT) organisation, is also part of LAT. KMT is one of the largest providers of teacher training across all phases of education in the South East of England and works closely with over 150 partner schools. During the year, KMT partner schools signed a new Alliance Agreement which codified relationships and responsibilities between the schools, KMT and LAT. This led to KMT's assets and liabilities being consolidated within the LAT financial statements with effect from April 2022.

Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the Trust 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.

Directors Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect directors, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10 million on any one claim.

Directors

The Articles of Association require the appointment of at least three Directors (unless otherwise determined by ordinary resolution). Directors are appointed to the Board by the Members. Governors are appointed to Academy Boards by the Directors.

The training and induction provided for new Directors depends on their existing experience. Where necessary, induction provides training on charity, education, legal and finance matters. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents to undertake their role as Directors.

The following Directors served throughout the period from 1 September 2021:

Director	Appointed/Retired	Committees
Mr S P Beamish		
Cllr Sir P Carter		Resources
Mr G Clewes		
Mr M Costello		Standards (Chairman)
Mrs T Davies (Vice Chair)		Resources (Chairman), Audit
Mr K Ellis		Audit (Chairman)
Mrs H Esmonde		Standards
Mr A F X Green (Chairman)		
Mr J Nicholson		
Dr J Wetherall		Resources

During the year under review the Trust Board held three full meetings and nine committee meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure

The Board of Directors governs the activities of the Trust and oversees the work of the Academy Boards. It is also ultimately responsible for the strategic direction of the Trust and its overarching policies. Each Academy Board governs the work and outcomes of its assigned academies. Individual Academy Board governors are directly attached to a secondary or primary academy; they carry out regular visits to monitor progress at the Academy and report their findings to the next available meeting. The Trust's Scheme of Delegation sets parameters for decision-making by executives and approvals by governors.

The senior managers of the Trust are the CEO, Chief Financial Officer, three Academies Directors, Estates Director, Chief Information Officer and People Director. They lead and manage the Trust, setting strategy and implementing policy in conjunction with the Board. Principals lead and manage the individual academies.

Subsidiary companies

The Trust has three wholly owned subsidiary companies:

- ◆ LAT Enterprises C.I.C, a community interest company incorporated in February 1991
 - ◇ The objects of the C.I.C. are to carry on activities which benefit the community and in particular by making available sporting and other facilities to individuals and community groups. Proceeds from the hiring of facilities to the community are gift-aided to academies within LAT for the benefit of students.
- ◆ The Hundred of Hoo Nursery and Kids Club, a company limited by guarantee incorporated in October 2007
 - ◇ The objects of the company are to advance education by the provision of a full childcare service and nursery for children from the age of 0 to 11. The Nursery and Kids Club is located on the site of The Hundred of Hoo Academy and its activities are closely aligned with those of the academy.
- ◆ LAT Apprenticeships C.I.C, a community interest company incorporated in October 2019.
 - ◇ The objects of the Company are to carry on activities which benefit the community and in particular to provide training opportunities, including apprenticeships, for members of the community. Many apprentices on the C.I.C's training programmes are employees of LAT and the trust governs its activities.

The financial results of the subsidiary companies are included in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel are set by the Senior Pay Committee which comprises the Chairman of the Trust Board, the Chairman of the Resources Committee and the Chief Executive Officer. The key management personnel comprise the Executive Directors and Academy Principals. The pay and remuneration of the Chief Executive Officer is determined by the Chairman of the Trust Board and the Chairman of the Resources Committee.

Trade union facility time

The following information is provided in accordance with the provisions of the Trade Union (Facility Time Publications Requirements) Regulations 2017.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	13.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	15
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£21,972
Provide the total pay bill	£108,690
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.02%

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties and other Connected Charities and Organisations

No Director received any remuneration in respect of their services during the year, nor for any other work undertaken on behalf of the Trust, with the exception of Mr S P Beamish in his capacity as an employee of the Trust. Governors of individual academies are from sponsoring organisations, employers, local authorities or other organisations, some of which from time to time have dealings with the Trust in the course of their usual work. All transactions between these organisations and the Trust were carried out at arm's length and all material transactions were at standard rates.

Engagement with employees (including disabled persons)

As a Trust we believe that engaging with our workforce is a fundamental aspect of day-to-day operations and accordingly we have the following mechanisms in place:

- ◆ Operate a Joint Consultative Committee with trade unions to consult on all key matters relating to the employment of teaching and support staff.
- ◆ We undertake a twice yearly, Leigh Voice, engagement survey which is sent to all staff with the results forming key action plans by academy.
- ◆ We have a staff portal that contains news and policies as well as details of any initiatives for wellbeing and other projects.
- ◆ We operate a number of staff network groups to ensure that staff from specific communities have a voice and are able to be involved in the direction of the Trust.
- ◆ We also regularly publish documents on the future direction of the Trust, its vision and goals for the year ahead as well as the long-term future.

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

The Trust meets regularly with all of its principal suppliers in the spirit of co-operation and mutual interest. The Trust's academies work in partnership with suppliers at local level on the day-to-day delivery of services and Trust Executives engage with regional or national representatives to address contract management and value for money. Through its wholly owned subsidiary, LAT Enterprises C.I.C. the Trust maintains a strong dialogue with customers in the community who use academy facilities. This engagement is led by a dedicated team within the C.I.C.

The Trust and its academies engage fully with parents and guardians of our students. This engagement ranges from termly newsletters to specific, issue-based communications at academy level and through parent/guardian consultation events which address the progress of students. In January and early-February, the Trust conducted its first annual Trust-wide survey of parents and pupils. The Trust used the same questions asked by Ofsted and added two others focusing on key areas of the Trust's strategy. This survey builds upon the two Leigh Voice surveys of staff we conduct each year in November and June and provides a three-dimensional portfolio of feedback from a wide range of stakeholders.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects of LAT are summarised as follows:

- ◆ To advance for the public benefit education in the United Kingdom, by establishing, maintaining, running, managing and developing schools which offer a broad and balanced curriculum or are specifically organised to make special educational provision for pupils with Special Educational Needs; and
- ◆ To promote for the benefit of the inhabitants of the areas in which the Academies are located and the surrounding areas the provision of facilities for recreation or other leisure.

Objectives, Strategies and Activities

The Trust's *Vision 2030* sets out an Excellence Charter which establishes the context for the LAT Performance Agreement. The Charter commits the Trust to do the following:

- ◆ We will ensure excellent teaching so that young people achieve their ambitions.
- ◆ We will ensure outstanding leadership to drive improvement in our own academies and across the sector.
- ◆ We will ensure an exceptional International Baccalaureate curriculum.
- ◆ We will ensure a world class digital strategy for education.
- ◆ We will ensure a highly developed and engaged workforce who make a difference.
- ◆ We will ensure a small school model of education that delivers high quality pastoral care.
- ◆ We will ensure disruption-free learning and a wide personal development programme.
- ◆ We will ensure targeted support for those who need it so that they can succeed.

Public Benefit

In setting the Trust's objectives and planning its activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Overview

On 1 September 2021, Ebbsfleet Academy, Hayesbrook Academy and High Weald Academy joined the Trust following a merger with the Brook Learning Trust. Leigh Academy Rainham, a secondary-age academy, opened in new buildings and two primary academies, Stoke and Allhallows, merged to form a single academy on one site called Peninsula East Primary Academy. This brought the total number of academies within the Trust to 31.

LAT is committed to providing all of its pupils with an outstanding educational experience that gives them the knowledge, skills and personal attributes they need to be successful lifelong learners. It is for this reason that LAT took the ground-breaking decision to introduce International Baccalaureate (IB) programmes across all phases of education in its academies. IB programmes are delivered in 150 countries worldwide and participation in the development of the IB programmes has given our staff the opportunity to engage with the best research and training from around the world.

During the year, eight more primary academies joined the other five in achieving International Baccalaureate World School status which authorises them to deliver the IB Primary Years Programme. With their Ofsted Outstanding status alongside IB accreditation, Oaks Primary Academy, Cherry Orchard Primary Academy and Hartley Primary Academy have become the only schools in the country to achieve this double accolade. A tenth secondary academy achieved World School status for the Middle Years Programme. Five secondary academies have also achieved World School status for the Post-16 IB Careers Programme.

The IB Organisation has now agreed for the two LAT special schools to begin the authorisation process to become World Schools. If successful, Milestone and Snowfields will become the first special schools in the world to achieve this curriculum accreditation.

LAT continues to be committed to high quality training for all teachers and achieves this through leadership of KMT and the Thames Gateway Teaching School Hub (TGTSH).

Alongside the development and introduction of the Core Content Framework (CCF) for Initial Teacher Training (ITT) and the Early Career Framework in the past two years, ambitious new Quality Requirements for the delivery of ITT were recently released. All providers have had to go through a rigorous re-accreditation process based around how they will meet the new Quality Requirements in order to continue delivering ITT from September 2024. Of the 240 ITT providers nationally, KMT was one of just 80 providers awarded accreditation in Round 1. Feedback provided by the DfE described how KMT fully met the criteria in every aspect of the accreditation process, outlining how KMT "will provide high-quality ITT and benefit trainee outcomes" and that proposals demonstrate "a good level of knowledge, expertise, experience, capability and capacity."

During the year, 232 trainee teachers completed their training programmes and gained Qualified Teacher Status. Of these more than 70% secured employment in schools from September 2022

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Overview (continued)

The TGTSH is one of the DfE's 87 Teaching School Hubs. These have been set up to provide high quality professional development to teachers at all stages of their careers. During the year, the TGTSH worked with over 350 schools, supporting professional development from Initial Teacher Training to Executive Leadership. A particular focus this year has been on supporting Early Career Teachers (ECTs) with the hub delivering a full induction programme with the Education Development Trust. Over 600 teachers are registered on NPQ programmes and the TGTSH works closely with the Education Endowment Foundation (EEF) to deliver evidence-informed and impactful Continuing Professional Development programmes including, for example, projects on supporting students facing disadvantage and in supporting students with special educational needs and disabilities in mainstream settings.

The Kent and Medway Maths Hub, also led by LAT, is a designated Maths Hub, working across the Kent and Medway region. Its core purpose is to help schools and academies to lead improvement in maths education. The hub has delivered over 60 workgroups which has enabled 353 schools to be involved in programmes this year. The impact of the Hub's work is starting to show with Ofsted including the evidence of workgroup outcomes in a number of inspection reports across Kent.

During the year, eight academies received an OFSTED inspection and all received excellent judgements.

