

ACER LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 August 2020

Acer Learning Trust

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Acer Learning Trust

Reference and Administrative Details

Members	D Green D Haw, Chair W Snaith
Trustees (Directors)	V Brown (resigned 14 October 2019) R Chamberlain G Cue, Vice Chair D Dent, Chairman S Richards, Executive Headteacher/CEO G Wood, Staff Trustee
Company Secretary	G Wood
Senior Management Team	S Richards, Executive Headteacher M Robson, Headteacher S Kitchen, Deputy Headteacher G Wood, Operations Manager/CFO
Principal and Registered Office	Ayton Road Oxclose Washington Tyne and Wear NE38 0LR
Company Name	Acer Learning Trust
Company Registration Number	08158718
Auditors	MHA Tait Walker Chartered Accountants and Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF
Solicitors	Samuel Philips Law Firm Gibb Chambers 52-54 Westgate Road Newcastle upon Tyne NE1 5XU

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as a Primary School which includes a nursery which provides twenty-six-part time places. The school serves a catchment area in the Ayton area of Washington. At the January 2019 census the Academy Trust had a total of 274 children.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The company was incorporated on 26th July 2012 and converted to academy status on 1st August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Acer Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Acer Learning Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees, Governors and staff from claims arising due to negligent acts, errors or omissions whilst carrying out Academy business.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and membership to the Board of Trustees is in accordance with the structure contained within it. Appointments are made in line with the guidance in the Articles of Association. The term of office for any Trustee shall be four years.

The Trustees may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Head Teacher) who are employees of the Trust does not exceed one third of the total number of Trustees.

The Trustees make the necessary arrangements for and determine all matters relating to the election of Parent Trustees. Parent Trustees must be a parent of a pupil at the Academy at the time they were elected or when the Trust was established.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

The Secretary of State may appoint additional Trustees as he thinks fit if he has given a warning notice and the Trustees have failed to comply, or secure compliance with the notice to the Secretary of State's satisfaction, within the compliance period. The Secretary of State may also appoint additional Trustees following an inspection by the Chief Inspector of Schools (Ofsted) where the Trust receives a grading which amounts to a drop of two Ofsted grades.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Members, Trustees and Governors will be given induction training by the Trust's trained governance clerk. The Trust purchases support that provides for individual and full Governing Body training through an annual service level agreement which is reviewed each year to reflect any changes in practice and legislation. The Trust will perform an annual skills audit of Trustees and Governors, should any gaps be identified training courses are offered to address these issues.

Organisational Structure

The leadership and management structure of the Trust consists of the Board of Trustees and the Senior Leadership Team of the Academy, this was restructured May 2019 to form a Strategic Senior Leadership Team. The aim of the management structure is to establish a clear line of accountability and responsibilities and encourage involvement in decision making at all levels.

The Board of Trustees has overall responsibility and has ultimate accountability for the Academy. They will hold to account the Executive Headteacher. Powers are delegated from the Board via terms of reference. This is reviewed on an annual basis.

The Trustees are responsible for strategic planning, setting general policy, adopting an annual school development plan, scheme of delegation, reviewing curriculum, budget monitoring and making decisions about the direction of the Trust. They monitor senior staffing appointments as well as monitoring standards and performance.

The strategic Senior Leadership Team consists of a part-time Executive Headteacher, a part-time Headteacher/Teacher, Deputy Head Teacher/Teacher, and Operations Manager. They lead and manage the Trust in line with strategic plans the key priorities in the school development plan. They are also responsible for the day to day operation of the Academy in addition to supporting the wider work and objectives of the Trust.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy has adopted Pay Policy Model A from Sunderland Local Authority. This policy sets out the school's principles and arrangements for making decisions on teachers' pay. It has been developed to comply with current legislation and the requirements of the current School Teachers' Pay and Conditions Document (STPCD). The policy covers all areas where schools have discretion within the STPCD to make decisions. It is not intended to be a duplication of the areas of the STPCD where schools have no discretion and should therefore be used in conjunction with the STPCD to ensure full compliance.

The Governing Body has developed this policy with the objective of recruiting, retaining and motivating all teachers to ensure the best educational opportunities for pupils at the school. Pay decisions at this school are made by the Personnel Committee of Holley Park Academy.