Academy	Ofsted judgement	Date of inspection	Ofsted judgement on joining LAT
Mascalls Academy	Good	Nov 2021	Good
Oaks Primary Academy	Outstanding	Nov 2021	Good
Cherry Orchard Primary Academy	Outstanding	Nov 2021	Not applicable
Strood Academy	Good	Dec 2021	Good
Wilmington Academy	Inspection converted to a graded inspection within 1-2 years because inspectors believe that the academy may now be outstanding overall.	Feb 2022	Inadequate
Hartley Primary Academy	Outstanding	Feb 2022	Good
The Leigh UTC	Good with Outstanding post-16	May 2022	Not applicable
The Halley Academy	Good with Outstanding leadership and management, personal development and post-16	Jun 2022	Requires Improvement

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Overview (continued)

In October 2021 Ofsted undertook a monitoring review of LAT Apprenticeships as a new provider of apprenticeship training. The review concluded that significant progress was being made by leaders in ensuring a high quality of provision and that reasonable progress was being made to ensure that learners benefited from high-quality training and that effective safeguarding arrangements were in place.

In addition, Kent and Medway Training received a full four-day inspection from Ofsted and were judged 'Good' overall. In addition, the organisation was reaccredited by the DfE in the first phase of the national review process as an ITE provider.

The Trust's digital strategy continues to be at the core of our teaching and learning strategy. During the year, the Trust launched its sixth Digital Levels (DL) survey. This survey saw the highest level of engagement from staff since the survey was first undertaken in June 2018, with 1,697 responses. Every academy achieved a good level of completion, with increasing numbers achieving a very high level of engagement with the survey.

The Trust's expectation is that academies within LAT reach a digital level 4 (out of 5), which demonstrates strong embedding of technology and adaptation of teaching styles and opportunities because of the technology now available. The Trust's digital level continues to improve, with a current overall level of 3.74.

The survey illustrated a significant improvement since the last survey:

- ◆ 6 academies are now at DL 4.0 or above
- ◆ 5 academies are DL 3.91-3.99
- ◆ 12 academies saw an increase of over 0.3
- ◆ Teachers have an overall level of 3.89
- ◆ Technology at home is the highest scoring subsection at 4.24
- ◆ Digital citizenship and the use of Google tools also score highly at 3.91 and 3.95.

The following key strengths were highlighted:

- ◆ There is a high level of enthusiasm for the Trust's digital strategy, with the integration and use of technology within the classroom becoming increasingly effective.
- ◆ Staff are well supported to gain their Google level 1 accreditation and many are now progressing to level 2.
- ◆ The creation of academy level Digital Leads has contributed positively to the success of the overall digital strategy.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Overview (continued)

- ◆ Devices are increasingly used to support pedagogy and practice, for example by addressing cognitive load. Effective modelling, using digital tools for engagement and the sharing of digital resources is strong across the Trust.
- ◆ All home learning is set digitally and students have access to the digital packages, tools and resources that they need at home.
- ◆ The majority of staff have accessed online safety training and can implement this effectively to support students to be safe online.

Despite the huge challenges faced by staff and students again this year, there has been much to celebrate across LAT with students in all academies achieving success. It has again been a most extraordinary year and staff, who have done their utmost for our students, and deserve congratulation. Students themselves have been hugely resilient and have shown great character beyond their years.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Primary Students' Performance

This is the first time that year 6 pupils have taken externally marked SATs since 2019. The results are summarised below. In all key categories, LAT primary pupils have performed better than the national average.

	National ave. 2022	Change since 2019	LAT ave. 2022	Change since 2019
% expected standard - reading	74	+1	78	+4
% expected standard - writing	69	-9	80	-4
% expected standard - maths	71	-8	79	0
% expected standard - combined	59	-6	69	+1
% expected standard - grammar, punctuation and spelling	72	-6	75	+2
Progress score in reading	0.0	NA	0.2	+0.8
Progress score in writing	0.0	NA	1.4	+0.4
Progress score in maths	0.0	NA	1.3	+1.6

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Secondary Students' Performance

This is the first time that key stage 4 and 5 pupils have taken externally marked examinations since 2019. The results are summarised below

Performance measure		National Average	LAT Average	
		2022	2022	2019
GCSE	% of pupils achieving a grade 9-4 in English and maths	65%	64%	61%
	% of pupils achieving a grade 9-5 in English and maths	50%	44%	35%
Key Stage 4	Attainment 8	48.7	46.2	42.7
	Progress 8 (unvalidated)	-0.03	-0.08	-0.29
	EBacc APS	4.27	3.93	3.62
Key Stage 5	Average point score per Academic entry	34.3 (C+)	35 (C+)	29 (C)
	Average point score per Applied General entry	28.9 (Merit+)	31 (Dist-)	28 (Merit+)
	Average point score per IB entry	Not available	31 (H4)	28 (H4)

Going concern

After making appropriate enquiries, the Directors have 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 its financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

STRATEGIC REPORT (continued)

Promoting the success of the Trust to achieve its charitable purposes

The Board of Directors consists of individuals with a wealth of experience in local government, primary, secondary and tertiary education, local business and national charities. The wide range of skills and experience enables the Board to understand the wider impact of its decisions on the local private and business communities. Trust Executives are challenged by Directors to maintain professional relationships in their day-to-day business with stakeholders and external organisations. Engagement with the wider community is a high priority for the Board and is underpinned by the Trust's values and "Shaping lives, transforming communities" vision statement. Directors are cognisant of the diverse communities in which the academies are located and foster strong relationships with local academy boards to fully understand the impact the academies and the Trust has on local communities. The Directors have led and supported a number of initiatives which address staff wellbeing and operate in a manner which takes account of relationships with stakeholders.

Financial review

Financial report for the year

Most income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants restricted to particular purposes. The grants received during 2021/22 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA and capital donations from commercial sponsors. In accordance with the Charities SORP, Accounting and Reporting by Charities, such grants are shown in the Statement of Financial Activities as restricted fixed asset funds. The restricted fixed asset funds are reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The net movement in funds for the Trust for the year was an increase of £105,859,000 (2021 – increase of £61,647,000), including depreciation and amortisation of £10,964,000 (2021 – £9,609,000), actuarial gains to the pension schemes of £79,707,000 (2021 – actuarial loss of £6,645,000) and income from donated assets of £33,001,000 (2021 – £72,717,000).

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

The operational result for the year before transfers was a surplus of £5,141,000 (2021 – surplus of £3,135,000). This excludes movement on the fixed assets fund, adjustments relating to the Local Government Pension Scheme and funds from schools joining the Trust. This can be summarised as follows:

	2021/22 £000	2020/21 £000
Net income (expenditure) after losses on defined benefit pension scheme	105,859	61,647
Net income attributable to the fixed assets fund	(37,914)	(72,587)
Revenue funds attributable to entities joining the Trust	(1,304)	(25)
LGPS adjustments	(61,500)	14,100
Operational surplus for the year before transfers to fixed asset fund	5,141	3,135

One of the Trust's subsidiaries, LAT Apprenticeships C.I.C., incurred an operational deficit during the year, attributable to the organisation being in its start-up phase. The Trust Board has agreed to stand behind the temporary deficit position with the subsidiary expected to achieve a surplus in future years.

At 31 August 2022 the net book value of fixed assets was £349,704,000 (2021 – £307,330,000) and movements in fixed assets are shown in notes 13 and 14 to the accounts.

Financial position

The Trust held fund balances at 31 August 2022 of £341,187,000 (2021 – £235,142,000). This consists of unrestricted funds of £3,638,000 (2021 – £2,776,000), restricted general funds of £1,141,000 (2021 – £1,423,000), the Trust's fixed asset fund of £347,954,000 (2021 – £304,175,000) and the Trust's pension reserve liability of £11,732,000 (2021 – £73,232,000). The fund balances are currently adequate to fulfil the known obligations of the Trust and are in line with the reserves policy set out above.

The Trust is required to include the Local Government Pension Scheme deficit of £11,732,000 (2021 – £73,232,000) on its balance sheet although the Directors have no control over the management of the pension fund, its financial arrangements or investment decisions. The Trust is required to remain a member of the pension scheme. Additionally, the Trust will inherit the pension liability of any new schools that join the Trust, thus increasing the overall liability. The Trust accepts its financial responsibilities, subject to assurances received from the Department for Education, and has fully implemented the provisions of FRS102 relating to the Pension Scheme.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial position (continued)

The Trust has received confirmation that in the unlikely event that the operation of an academy ceased altogether, the Department for Education would undertake discussions with the relevant pension authorities as to the best way in which the deficit could be dealt with, having regard for that academy's members of the scheme. These discussions would recognise that the Trust was never funded to meet any outstanding pension deficit. 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.

Reserves policy and financial position

The Directors consider it essential to review each year the reserves target. The unrestricted reserves at the year-end stood at £3,638,000 (2021 - £2,776,000) and restricted income reserves at £1,141,000 (2021 - £1,423,000). The Directors have determined that the target level of free reserves, not invested in tangible fixed assets or restricted or designated for specific projects, should be at least 5% of annual income.

Some funding for essential building repairs comes from the DfE School Condition Allocation, but this does not cover all of the medium-term cost of maintaining the estate.

Although no further advances of funding were received during the year, the Trust is required to repay funds advanced from the DfE in previous years which have supported The Leigh UTC. The advance will be repayable from future surpluses to be earned by the UTC and is not repayable from other resources of the Trust or its academies.

Individual Trust academies do not hold reserves, and surpluses are managed centrally for the benefit of academies. Fund balances at academy level are therefore zero (Note 20).

Tangible fixed assets are all held for use by the Trust.

In the next year, the Trust plans to make strategic use of reserves in renewing IT networks and hardware, completing the programme to provide a Chromebook to every secondary-age student and in a range of measures to support improvement in educational outcomes. Funds will also have to be set aside to meet the expected additional costs of gas and electricity in the next year.

STRATEGIC REPORT (continued)

Reserves policy and financial position (continued)

Investment policy

The Trust invests surplus funds prudently to maximise interest returns with minimal risk.

Principal risks and uncertainties

The Trust has a rolling programme of risk assessment and management through which risks across all areas of the Trust's operations are identified and managed. The risk register is reviewed at least three times a year by Directors and key members of staff.

Principal risks on the risk register are:

- ♦ Failure of, or disruption to the IT network due to a firewall security breach, ransomware or dedicated denial of service attack - mitigated by reinforcement of network security and the use of Artificial Intelligence to detect sophisticated cyber threats.
- ♦ Unfunded additional costs arising from substantial increases in the costs of gas and electricity - mitigated by energy use reduction measures and savings in other parts of the budget
- ♦ Reduction in real terms funding adversely impacting on the delivery of high-quality teaching and learning – mitigated by efficient delivery of educational and support services and termly Board review of budgets and long-term plans.
- ♦ Failure to recruit and retain high quality staff – mitigated by implementation of a funded recruitment and retention strategy, with staff wellbeing at its core.

Fundraising

The Trust has developed a fundraising strategy which will be implemented during the 2022-23 year. During the year, a new, state of the art STEM Centre was opened at The Halley Academy. This was funded from grants received from The Tallow Chandlers' Company for which The Halley is one of three flagship schools which receive some of its largest donations and non-financial support. There has been no active fundraising this year. The Trust has received no complaints to do with fundraising in this year.

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes all schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet"). This reporting year saw the addition of: Ebbsfleet Academy, Hayesbrook Academy, High Weald Academy and Leigh Academy Rainham, as well as the removal of Stoke Community School after it was permanently closed.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil and minibus diesel consumption were compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with grey fleet. In the case of Stationers' Crown Wood Academy, energy use has been estimated using the direct comparison technique from last year. The school is a PFI and pays energy and gas directly to the landlord inclusive of rent, making obtaining actual consumption data more difficult. On site renewable solar photovoltaic electricity has been monitored via meter readings. Exported energy is not measured but estimated to be 50%. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2021/22	2020/21
Mandatory requirements:		
Gas	20,951,496	20,253,973
Purchased electricity from the grid	8,558,240	7,673,206
Transport fuel	262,623	82,240
Total energy (mandatory)	29,772,359	28,009,419
Voluntary requirements:		
Gas Oil	169,979	215,140
Consumed electricity from on-site renewable sources	22,501	25,329
Total energy (voluntary)	192,480	240,469
Total energy (mandatory & voluntary)	29,964,839	28,249,888

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission source	2021/22	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	3,825	3,709
Transport - Company owned vehicles (mini-buses)	22	0
<u>Scope 2</u>		
Purchased electricity (location-based)	1,655	1,629
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	43	20
Total gross emissions (mandatory)	5,545	5,358
<u>Intensity ratios</u>		
Tonnes of CO ₂ e per pupil - mandatory emissions only	0.276	0.303
Tonnes of CO ₂ e per pupil - mandatory & voluntary emissions	0.278	0.306
Voluntary requirements:		
<u>Scope 1</u>		
Gas Oil	44	55
Consumed electricity from on-site renewable sources	0	0
Total gross emissions (voluntary)	44	55
Total gross emissions (mandatory & voluntary)	5,589	5,414

STRATEGIC REPORT (continued)

Streamlined Energy and Carbon Reporting (continued)

The reporting year saw the addition of four new academies to the Trust. As such, it comes as no surprise that gross absolute emissions increased by 174.2tCO₂e, or 3% compared to last year's emissions levels. The intensity ratio figures reducing significantly this year, such as mandatory and voluntary tCO₂e per pupil reducing by 0.028, demonstrate the value of the energy efficiency measures the Trust has implemented in the past few years, to offset this increase in gross absolute emissions.

The Trust continued to invest in technological energy efficiency actions this year, with new boilers and/or calorifiers installed at the following academies:

- Dartford Primary Academy
- Eastcote Primary Academy
- Hayesbrook Primary Academy
- Marden Primary Academy
- Mascalls Academy
- Paddock Wood Primary Academy
- Sir Joseph Williamson's Mathematical Academy
- The Halley Academy
- Tree Tops Primary Academy
- Wilmington Academy

Operational and control changes have also been implemented during the reporting year. At The Leigh UTC & Inspiration Academy, the Combined Heat and Power systems were identified as not working correctly. The system was re-programmed so the boilers would only kick in when extra heat is required. The action has contributed towards a reduction in gas usage of 426,844kWh this year compared to last year.

Plans for future periods

Our young people are the adults of tomorrow and we want to help them shape our world for the better. Our next set of goals – called *Vision 2030* – will have at the centre the major social, economic and technological challenges facing the world today:

Challenge 1: Modern lifestyles are destroying our planet, increasing inequality and impacting mental health.

We will develop resilient learners who feel empathy, act compassionately and behave ethically. We will create pioneering social entrepreneurs with a sense of service to others, future generations and to the planet.

STRATEGIC REPORT (continued)

Plans for future periods (continued)

Challenge 2: Humans are overloaded with information.

We will develop learners who think critically, based on secure knowledge and understanding. We will enable them to apply insight and judge the significance and reliability of information.

Challenge 3: The pace of global change is exponential.

We will develop internationally-minded learners who appreciate differences and have a wide range of perspectives, ensuring they are adaptable, innovative, creative and can harness the power of digital technology.

Challenge 4: A lack of employment skills risks UK wealth and productivity.

We will develop confident learners who have a positive can-do attitude and strong work ethic, able to collaborate and work as part of a team. We will focus on STEM and employer links to increase the flow of well-qualified young people entering the workplace.

Challenge 5: Changes to the workplace from the Covid pandemic combined with the impact of Brexit mean that our economy faces challenges for years to come.

We will recruit and retain the best staff and build for succession in all key job roles so that our learners can thrive. We will deploy resources efficiently and sustainably by using our economies of scale to ensure continued investment in our academies.

Policies towards employees and disabled persons

The Trust's Diversity and Inclusion policy embeds equal opportunity for all colleagues, including those with disabilities, through a fair and consistent approach to the application of policies and procedures. This ethos is embedded in all stages of the recruitment and selection policy as well as throughout a colleague's employment. Managers who are responsible for recruitment, selection and promotion, or who supervise other staff are required to complete equal opportunities training. Other colleagues have the opportunity to access awareness training in equality to avoid discrimination.

The Trust engages in consultation with employees through termly meetings at least three times each year, with representatives from the following recognised trade unions: NEU, NASUWT, Unison, GMB, ASCL and Voice Community.

Directors' report 31 August 2022

AUDITOR

In so far as the Directors are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Directors 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 Directors' report, incorporating a strategic report, was approved by the Board of Directors on 13 December 2022 and signed on the Board's behalf by:



A F X Green

Chairman

Approved by the Board of Directors on

13 December 2022

Governance statement 31 August 2022

Scope of responsibility

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

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

The Directors met three times during the year and at each of these scrutinised the financial reports of the Trust and its academies. The Board has agreed a scheme of delegation of financial powers and is supported in the discharge of its financial oversight responsibilities by the Resources Committee. The committee met three times during the year, scrutinising management accounts and holding executive budget holders to account for the effectiveness of financial management and budgetary control. The Audit Committee provides further support to Directors by setting the Trust's programme of internal scrutiny and reporting to the Board on the adequacy of the Trust's financial and other controls and management of risks. Local Academy Boards are sub-committees of the Board and provide Directors with further assurance on the adequacy of financial management and budgetary control through scrutiny of academy management accounts and by providing challenge to Principals. The Board is satisfied that these governance arrangements work effectively to assure Directors that they can fulfil their responsibilities for financial oversight of the Trust.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. Outside of Trust Board meetings Directors give of their time generously. Each has a specific responsibility either as a Cluster Director, working with Chairs of Academy Boards, or for oversight of a central trust service.

Governance statement 31 August 2022

Governance (continued)

Director	Number of meetings attended	Out of a possible
Mr A F X Green (Chair)	3	3
Cllr Sir Paul Carter*	0	3
Mrs H Esmonde	2	3
Mr G Clewes	2	3
Mr M Costello	3	3
Mrs T Davies	3	3
Mr K Ellis	2	3
Dr J Wetherall	3	3
Mr S P Beamish	3	3
Mr J Nicholson	2	3

*Due to personal circumstances and in consultation with the Board, Cllr Sir Paul Carter was unable to attend meetings during the year, but he remained an active participant in all Board matters.

The Resources Committee is a sub-committee of the main Trust Board. Its purpose is to focus on compliance with approved budgets, policies, legislation and regulations. It is responsible to the Board of Directors. Three meetings were held in the year. Attendance at meetings in the year was as follows:

Committee Member	Number of meetings attended	Out of a possible
Mrs T Davies (Chair)	3	3
Mr S Lockwood	3	3
Ms P Reid	2	3
Ms C Robinson	2	3
Dr J Wetherall	3	3
Mr T Snowball	2	3
Ms K Shiner	2	3

The Standards Committee is a sub-committee of the main Trust Board. Its purpose is to focus on delivering the Trust and Academy curriculum to students and ensure that quality of teaching remains high. It is responsible to the Board of Directors. Attendance at meetings in the year was as follows:

Governance statement 31 August 2022

Governance (continued)

Committee Member	Number of meetings attended	Out of a possible
Mr M Costello (Chair)	3	3
Ms S Hague	3	3
Mr R Tibbott	3	3
Mr C Barker	3	3
Ms J Gall	3	3
Mr B Sherwood	3	3
Ms A Barritte	3	3
Mr S Brightman	1	3

The Audit Committee is a sub-committee of the Directors. It helps the Board oversee financial and other controls including risk management, in the context of the planned growth in the network. The committee exists to ensure probity, efficiency, and compliance with the requirements of the ESFA Academies Financial Handbook. It is responsible to the Members. Three meetings were held in the year. Attendance at meetings in the year was as follows:

Committee Member	Number of meetings attended	Out of a possible
Mr K Ellis (Chair)	3	3
Mrs T Davies	3	3
Mr R Race	1	3
Mr K Morrison	3	3
Mr D Skilton	2	3
Mr A Styles	3	3

Conflicts of interest

In accordance with the articles of association and the Academy Trust Handbook, LAT maintains an up-to-date and complete register of Directors' interests. The register is published on the trust's website, is reviewed throughout the year and its accuracy and completeness is assessed by the trust's independent internal assurance partner. Directors are required to disclose any potential conflict of interest at each meeting of the full board or its sub-committees and the same requirements are in place for meetings of subsidiary company boards.

Governance statement 31 August 2022

Governance Structure

As of 1 July 2022 there were 206 filled governance posts within LAT and another 12 posts vacant at that time. The Trust has an active recruitment strategy which enables it to attract new governors from a wide range of backgrounds, age profiles and experience.

Governance Reviews

The Trust appointed a dedicated Governance Professional, Mr N Willis, to support the efficient functioning of the Trust Board. All governors are supported by a dedicated governance team who provide effective communication and documentation in advance of meetings and in relation to other Trust events.

Governance Audit and Review

LAT undertook a detailed audit of all governors and governance structures between December 2021 and March 2022. Outcomes from this process has led the Trust Board and each Academy Board to review its work and develop clear, reviewable actions to enhance the quality of its governance over the next 12 months.

Terms of reference and expectations documents were reviewed and adjusted as required at the start of the year. The Scheme of Delegation was also reviewed, amended and approved by the Trust Board.

The Trust Board reviews at each meeting its compliance against the Schedule of Requirements published within the Academies Handbook. The last review, in July 2022, reported that 123 out of 124 standards were met, whilst progress had been made towards the last one.