Trade union facility time

No employee time has been spent on trade union activities.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Related Parties and Other Connected Charities and Organisations

Members, Trustees and Governors are required to declare any business interests that may impact on the Academy. The adopted policy is that if interests are declared then the Member, Trustee or Governor will remove themselves from the relevant decision-making process.

During the year ending 31st August 2020, the Academy continued to maintain established relationships with other schools. We work in partnership with Oxclose Community Academy for the smooth transition of our pupils from KS2 to KS3 and support in our PE and Sport activities.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and activity of the charitable company is the operation of Acer Learning Trust to provide education for pupils of different abilities between the ages 3-11 years in school. Acer Learning Trust is dedicated to continually improving the quality of the educational provision for all of our pupils, so that they may achieve their full potential and leave this school prepared for the demands of society in their future.

Academy aims:

To Manage and recover from COVID-19.

Quality of Education : To produce and deliver an effective and relevant recovery curriculum across the school to show progression of skills, knowledge and understanding. For staff to have the skills and knowledge they need to deliver consistently outstanding, exciting, clear and relevant lessons to enthuse, motivate and challenge all pupils.

Behaviour and Attitudes : To continue to develop and enhance the whole school ethos of positive learning and positive behaviours which creates a culture of good manners and mutual respect.

Personal Development : To ensure that the curriculum extends beyond the academic learning and that it takes into account pupils' interests and talents and enables them to experience a broader curriculum.

Grow and Develop Leadership & Management : To provide clear, ambitious plans for a high-quality academies with shared visions, values, policies and practice.

Early Years Education : Ensure that our practice in EYFS is of the highest quality, resulting in significant positive impact upon pupils learning, progress and attainment.

Developing Strong Governance : To ensure that the Trust Board and Local Governing Board have a balanced, challenge and support to Senior Leaders and hold the Trust to account.

Members, Trustees, Local Governors, staff, parents and pupils aim to work together to ensure the vision is realised through robust planning, organisation, implementation, analysis and self-evaluation.

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Trustees Report for the Year Ended 31 August 2020 (continued)

Objectives, Strategies and Activities

As an Academy Trust, we ensure we comply with statutory and legal obligations as well as the funding arrangements which we have in place. The Trustees along with the Executive Headteacher and Strategic Senior Leaders have developed a School Development Plan setting out our objectives and strategies to ensure the educational excellence for all of the children who attend Holley Park Academy. In setting objectives and planning our activities the Trustees have given careful consideration to the charity commission's general guidance and public benefit.

Our school aims to continually encourage and develop working relationships between home, school and the local community. Holley Park Academy is a non-selective school welcoming pupils of all abilities offering them a broad and balanced curriculum. Pupils that attend Holley Park Academy mainly live in the Ayton, Lambton and Oxclose areas of Washington, however a number of children travel longer distances to attend Holley Park Academy.

The Main Objectives of the academy during the financial year ended 31st August 2020 are summarised below:

- Develop our own curriculum, structured so that skills and knowledge are built on from Early Years to Key Stage One and through to Key Stage Two. This is to prepare our pupils for opportunities, responsibilities, and experiences in the future.
- Encourage our own Holley Park Academy Skills of The Five R's: Resilience, Relationships, Reflectiveness, Resourceful and Risk Taking. These are important skills to teach our pupils HOW to learn.
- Actively promote British Values to ensure pupils are well prepared for life in modern Britain.
- Maintain extensive, well-resourced grounds to enable our pupils to have outdoor learning opportunities offered as part of everyday learning.
- Provide equal opportunities for all pupils.
- Provide teaching and learning of the highest quality.
- Differentiate learning to take account of the needs of each individual.
- Support pupils' physical, moral, cultural, emotional, spiritual and social needs.
- Keep all pupils safe from physical and emotional harm.
- Provide a broad, balanced and relevant curriculum that prepares pupils for modern life.
- Enrich pupils' learning through external visits and experiences, including residential.
- Embrace the community and make all stakeholders part of the school's success.
- Create a friendly, happy atmosphere where exemplary behaviour is the norm and positive attitudes to learning are encouraged.
- Achieve **Equality of Quality** for all.

Public Benefit

The Trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Academy and in planning future activities. In particular, the Trustees consider the provision of education to provide public benefit to the community in which it operates.