Governance Training

The Trust implemented a programme of training for all governors through the year, informed by the outcomes of the audit process. Governors have had access to a range of online and face-to-face opportunities, covering a wide range of educational topics, finance, safeguarding. Programmes are tailored to meet governors' individual experience, skills and knowledge, as well as being specific to the type of academies for which they provide oversight. The online courses have been sourced through the National College and National Online Safety.

All new governors undertake an induction process which ensures their DBS status and provides essential training on trust structures, expectations of the role, safeguarding, data protection and cybersecurity.

Dedicated training for all new Chairs and Vice Chairs of Academy Boards takes place to ensure that they are thoroughly prepared and supported to undertake their new role.

All governors have undertaken Safeguarding update training in September 2022 in line with the requirements of the DfE statutory guidance Keeping Children Safe in Education (2022).

Governance statement 31 August 2022

Communication

All governors receive regular communications via a range of channels to ensure they are fully informed. These include:

- ◆ A Governor Portal providing secure 24/7 access to governance documentation specific to their role;
- ◆ A new, online governor handbook, which is regularly updated with key information, advice and guidance;
- ◆ Dedicated governor email accounts to ensure safe and secure transmission of data and information;
- ◆ A social media channel which disseminates daily updates about Trust news and events, training opportunities and wider educational news valuable to their governor role;
- ◆ In person events where governors are able hear about and discuss with Directors the current and future strategic development of the Trust and work of the Trust Board.
- ◆ A summary of key actions by the Trust Board are communicated to all governors after meetings to enhance the connection between the work of the Board and Academy Board governors.

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value for money 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 Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer has delivered improved value for money during the year by:

- ◆ streamlining the senior management structure of some academies and the central trust to maintain a balanced budget in a climate of funding pressures and to better align leadership structures on desired outcomes for students.
- ◆ enhancing support services to academies across the Trust, including finance, human resources, estates management and IT to assist educational achievement in all academies. The centre delivers consistently high level educational and support services to academies with valuable economies of scale.
- ◆ continuing to achieve savings in energy costs as a result of three-year agreement with suppliers to set prices. Unit energy prices paid by academies were significantly below prevailing market rates during the year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process to identify and prioritise the risks to achievement of the Trust's 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 for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

During the year there were no instances of fraud or loss.

Capacity to handle risk

The Directors have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls implemented to mitigate those risks. The Directors are of the view that an ongoing process for identifying, evaluating and managing the Trust's significant risks has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The risk and control framework

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

- ◆ Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports reviewed and agreed by the board of directors.
- ◆ Regular reviews by the Board and Resources Committee of financial performance against forecasts, major purchase plans, capital works and expenditure programmes.
- ◆ Setting targets to measure financial and other performance.
- ◆ Clearly defined asset purchase and capital investment guidelines.
- ◆ Delegation of authority and segregation of duties.
- ◆ Identification and management of risks and regular review of risks by the Audit Committee.

The Directors have considered the need for a specific internal audit function and decided to appoint Williams Giles Professional Services Limited as internal auditor. Upon receipt of their findings and recommendations, management reports to the Directors on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

Governance statement 31 August 2022

The risk and control framework (continued)

Williams Giles delivered their schedule of work as planned. The work carried out was as follows:

- ♦ Income processes and controls – testing and review of high-risk areas such as school meals and club income, including cash processes and cashless payment systems.
- ♦ Related party transactions – testing of academy transactions, Board minutes and the register of business interests to ensure compliance with the Academy Trust Handbook.

Their findings and recommendations have all been implemented and did not include any material control issues.

Review of effectiveness

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

- ♦ the work of the external auditor;
- ♦ the work of the internal auditor;
- ♦ the financial management and governance self-assessment process;
- ♦ the work of the Trust Executive Board which is responsible for the development and maintenance of the internal control framework.

Approved by order of the Board of Directors on 13 December 2022 and signed on their behalf by:



A F X Green
Chairman of Board



S P Beamish
Chief Executive Officer
and Accounting Officer

Statement on regularity, propriety and compliance 31 August 2022

As Accounting Officer of LAT, I have considered my responsibility to notify the Trust Board and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust Board of Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements and the Academy Trust Handbook 2021.

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 Directors and the ESFA.

A handwritten signature in black ink, appearing to read 'Simon Beamish', followed by a small horizontal line.

S P Beamish
CEO and Accounting Officer

Date: 13 December 2022

Statement of directors' responsibilities 31 August 2022

The Directors (who act as trustees of the Trust for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Trust and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP FRS 102 and the Academies Accounts Direction 2021 to 2022;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA have been applied for the purposes intended. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust'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 Directors on 13 December 2022 and signed on its behalf by:



Chairman of Board AFX Green

Independent auditor's report on the financial statements to the Members of Leigh Academies Trust

Opinion

We have audited the financial statements of Leigh Academies Trust (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022, and of the group's income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP FRS 102 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

Conclusions relating to going concern (continued)

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ♦ the information given in the Directors' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ♦ the Directors' report, which includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or

Independent auditor's report on the financial statements 31 August 2022

Matters on which we are required to report by exception (continued)

- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 directors 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 Directors are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102, the Academies Accounts Direction 2021 to 2022, the Academies Trust Handbook 2021, and the Trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Directors' meetings, minutes of meetings of the Audit Committee and the subsidiary company directors' meetings and papers provided to the Directors, and
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- ◆ reviewed the findings of the internal auditors;
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them; and

Independent auditor's report on the financial statements 31 August 2022

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ agreeing financial statement disclosures to underlying supporting documentation;
- ♦ reviewing the minutes of Directors' meetings and subsidiary company directors' meetings;
- ♦ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ♦ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ♦ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Use of our report

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



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 December 2022

Independent reporting accountant's assurance report on regularity to Leigh Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leigh Academies Trust during the period from 1 September 2021 to 31 August 2022 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 Leigh Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leigh Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leigh Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of LAT's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Leigh Academies Trust's funding agreements with the Secretary of State for Education dated 1 February 2012 and 29 April 2013 and the Academies Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

Approach (continued)

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 to our conclusion includes:

- ♦ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ♦ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ♦ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

Nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP, Reporting Accountant
130 Wood Street
London
EC2V 6DL

Date: 16 December 2022

Consolidated statement of financial activities Year to 31 August 2022

	Notes	Unrestricted funds £'000	Restricted funds			2022 Total Funds £'000	2021 Total Funds £'000
			ESFA £'000	General £'000	Fixed assets £'000		
Income from:							
Donations and capital grants	2	243	—	—	37,287	37,530	79,380
Transfer from Kent Medway Training	23	423	—	—	10	433	—
Transfer from local authority on conversion		—	—	—	—	—	2,930
Transfers on existing Academies joining the Trust	23	—	—	881	11,581	12,462	—
Charitable activities:							
. Funding for the Trust's educational operations	5	—	125,597	13,054	—	138,651	117,301
. Teaching Schools	5	861	740	436	—	2,037	856
Other trading activities	3	1,559	—	2,910	—	4,469	3,281
Investments	4	54	—	—	—	54	1
Total income		3,140	126,337	17,281	48,878	195,636	203,749
Expenditure on:							
Raising funds	6	615	—	—	—	615	252
Charitable activities:							
. Trust's educational operations	6	—	143,804	12,201	10,964	166,969	134,386
. Teaching Schools	6	798	740	362	—	1,900	819
Total expenditure	6	1,413	144,544	12,563	10,964	169,484	135,457
Net income before transfers		1,727	(18,207)	4,718	37,914	26,152	68,292
Transfers between funds	20	(865)	—	(5,000)	5,865	—	—
Net (expenditure) income for the year		862	(18,207)	(282)	43,779	26,152	68,292
Other recognised gains and losses							
Actuarial (losses) on defined benefit pension schemes	20	—	79,707	—	—	79,707	(6,645)
Net movement in funds		862	61,500	(282)	43,779	105,859	61,647
Balances brought forward at 1 September 2021		2,776	(73,232)	1,423	304,175	235,142	173,495
Balances carried forward at 31 August 2022		3,638	(11,732)	1,141	347,954	341,001	235,142

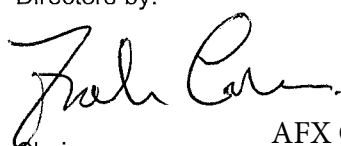
All of the Trust's activities derived from continuing operations during the above two financial periods. There is no difference between the net movement in funds stated above and its historical cost equivalent. The statement of financial activities analyses all the capital and income resources and expenditures of the Trust during the year and reconciles the movements in funds.

The comparative statement of financial activities is given in note 8 to the financial statements.

Balance sheet 31 August 2022

	Notes	2022		2021	
		Group £'000	Leigh Academies Trust £'000	Group £'000	Leigh Academies Trust £'000
Fixed assets					
Intangible fixed assets	13	—	—	—	—
Tangible fixed assets	14	349,704	349,703	307,330	307,330
		<u>349,704</u>	<u>349,703</u>	<u>307,330</u>	<u>307,330</u>
Current assets					
Debtors	17	6,648	7,669	6,739	7,321
Stock		11	11	12	12
Cash at bank and in hand		23,895	22,941	18,345	17,775
		<u>30,554</u>	<u>30,621</u>	<u>25,096</u>	<u>25,108</u>
Liabilities					
Creditors: amounts falling due within one year	18	(26,103)	(25,983)	(22,198)	(22,097)
Net current assets		<u>4,451</u>	<u>4,638</u>	<u>2,898</u>	<u>3,011</u>
Total assets less current liabilities		354,155	354,341	310,228	310,341
Creditors: amounts falling due after more than one year	19	(1,422)	(1,422)	(1,854)	(1,854)
Net assets excluding pension scheme liability		352,733	352,919	308,374	308,487
Pension scheme liability	9	(11,732)	(11,732)	(73,232)	(73,232)
Total net assets		<u>341,001</u>	<u>341,187</u>	<u>235,142</u>	<u>235,255</u>
Restricted funds					
Fixed asset funds	20	347,954	347,953	304,175	304,175
Restricted income funds	20	1,141	1,276	1,423	1,479
Pension reserve	20	(11,732)	(11,732)	(73,232)	(73,232)
Total restricted funds		<u>337,363</u>	<u>337,497</u>	<u>232,366</u>	<u>232,422</u>
Unrestricted income funds					
General fund	20	3,610	3,690	2,748	2,833
Funds retained with subsidiary	20	28	—	28	—
Total funds		<u>341,001</u>	<u>341,187</u>	<u>235,142</u>	<u>235,255</u>

Approved by the Board on 13 December 2022 and signed on behalf of the Board of Directors by:



Chairman

AFX Green

Leigh Academies Trust – Companies Registration Number 2336587 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2022

		2022 £'000	2021 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	9,013	6,061
Cash flows used in investing activities			
Cash flows used in investing activities	B	(4,438)	(2,000)
Cash flows used in financing activities			
Cash flows used in financing activities	C	(459)	(101)
Cash flows from academies and KMT joining the Trust			
Cash flows from academies and KMT joining the Trust	20	1,434	44
Change in cash and cash equivalents in the year		5,550	4,004
Cash and cash equivalents at 1 September 2021		18,345	14,341
Cash and cash equivalents at 31 August 2022		23,895	18,345
A Reconciliation of income to net cash flow from operating activities			
		2022 £'000	2021 £'000
Net income for the year (as per the statement of financial activities)		26,152	68,292
Adjusted for:			
Depreciation charges (note 14)		10,964	9,609
Capital grants from DfE and other capital income		(4,286)	(6,367)
Donated fixed assets		(32,246)	(72,717)
Fixed assets transferred from conversions/existing academies		(11,591)	(2,905)
Cash inherited on conversion of existing academies		(1,434)	(44)
Interest receivable (note 4)		(54)	(1)
Defined benefit pension scheme cost less contributions payable (note 9)		16,915	6,538
Defined benefit pension scheme finance cost (note 9)		1,292	917
Capital funding from sponsors and others		(755)	(206)
Loss (profit) from sale of tangible fixed assets		1	(3)
Decrease (Increase) in debtors		91	(1,731)
Increase in creditors		3,964	4,679
Net cash provided by operating activities		9,013	6,061
B Cash flows from investing activities			
		2022 £'000	2021 £'000
Dividends, interest and rents from investments		54	1
Purchase of tangible fixed assets		(41,779)	(81,291)
Capital grants from DfE/ESFA		4,286	6,367
Capital funding received from sponsors and others		755	206
Donated fixed assets		32,246	72,717
Net cash used in investing activities		(4,438)	(2,000)

Consolidated statement of cash flows Year to 31 August 2022

C Cash flows from financing activities

	2022 £'000	2021 £'000
Repayments of borrowing	(459)	(120)
Loan transferred from conversion/existing academies	—	19
Net cash used in financing activities	(459)	(101)

D Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	18,895	18,345
Notice deposits (less than 3 months)	5,000	—
Total cash and cash equivalents	23,895	18,345

E Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	At 31 August 2022 £'000
Cash at bank	18,345	5,550	23,895
Loans falling due within one year	120	(27)	93
Loans falling due after more than one year	1,974	(552)	1,422
Total	20,439	4,971	25,410

Principal accounting policies 31 August 2022

Statement of accounting policies

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

Basis of preparation

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

Leigh Academies Trust meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet include the financial statements of the charitable company, its trading subsidiaries LAT Enterprises C.I.C and LAT Apprenticeships C.I.C and its charitable subsidiary Hundred of Hoo Nursery and Kids Club Limited made up to the balance sheet date.

No separate statement of financial activities has been presented for Leigh Academies Trust alone, as permitted by Section 408 of the Companies Act 2006.

Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Income (continued)

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.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. 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 period it is receivable and to the extent the Trust has provided the goods or services.

Transfer on conversion

Where assets and liabilities are received by the Trust on schools joining the Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

Transfer of existing academies into the Trust

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within donations and capital grant income.

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 expenditure is stated net of recoverable VAT.

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- ♦ Purchased computer software 33% per annum

Tangible fixed assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost or deemed cost on the transfer in of property from a Local Authority school and other academy trusts. Assets other than land and buildings inherited on establishment of the Trust are assumed to be fully depreciated.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to restricted fixed asset funds (in the statement of financial activities and carried forward in the balance sheet) and are released to the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Tangible fixed assets (continued)

Equipment, other than computer equipment and IT software, costing less than £1,000 per individual item or groups of related items is written off in the year of acquisition. All other equipment is capitalised.

Tangible fixed assets are written off over their estimated useful lives on a straight-line basis at the following annual rates:

♦ Freehold and leasehold properties	2-4%
♦ Furniture and equipment	20%
♦ Computer equipment	33%
♦ Motor vehicles	20%

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

Liabilities

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

Provisions

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

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

Leased assets

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

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis 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 16. Prepayments are not financial instruments. Amounts due from the Trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

Investments

The Trust's shareholding in the wholly owned subsidiary, LAT Enterprises C.I.C, is included in the balance sheet at the cost of the share capital owned, less any impairment, there is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

Pensions benefits (continued)

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. As stated in note 9, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 9, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There were no areas of judgement that had a significant effect on the amounts recognised in the financial statements.

Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and balances held are disclosed in note 27.

1 General Annual Grant (GAG)

Under the funding agreements with the Secretary of State, none of the academies within the Trust were subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000	2021 Total funds £'000
Capital grants	—	—	4,286	4,286	6,367
Donated fixed assets (see note 14)	—	—	32,246	32,246	72,717
Other donations	243	—	755	998	296
	243	—	37,287	37,530	79,380

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	—	6,367	6,367
Donated fixed assets	—	—	72,717	72,717
Other donations	90	—	206	296
	90	—	79,290	79,380

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Hire of facilities	105	—	105	115
Income from other charitable activities	—	1,591	1,591	1,394
Income from ancillary trading activities	496	981	1,477	1,301
LAT Enterprise C.I.C Income	945	—	945	342
LAT Apprenticeships C.I.C Income	13	338	351	129
	1,559	2,910	4,469	3,281

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Hire of facilities	115	—	115
Income from other charitable activities	—	1,394	1,394
Income from ancillary trading activities	19	1,282	1,301
LAT Enterprises C.I.C – Income from lettings	342	—	342
LAT Apprenticeships CiC - Income	1	128	129
	477	2,804	3,281

4 Investments

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Bank interest receivable	54	—	54	1

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Bank interest receivable	1	—	1

5 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
DfE/ESFA grants				
General Annual Grant (GAG) (note 1)	—	114,339	114,339	93,915
Other DfE/ESFA grants				
· UIFSM	—	650	650	577
· Pupil Premium	—	4,603	4,603	4,321
· Others	—	5,358	5,358	6,141
	—	124,950	124,950	104,954
Other Government grants				
Local authority grants	—	12,806	12,806	10,462
	—	12,806	12,806	10,462
Teaching school hub				
DfE/ESFA grants	—	740	740	856
Other income	861	436	1,297	—
	861	1,176	2,037	856
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	647	647	1,358
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention scheme	—	—	—	96
Other COVID-19 funding	—	248	248	431
	—	895	895	1,885
	861	139,827	140,688	118,157

The Trust received £647,000 (2021: £1,358,000) of funding for catch-up premium and costs incurred in respect of this funding totalled £647,000 (2021: £1,358,000). All funds were spent at 31 August 2022.

5 Funding for the Trust's educational operations (continued)

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
<i>DfE/ESFA grants</i>			
General Annual Grant (GAG) (note 1)	—	93,915	93,915
<i>Other DfE/ESFA grants</i>			
. Teacher training	136	720	856
. UIFSM	—	577	577
. Pupil Premium	—	4,321	4,321
. Others	—	6,141	6,141
	<u>136</u>	<u>105,674</u>	<u>105,810</u>
<i>Other Government grants</i>			
Local authority grants	—	10,462	10,462
	<u>—</u>	<u>10,462</u>	<u>10,462</u>
<i>COVID-19 additional funding (DfE/ESFA)</i>			
Catch-up premium	—	1,358	1,358
COVID-19 additional funding (non-DfE /ESFA)	—	96	96
Coronavirus Job Retention scheme	—	431	431
Other COVID-19 funding	—	1,885	1,885
	<u>—</u>	<u>1,885</u>	<u>1,885</u>
	<u>136</u>	<u>118,021</u>	<u>118,157</u>

6 Expenditure

	Staff costs £'000 Note 9	Premises £'000	Other costs £'000	Total 2022 £'000	Total 2021 £'000
<i>Expenditure on raising funds</i>					
. Direct costs	151	—	273	424	181
. Allocated support costs	17	10	164	191	71
Subtotals	<u>168</u>	<u>10</u>	<u>437</u>	<u>615</u>	<u>252</u>
<i>Academy's educational operations</i>					
. Direct costs (note 7)	92,525	9,868	6,659	109,052	96,023
. Allocated support costs (note 7)	34,163	13,126	10,628	57,917	38,363
Subtotals	<u>126,688</u>	<u>22,994</u>	<u>17,287</u>	<u>166,969</u>	<u>134,386</u>
<i>Teaching School</i>					
. Direct support costs	515	—	62	577	249
. Allocated support costs	108	—	1,215	1,323	570
Subtotals	<u>623</u>	<u>—</u>	<u>1,277</u>	<u>1,900</u>	<u>819</u>
	<u>127,479</u>	<u>23,004</u>	<u>19,001</u>	<u>169,484</u>	<u>135,457</u>

6 Expenditure (continued)

	Staff costs £'000	Premises £'000	Other costs £'000	Total 2021 £'000
Expenditure on raising funds	192	—	60	252
Trust's educational operations				
· Direct costs	80,807	9,609	5,607	96,023
· Allocated support costs	20,270	10,391	7,702	38,363
· Teaching School (note 28)	174	—	645	819
	101,443	20,000	14,014	135,457

	2022 £'000	2021 £'000
The result for the year is stated after charging:		
Operating lease rentals	2,948	1,451
Depreciation	10,964	9,609
Fees payable to auditor for:		
· Audit	82	67
· Other services	4	9

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000	2021 Total funds £'000
Direct costs - educational operations	—	109,052	109,052	95,774
Direct costs - teaching school hub	—	577	577	249
Support costs - educational operations	—	57,917	57,917	37,793
Support costs - teaching school hub	—	1,323	1,323	570
	—	168,869	168,869	134,386

	Fundraising £'000	Teaching school hub £'000	Educational operations £'000	2022 Total funds £'000	2021 Total funds £'000
Analysis of support costs					
Support staff costs	17	108	34,163	34,288	20,270
Recruitment and other staff costs	14	19	1,164	1,197	424
Depreciation and amortisation	—	—	1,096	1,096	961
Technology costs	6	3	2,827	2,836	2,571
Premises costs	10	—	12,030	12,040	9,430
Legal costs – conversion	—	—	6	6	9
Legal costs – other	—	—	66	66	122
Other support costs	128	1,185	6,423	7,736	4,495
Governance costs (legal and professional fees)	16	8	142	166	81
Total support costs	191	1,323	57,917	59,431	38,363

Support staff costs include the FRS 102 pension adjustment of £16,915,000 (2021: £5,921,000). See note 9.

Other support costs includes FRS 102 pension finance costs of £1,292,000 (2021: £917,000).

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2021 between restricted and unrestricted funds:

		<i>Restricted funds</i>				
	<i>Notes</i>	<i>Unrestricted funds £'000</i>	<i>ESFA £'000</i>	<i>General £'000</i>	<i>Fixed assets £'000</i>	<i>2021 Total Funds £'000</i>
<i>Income from:</i>						
<i>Donations and capital grants</i>	2	90	—	—	79,290	79,380
<i>Transfer from Pre-School Learning Alliance</i>		—	—	—	—	—
<i>Transfers on schools joining the Trust</i>	23	—	—	—	—	—
<i>Transfer from local authority on conversion</i>	23	—	—	25	2,905	2,930
<i>Charitable activities:</i>						
<i>. Funding for the Trust's educational operations</i>	5	—	106,839	10,462	—	117,301
<i>. Teaching Schools</i>	5	136	—	720	—	856
<i>Other trading activities</i>	3	477	—	2,804	—	3,281
<i>Investments</i>	4	1	—	—	—	1
<i>Total income</i>		<u>704</u>	<u>106,839</u>	<u>14,011</u>	<u>82,195</u>	<u>203,749</u>
<i>Expenditure on:</i>						
<i>Raising funds</i>	6	67	—	185	—	252
<i>Charitable activities:</i>						
<i>. Trust's educational operations</i>	6	—	114,316	10,462	9,608	134,386
<i>. Teaching Schools</i>	6	—	—	819	—	819
<i>Total expenditure</i>	6	<u>67</u>	<u>114,316</u>	<u>11,466</u>	<u>9,608</u>	<u>135,457</u>
<i>Net income (expenditure) before transfers</i>		637	(7,477)	2,545	72,587	68,292
<i>Transfers between funds</i>	20	(1)	22	(2,982)	2,961	—
<i>Net income (expenditure) for the year</i>		<u>636</u>	<u>(7,455)</u>	<u>(437)</u>	<u>75,548</u>	<u>68,292</u>
<i>Other recognised gains and losses</i>						
<i>Actuarial (losses) on defined benefit pension schemes</i>	20	—	(6,645)	—	—	(6,645)
<i>Net movement in funds</i>		636	(14,100)	(437)	75,548	61,647
<i>Balances brought forward at 1 September 2020</i>		2,140	(59,132)	1,860	228,627	173,495
<i>Balances carried forward at 31 August 2021</i>		<u>2,776</u>	<u>(73,232)</u>	<u>1,423</u>	<u>304,175</u>	<u>235,142</u>

9 Staff costs

(a) Staff costs

Staff costs during the year were:

	Total 2022 £'000	Total 2021 £'000
Wages and salaries	82,896	71,878
Social security costs	8,329	6,995
Pension costs (including FRS102 adjustment of £16,915 (2021 £5,921))	33,994	21,131
Apprenticeship levy	386	331
	125,605	100,335
Supply staff costs	1,340	539
Staff restructuring costs	534	569
	127,479	101,443

	2022 £'000	2021 £'000
Staff restructuring costs comprise		
Redundancy payments	298	279
Severance payments	236	277
	534	556

(b) Severance payments

The Trust paid 19 severance payments in the year, disclosed in the following bands:

	2022 No.
£0 - £25,000	17
£25,001 - £50,000	2

(c) Staff restructuring costs

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £236,001 (2021: £276,780). Individually, the payments were £2,000, £2,140, £3,500, £4,000, £4,000, £4,600, £4,910, £6,500, £9,000, £9,200, £9,871, £10,000, £10,000, £12,600, £19,000, £21,500, £23,500, £40,000, and £40,000.

(d) Staff numbers

The average numbers of persons (including senior management team) employed by the Trust during the year was as follows:

	2022 No.	2021 No.
Teaching	1,280	970
Administration and support	1,898	1,723
Management	105	253
	3,283	2,946

The variance in staff numbers between teaching and management staff is due to the fact that all members of the senior leadership team within academies were included under management in 2021. However, from 2022 onwards only Principals and Vice Principals are included under management.

9 Staff costs (continued)

(e) Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	77	67
£70,001 - £80,000	33	31
£80,001 - £90,000	15	12
£90,001 - £100,000	10	8
£100,001 - £110,000	4	5
£110,001 - £120,000	5	6
£120,001 - £130,000	2	1
£130,001 - £140,000	2	2
£140,001 - £150,000	2	1
£150,001 - £160,000	—	2
£160,001 - £170,000	2	—
£250,001 - £260,000	—	1
£280,001 - £290,000	1	—
	153	136

(f) Key management personnel

The key management personnel of the Academy Trust comprise the Executive Directors and Academy Principals. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £4,151,323 (2021: £4,053,859).

(g) Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. The Trust participates via three local authorities Kent County Council, London Borough of Bexley and Royal Borough of Greenwich. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £1,973,976 were payable to the schemes at 31 August 2022 (2021: £1,680,000) 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

9 Staff costs (continued)

(g) Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £14,565,000 (2021 – £12,664,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

9 Staff costs (continued)

(g) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £7,042,000, of which employer's contributions totalled £5,526,000 and employees' contributions totalled £1,516,000. The agreed contribution rates for future years are unknown pending valuation information.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy Trust 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	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.1%	4.0%
Rate of increase for pensions in payment / inflation	3.0%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%

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

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	20.9	21.5
Females	23.8	24.1
<i>Retiring in 20 years</i>		
Males	22.4	23.0
Females	25.5	25.7

Sensitivity analysis	At 31 August 2022 £'000	At 31 August 2021 £'000
Discount rate +0.1%	96,838	143,635
Discount rate -0.1%	101,606	(150,885)
Mortality assumption – 1 year increase	102,131	153,155
Mortality assumption – 1 year decrease	96,337	(141,528)
CPI rate +0.1%	100,413	149,025
CPI rate -0.1%	97,999	(145,444)

9 Staff costs (continued)

(g) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	56,269	48,477
Bonds	12,662	11,244
Property	10,377	7,582
Cash	1,941	1,959
Other	7,079	5,947
Total market value of assets	88,328	75,209
Present value of scheme liabilities		
Funded	(100,060)	(148,441)
Deficit in the scheme	(11,732)	(73,232)

	2022 £'000	2021 £'000
Amounts recognised in statement of financial activities		
Current service cost	(16,915)	(6,538)
Net interest cost	(1,292)	(917)
Total amount recognised in the SOFA	(18,207)	(7,455)

Changes in the present value of defined benefit obligations were as follows:	2022 £'000	2021 £'000
At 1 September 2021	148,441	120,596
Current service cost	14,504	10,172
Interest cost	2,725	1,937
Employee contributions	1,516	1,267
Actuarial loss	(78,543)	16,922
Change in demographic assumptions	(3,754)	(1,642)
Benefits paid	(1,684)	(1,694)
Plan introductions, benefit changes, curtailments and settlements	16,855	883
At 31 August 2022	100,060	148,441

9 Staff costs (continued)

(g) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Trust's share of scheme assets:	2022 £'000	2021 £'000
At 1 September 2021	75,209	61,464
Interest income	1,433	1,020
Actuarial gain	(2,590)	8,635
Employer contributions	5,526	4,249
Employee contributions	1,516	1,267
Benefits paid	(1,684)	(1,694)
Administration expenses	(46)	(45)
Settlement	8,964	313
At 31 August 2022	88,328	75,209

10 Directors' remuneration and expenses

Staff Directors only receive remuneration in respect of the services they provide in undertaking their role as an employee and not in respect of their services as a Director. Other Directors did not receive any payments, other than expenses, from the Trust in respect of their role as directors. The value of Staff Directors' remuneration was as follows:

	Year to 31 August 2022 £'000	Year to 31 August 2021 £'000
S P Beamish (CEO and Director)		
. Remuneration	280-285	255-260
. Employer's Pension contributions	55-60	50-55

Directors of the Trust received payment for reimbursement of travel and subsistence expenses incurred in the course of their duties in the year ended 31 August 2022 of £431 (2021: £771). No Director has any beneficial interest in any contract with the company.

11 Directors', Governors' and officers' insurance

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

12 Central services

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

- ◆ Financial services;
- ◆ Legal services;
- ◆ Educational support services;
- ◆ Human Resources;
- ◆ Leadership and Governance; and
- ◆ Estates.

The Trust has charged for these services on the basis of 2% (2021: 2%) of income less pupil premium grant per Academy. The contributions made by academies charged during the year for these services are set out below.

Budgets for support services including: operational staff based in academies, and IT and estates service contracts previously included in academy budgets, were managed centrally. This is cost-neutral for the academies and so does not represent a 'central charge' that needs to be separately disclosed. Costs are included within the expenditure disclosed in Notes 6, 7, and 9. The following support services were managed centrally:

- ◆ Financial services, including staff based in academies
- ◆ People services
- ◆ IT services, including staff based in academies
- ◆ Estates services, including staff based in academies

12 Central services (continued)

	Central services	
	2022 £'000	2021 £'000
Allhallows Primary Academy	—	24
Bearsted Primary Academy	6	8
Cherry Orchard Primary Academy	41	40
Dartford Primary Academy	59	58
Eastcote Primary Academy	22	22
Hartley Primary Academy	39	38
High Halstow Primary School	19	19
Horsmonden Primary Academy	17	17
Hundred of Hoo Academy	206	202
Hundred of Hoo Nursery and Kids Club	10	10
Langley Park Primary Academy	36	35
Leigh Academy Blackheath	113	83
Leigh Academy Rainham	64	—
Longfield Academy	144	141
Marden Primary Academy	27	26
Mascalls Academy	139	136
Milestone Academy	154	151
Molehill Primary Academy	31	30
Oaks Primary Academy	25	24
Paddock Wood Primary Academy	49	48
Peninsula East Primary Academy	24	—
Sir Joseph Williamson's Mathematical School	149	146
Snowfields Academy	54	36
Stationers' Crown Woods Academy	222	218
Strood Academy	163	160
The Ebbsfleet Academy	156	—
The Halley Academy	180	176
The Hayesbrook Academy	86	—
The High Weald Academy	30	—
The Leigh Academy	182	178
The Leigh UTC	106	104
Tree Tops Primary Academy	29	28
Wilmington Academy	164	161
	2,746	2,319

13 Intangible fixed assets

Group and Trust	Computer software £'000	Total funds £'000
Cost		
At 1 September 2021	146	146
At 31 August 2022	146	146
Amortisation		
At 1 September 2021	146	146
Charge in year	—	—
At 31 August 2022	146	146
Net book value		
At 31 August 2022	—	—
At 31 August 2021	—	—

14 Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2021	78,551	264,195	13,204	15,959	164	372,073
Transfers on schools joining the Trust (note 23)	11,581	—	10	—	—	11,591
Additions	32,268	4,680	1,742	3,089	—	41,779
At 31 August 2022	122,400	268,875	14,956	19,048	164	425,443
Depreciation						
At 1 September 2021	14,770	28,337	9,102	12,412	154	64,775
Charge for year	2,114	5,013	1,403	2,428	6	10,964
At 31 August 2022	16,884	33,350	10,505	14,840	160	75,739
Net book values						
At 31 August 2022	105,516	235,525	4,451	4,208	4	349,704
At 31 August 2021	63,781	235,858	4,102	3,579	10	307,330

Trust	Freehold land and buildings £'000	Leasehold buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2021	78,551	264,195	13,181	15,959	164	372,050
Transfers on schools joining the Trust (note 23)	11,581	—	10	—	—	11,591
Additions (see below)	32,268	4,680	1,741	3,089	—	41,778
At 31 August 2022	122,400	268,875	14,932	19,048	164	425,419
Depreciation						
At 1 September 2021	14,770	28,337	9,079	12,412	154	64,752
Charge for year	2,114	5,013	1,403	2,428	6	10,964
At 31 August 2022	16,884	33,350	10,482	14,840	160	75,716
Net book values						
At 31 August 2022	105,516	235,525	4,450	4,208	4	349,703
At 31 August 2021	63,781	235,858	4,102	3,579	10	307,330

14 Tangible fixed assets (continued)

Included within the additions to freehold buildings are in respect to buildings funded and constructed by the ESFA at Leigh Academy Rainham (see note 2).

The land on which leasehold buildings are sited is leased at peppercorn rents. No value has been placed on the land in the financial statements due to restrictive covenants in the leases.

Schools from the former Brook Learning Trust joined the Trust during the year. Details of the value of the buildings transferred to Leigh Academies Trust are included in note 23.

Stationers' Crown Woods Academy joined the Trust on 1 September 2014 and Ebbsfleet Academy (formally part of the Brook Learning Trust) on 1 September 2021. Both are subject to contracts under the Private Finance Initiative (PFI) which commenced in 2012 and 2001 respectively. Under these contracts the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy. The ESFA issued guidance within the Academies Accounts Direction which concurs with the treatment adopted by Leigh Academies Trust.

15 Wholly owned trading subsidiaries

In October 2019, LAT Apprenticeships C.I.C was incorporated in England and is a 100% owned subsidiary of the Trust. The principal activity of the subsidiary is to provide a programme of apprenticeships.

A summary of the results for the year and position at the year end of LAT Apprenticeships C.I.C, which have been included in the consolidated financial statements is shown below:

	2022 £'000	2021 £'000
Turnover	351	129
Cost of sales	(399)	(148)
Gross loss	(48)	(19)
 Administrative expenses	 (31)	 (37)
 Loss on ordinary activities	 (79)	 (56)
Tax	—	—
Loss on ordinary activities after taxation	(79)	(56)

15 Wholly owned trading subsidiaries (continued)

The assets and liabilities of the subsidiary were:

	2022 £'000	2021 £'000
Current assets	70	97
Creditors: amounts falling due within one year	(290)	(267)
Total net liabilities	(220)	(170)

The Trust owns 100% of the issued ordinary shares of LAT Enterprises C.I.C, a community interest company incorporated in England. The principal activities of the subsidiary are the provision of commercial and community IT training as an extension of the facilities made available to students and the letting of leisure and sports facilities to the community.

A summary of the results for the year and position at the year end of LAT Enterprises C.I.C, which have been included in the consolidated financial statements is shown below:

	2022 £'000	2021 £'000
Turnover	944	342
Cost of sales	(66)	(47)
Gross profit	878	295
Administrative expenses	(115)	(20)
Profit on ordinary activities before Gift Aid and taxation	763	275
Gift Aid donation to Leigh Academies Trust	(763)	(275)
Tax	—	—
Profit on ordinary activities after taxation	—	—

The assets and liabilities of the subsidiary were:

	2022 £'000	2021 £'000
Current assets	1,035	531
Creditors: amounts falling due within one year	(1,007)	(503)
Total net assets	28	28

16 Other connected organisations**(a) Subsidiary charity**

On 1 January 2019, the Trust acquired The Hundred of Hoo Nursery and Kids' Club Limited, a charitable company limited by guarantee. A summary of the results for the year and position at the year end of The Hundred of Hoo Nursery and Kids' Club which have been included in the consolidated financial statements is shown below:

	2022 £'000	2021 £'000
Income	587	543
Expenditure on charitable activities	(560)	(534)
Net income	27	9
Funds brought forward at 1 September 2021	71	62
Funds carried forward at 31 August 2022	98	71

The assets and liabilities of the charity were:

	2022 £'000	2021 £'000
Fixed assets	13	13
Current assets	182	153
Creditors: amounts falling due within one year	(97)	(95)
Total net assets	98	71

(b) Non-charitable unincorporated association

Kent and Medway Training (KMT) is a school-centred initial teacher training programme which is run as a partnership between 26 schools, with Leigh Academies Trust as the lead entity. From 1 April 2022 the results of KMT are included within the results of the Trust and the assets and liabilities of KMT transferred into the trust as an unrestricted fund.

17 Debtors

	Group 2022 £'000	Leigh Academies Trust 2022 £'000	Group 2021 £'000	Leigh Academies Trust 2021 £'000
Trade debtors	1,184	1,102	1,155	1,097
VAT recoverable	1,153	1,154	1,413	1,417
Amount due from LAT Enterprises C.I.C	—	914	—	408
Amount due from LAT Apprenticeships C.I.C	—	263	—	257
Other debtors	90	76	537	537
Prepayments and accrued income	4,221	4,160	3,634	3,605
	6,648	7,669	6,739	7,321

18 Creditors: amounts falling due within one year

	Group 2022 £'000	Leigh Academies Trust 2022 £'000	Group 2021 £'000	Leigh Academies Trust 2021 £'000
Trade creditors	6,263	6,238	8,160	8,152
Taxation and social security	2,132	2,125	1,792	1,792
ESFA creditor: abatement of GAG	—	—	379	379
Loan (note 19)	93	93	120	120
Other creditors	3,731	3,718	3,154	3,148
Accruals and deferred income	13,884	13,809	8,593	8,506
	26,103	25,983	22,198	22,097
Deferred income (included above)				
Deferred income at 1 September 2021	4,904	4,857	4,573	4,554
Resources deferred in the year	(4,767)	(4,719)	4,355	4,308
Amounts released from previous years	9,890	9,859	(4,024)	(4,005)
Deferred income at 31 August 2022	10,027	9,997	4,904	4,857

At the balance sheet date the Trust was holding funds received in respect of capital grants, development grants and other sources, which have been deferred to the financial year ending 31 August 2023.

19 Creditors: amounts falling due more than one year

Group and Academy	2022 £'000	2021 £'000
Loans from ESFA	1,422	1,854
Analysis of loans		
Wholly repayable within five years	1,515	1,974
Less: included in current liabilities	(93)	(120)
Amounts included above	1,422	1,854
Loan maturity		
Debt due in one year or less	93	120
In more than one year but not more than two years	864	240
In more than two years but not more than five years	558	1,614
Total	1,515	1,974

Details of the loans outstanding are as below:

	Repayment due within one year £'000	Repayment due in more than one year £'000	2022 Total £'000	2021 Total £'000
Stationers' Crown Woods Academy	39	66	105	144
The Leigh UTC	—	1,149	1,149	1,488
Hartley Primary Academy	5	—	5	10
The Leigh Academy	17	66	83	100
Marden Primary Academy	2	13	15	17
The Halley Academy	30	128	158	215
	93	1,422	1,515	1,974

19 Creditors: amounts falling due more than one year (continued)

	Repayment due within one year £'000	Repayment due in more than one year £'000	2021 Total £'000
Stationers' Crown Woods Academy	39	105	144
The Leigh UTC	—	1,488	1,488
Hartley Primary Academy	6	4	10
The Leigh Academy	16	84	100
Marden Primary Academy	2	15	17
The Halley Academy	57	158	215
	120	1,854	1,974

20 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers, gains & losses £'000	Balance at 31 August 2022 £'000
Restricted ESFA funds					
General Annual Grant (GAG)	—	114,339	(114,339)	—	—
Pupil Premium	—	5,200	(5,200)	—	—
UFSM	—	650	(650)	—	—
Catch-up premium	—	647	(647)	—	—
Other COVID-19 funding	—	248	(248)	—	—
Other grants	—	5,253	(5,253)	—	—
Pension reserve	(73,232)	—	(18,207)	79,707	(11,732)
	(73,232)	126,337	(144,544)	79,707	(11,732)
Restricted general funds					
Local authority grants	—	12,806	(12,806)	—	—
Transfer from local authority on conversion	—	881	—	(881)	—
LAT Apprenticeships C.I.C	(56)	338	(417)	—	(135)
Other restricted funds	1,479	3,256	660	(4,119)	1,276
	1,423	17,281	(12,563)	(5,000)	1,141
Restricted fixed asset funds					
Transfer of schools	—	11,591	—	(11,591)	—
DfE/ESFA capital grants	304,175	37,287	(10,964)	17,456	347,954
	304,175	48,878	(10,964)	5,865	347,954
Total restricted funds	232,366	192,496	(168,071)	80,572	337,363
Unrestricted funds					
General funds	2,748	1,760	(796)	(102)	3,610
Transfer from Kent Medway Training	—	423	(423)	—	—
LAT Apprenticeships C.I.C	—	13	(13)	—	—
LAT Enterprises C.I.C	28	944	(181)	(763)	28
Total unrestricted funds	2,776	3,140	(1,413)	(865)	3,638
Total funds	235,142	195,636	(169,484)	79,707	341,001

20 Funds (continued)

General Annual Grant (GAG)

General Annual Grant (GAG) must be used for the normal running costs of the Academy including salaries and related costs, overheads, repairs and maintenance and insurance.

Under the funding agreements with the Secretary of State, none of the academies within the Trust were subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

Analysis of academies by fund balance (including unrestricted funds)

All fund balances at 31 August 2022 were held centrally by the Trust.

	2022 £'000	2021 £'000
Trust operation reserves	4,751	4,171
Total before fixed assets and pension reserve	4,751	4,171
Restricted fixed asset fund	347,954	304,175
Pension liability	(11,732)	(73,232)
Total for Trust	340,973	235,114
Subsidiary	28	28
Total per group	341,001	235,142

20 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (Excluding Depreciation) £'000	Total 2022 £'000
Bearsted Primary Academy	613	74	47	137	871
Cherry Orchard Primary Academy	1,590	68	207	164	2,029
Dartford Primary Academy	2,103	186	115	313	2,717
Eastcote Primary Academy	819	122	91	110	1,142
Hartley Primary Academy	1,267	181	152	173	1,773
High Halstow Primary Academy	647	45	64	95	851
Horsmonden Primary Academy	623	41	44	99	807
Hundred of Hoo Academy	7,159	706	577	846	9,288
Hundred of Hoo Nursery and Kids Club	425	—	21	93	539
Kent and Medway Training	334	48	12	402	796
Langley Park Primary Academy	1,661	138	108	173	2,080
Leigh Academy Blackheath	3,325	220	370	634	4,549
Leigh Academy Rainham	890	80	138	189	1,297
Longfield Academy	4,563	494	320	466	5,843
Marden Primary Academy	1,070	78	49	109	1,306
Mascalls Academy	4,927	324	483	499	6,233
Medway Teaching School Alliance	—	—	5	571	576
Milestone Academy	5,924	579	258	385	7,146
Molehill Primary Academy	1,214	49	60	150	1,473
Oaks Primary Academy	944	36	58	106	1,144
Paddock Wood Primary Academy	1,971	119	165	314	2,569
Peninsula East Primary Academy	815	64	74	118	1,071
Sir Joseph Williamson's Mathematical School	5,311	410	770	547	7,038
Snowfields Academy	1,320	155	145	184	1,804
Stationers' Crown Woods	7,443	962	792	1,660	10,857
Strood Academy	5,138	501	478	679	6,796
Thames Gateway Teaching School Hub	181	60	44	240	525
The Ebbsfleet Academy	2,713	302	261	1,948	5,224
The Halley Academy	5,387	623	347	575	6,932
The Hayesbrook Academy	2,128	253	195	453	3,029
The High Weald Academy	1,365	161	118	487	2,131
The Leigh Academy	5,633	486	511	673	7,303
The Leigh UTC	3,524	319	255	411	4,509
Tree Tops Primary Academy	1,223	53	73	159	1,508
Wilmington Academy	5,560	542	361	479	6,942
LAT Apprenticeships C.I.C	141	212	46	31	430
LAT Enterprise C.I.C	—	53	—	129	182
Central Trust	2,246	26,538	449	7,977	37,210
Total net assets	92,197	35,282	8,263	22,778	158,520

20 Funds (continued)

Analysis of academies by cost

	Teaching and Educational Support Staff costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (Excluding Depreciation) £'000	Total 2021 £'000
Allhallows Primary Academy	409	31	30	95	565
Bearsted Primary Academy	313	33	84	80	510
Cherry Orchard Primary Academy	1,357	69	58	182	1,666
Dartford Primary Academy	2,003	152	99	300	2,554
Eastcote Primary Academy	818	142	40	125	1,125
Hartley Primary Academy	1,206	127	73	211	1,617
High Halstow Primary School	626	43	32	99	800
Horsmonden Primary Academy	560	38	21	81	700
The Hundred of Hoo Academy	6,777	533	517	809	8,636
The Hundred of Hoo Nursery and Kids Club	429	—	10	74	513
Langley Park Primary Academy	1,479	123	115	193	1,910
The Leigh Academy	5,936	410	536	758	7,640
Leigh Academy Blackheath	2,239	135	270	695	3,339
The Leigh UTC	3,195	155	197	511	4,058
Longfield Academy	4,638	357	243	518	5,756
Mascalls Academy	4,705	236	382	570	5,893
Milestone Academy	5,564	432	220	573	6,789
Marden Primary Academy	983	82	49	131	1,245
Molehill Primary Academy	1,136	53	51	134	1,374
Oaks Primary Academy	905	47	45	110	1,107
Paddock Wood Primary Academy	1,876	112	51	309	2,348
Sir Joseph Williamson's Mathematical School	5,026	289	1,028	603	6,946
Snowfields Academy	805	95	225	205	1,330
Stationers' Crown Woods Academy	7,337	705	483	1,625	10,150
Stoke Primary Academy	321	61	19	43	444
Strood Academy	5,192	366	434	625	6,617
The Halley Academy	5,578	477	357	610	7,022
Tree Tops Primary Academy	1,092	53	60	154	1,359
Wilmington Academy	5,295	353	377	710	6,735
Medway Teaching School Alliance	115	59	114	530	818
LAT Enterprises C.I.C	—	46	—	21	67
LAT Apprenticeships C.I.C	8	138	6	33	185
Central Trust	2,862	14,706	458	6,005	24,031
	80,785	20,658	6,684	17,722	125,849

20 Funds (continued)

Comparative information

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers, gains & losses £'000	Balance at 31 August 2021 £'000
<i>Restricted ESFA funds</i>					
General Annual Grant (GAG)	—	93,915	(93,937)	22	—
Pupil Premium	—	4,321	(4,321)	—	—
UFSM	—	577	(577)	—	—
Catch-up premium	—	1,358	(1,358)	—	—
Coronavirus Job Retention Scheme grant	—	96	(96)	—	—
Other COVID-19 funding	—	431	(431)	—	—
Other grants	—	6,141	(6,141)	—	—
Pension reserve	(59,132)	—	(7,455)	(6,645)	(73,232)
	<u>(59,132)</u>	<u>106,839</u>	<u>(114,316)</u>	<u>(6,623)</u>	<u>(73,232)</u>
<i>Restricted general funds</i>					
Local authority grants	—	10,462	(10,462)	—	—
Transfer from local authority on conversion	—	25	(25)	—	—
LAT Apprenticeships C.I.C	—	128	(185)	1	(56)
Transfer from schools	—	—	—	—	—
Other restricted funds	1,860	3,396	(794)	(2,983)	1,479
	<u>1,860</u>	<u>14,011</u>	<u>(11,466)</u>	<u>(2,982)</u>	<u>1,423</u>
<i>Restricted fixed asset funds</i>					
Transfer of schools	—	2,905	—	(2,905)	—
DfE/ESFA capital grants	228,627	79,290	(9,608)	5,866	304,175
	<u>228,627</u>	<u>82,195</u>	<u>(9,608)</u>	<u>2,961</u>	<u>304,175</u>
<i>Total restricted funds</i>	<u>171,355</u>	<u>203,045</u>	<u>(135,390)</u>	<u>(6,644)</u>	<u>232,366</u>
<i>Unrestricted funds</i>					
General funds	2,112	361	—	275	2,748
Transfer from Pre-School Learning Alliance	—	—	—	—	—
LAT Apprenticeships C.I.C	—	1	—	(1)	—
LAT Enterprises C.I.C	28	342	(67)	(275)	28
<i>Total unrestricted funds</i>	<u>2,140</u>	<u>704</u>	<u>(67)</u>	<u>(1)</u>	<u>2,776</u>
<i>Total funds</i>	<u>173,495</u>	<u>203,749</u>	<u>(135,457)</u>	<u>(6,645)</u>	<u>235,142</u>

20 Funds (continued)

Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	2022 £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	349,704	349,704
Current assets	3,638	28,666	(1,750)	30,554
Current liabilities	—	(26,103)	—	(26,103)
Non-current liabilities	—	(1,422)	—	(1,422)
Pension scheme liability	—	(11,732)	—	(11,732)
Total net assets	3,638	(10,591)	347,954	341,001

Group	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	307,330	307,330
Current assets	2,776	25,475	(3,155)	25,096
Current liabilities	—	(22,198)	—	(22,198)
Non-current liabilities	—	(1,854)	—	(1,854)
Pension scheme liability	—	(73,232)	—	(73,232)
Total net assets	2,776	(71,809)	304,175	235,142

Trust	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	2022 £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	—	—	349,703	349,703
Current assets	3,690	28,681	(1,750)	30,621
Current liabilities	—	(25,983)	—	(25,983)
Non-current liabilities	—	(1,422)	—	(1,422)
Pension scheme liability	—	(11,732)	—	(11,732)
Total net assets	3,690	(10,456)	347,953	341,187

Trust	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	2021 £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	307,330	307,330
Current assets	2,748	25,515	(3,155)	25,108
Current liabilities	—	(22,097)	—	(22,097)
Non-current liabilities	—	(1,854)	—	(1,854)
Pension scheme liability	—	(73,232)	—	(73,232)
Total net assets	2,748	(71,668)	304,175	235,255

21 Capital commitments

	2022 £'000	2021 £'000
Contracted for, but not provided in the financial statements	—	1,464

22 Commitments under operating leases

At 31 August 2022 LAT had future minimum commitments under non-cancellable operating leases as follows:

Equipment	2022 £'000	2021 £'000
Payments falling due:		
Amounts due within one year	316	328
Amounts due between one and five years	414	603
Amounts due after five years	—	—
	730	931

Buildings	2022 £'000	2021 £'000
Payments falling due:		
Amounts due within one year	2,632	1,123
Amounts due between two and five years	10,468	4,493
Amounts due after five years	9,735	10,108
	22,835	15,724

23 Transfer in on academies joining the Trust

On 1 September 2021, The Ebbsfleet Academy, The High Weald Academy and The Hayesbrook Academy joined the MAT from existing Trusts (Brook Learning Trust). In addition, on 1 April 2022 Kent and Medway Training became part of LAT. At the date of transfer, the operations and assets and liabilities were transferred to the group for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

No fair value adjustments were made to the value reported by the transferring trust.

23 Transfer in on academies joining the Trust (continued)

Brook Learning Trust

On the 1 September 2021 the three Academies of Brook Learning Trust merged with the Trust.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2022 £'000
Tangible fixed assets				
. Freehold land and buildings	—	—	11,581	11,581
Cash at bank	—	881	—	881
Total net assets	—	881	11,581	12,462

Kent and Medway Training

On the 1 April 2022 Kent and Medway Training joined the Trust.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2022 £'000
Tangible fixed assets				
. Other tangible fixed assets	—	—	10	10
Cash at bank	553	—	—	553
Other assets and liabilities	(130)	—	—	(130)
Total net assets	423	—	10	433

24 Contingent liabilities

In the event of the sale or disposal of any asset for which a capital grant was received, the Trust must, if it does not reinvest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreements, the Trust must repay to the Secretary of State sums determined by reference to:

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

25 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. In the year there were no related party transactions.

26 Post balance sheet events

From 1 September 2022, High Weald Academy closed permanently, reducing the number of academies in the Trust to 30.

27 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the Trust received £1,275,022 (2021: £167,498) and distributed £1,243,284 (2021: £143,521) from the fund. The 2022 receipts and distributions include bursaries related to KMT, the results of which are consolidated in the Trust accounts for the first time this year. An amount of £295,825 (2021: £264,087) is included in other creditors relating to undistributed funds that is repayable to the ESFA if not used within 12 months.