Acer Learning Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

STRATEGIC REPORT

Achievements and Performance

Objectives achieved 2019-2020:

- The Academy has continued to raise attainment for all children by continuing to improve and maintain the quality of teaching and learning.
The Academy has promoted teaching styles in order to develop a teaching for mastery approach which means acquiring a solid understanding of the curriculum being taught to enable staff to have fluency and depth of understanding. Staff attended CPD events including Mastery objectives and those working at greater depth.
- The Academy has worked to sustain and improve pupil progress and attainment in writing (to include spelling, grammar and punctuation) and Numeracy this has been achieved by subject leaders having a clear understanding of and high expectations for their subjects which are shared throughout the school.
- To develop and improve our outdoor curriculum so that we offer a rich and varied curriculum that enhances the learning experience for every child. The Academy creates outstanding behaviours with resilient learners who are able to succeed. All pupils are supported and encouraged to maintain excellent behaviour throughout the school day.
- To develop an online learning platform available to all to enable continuity of education when pupils cannot attend school.

Key Performance Indicators

- Current Ofsted grade of 'Good'.
- Maintain the good reputation that the Academy has in the local and wider community
- Good attendance exceeding the national average.
- Increase in pupil numbers in all Key Stages including EYFS.
- The Academy continues to be a popular first choice for parents. Trustees have taken the decision keep the PAN to 35 for September 2020 and continue to review annually.
- Good pupil progress maintained by all vulnerable groups.
- Effective use of Pupil Premium and other funding.
- Increased take up of extended provisions.
- All pupils have continued to follow the 5 R's (Resilience, Relationships, Reflection, Resourceful and Risk-taking) throughout the curriculum and in their attitude to learning.

Contextual Data

Holley Park Academy a primary academy with a nursery provision, educating pupils aged 3-11. The proportion of pupils who have special educational needs is below average. The proportion of disadvantaged pupils supported by the pupil premium grant is below average. Pupils attend the Reception class on a full-time basis and can attend Nursery class on a part-time basis. The nursery also offers 30 hours of flexible Nursery provision.

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Trustees Report for the Year Ended 31 August 2020 (continued)

Pupil Information - Progress and Attainment End of Year 2019 – Key Points

EYFS Good Level of Development

				Teacher Assessment	Teacher Assessment
	2016-2017	2017-18	2018-19	2019-20	Autumn 2020
School	70%	71%	76%	64%	52.5%
National	71%	72%	72%		

Key Stage 1 Attainment

					Teacher Assessment
		2016-2017	2017-18	2018-19	2019-20
Reading EXS	School	68%	79%	88%	84%
	National	76%	83%	82%	
Writing EXS	School	74%	70%	95%	84%
	National	68%	70%	69%	
Maths EXS	School	90%	79%	95%	91%
	National	68%	70%	76%	

Key Stage 2 Attainment

					Teacher Assessment
		2016-2017	2017-18	2018-19	2019-20
Reading EXS	School	84%	97%	80%	83%
	National	72%	75%	73%	
Writing EXS	School	84%	90%	91%	84%
	National	76%	78%	78%	
Maths EXS	School	90%	97%	100%	80%
	National	75%	75%	79%	
SPaG EXS	School	94%	97%	100%	87%
	National	77%	77%	78%	
RWM EXS	School	74%	90%	71%	77%
	National	61%	64%	65%	

A heavy focus on mental health and well-being for all staff and pupils. Staff will deliver a consistent range messages and support to deal with issues through meetings, class assemblies, PSHE, art and RE.

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Trustees Report for the Year Ended 31 August 2020 (continued)

All pupils have continued to follow the 5 R's (Resilience, Relationships, Reflection, Resourceful and Risk-taking) throughout the curriculum and in their attitude to learning. Pupils are showing a great interest in all of their learning and the discussions taking place throughout the school have been engaging and exciting.

Through learning walks observations have been made of positive relationships and learning behaviours and pupils and staff are demonstrating resilience and resourcefulness.

Key Strengths

- Standards on entry to year one are above average and by the end of year two they are above local & national in writing and maths and marginally below in reading
- Standards by the end of KS2 are above local and national in all subjects, including SPaG.
- Standards have been consistently high with school performing significantly above national and LEA averages.

Areas Currently Under Development:

- To continue to actively manage the implications of the forced closure due to COVID by effectively supporting pupils and staff physical and mental wellbeing.
- To build on and continue to assess the progress of pupils and staff wellbeing during the pandemic.
- To develop, manage and grow our remote learning offer to all pupils
- To continue to link to current School Development Plan priorities 2020-21 and Performance Management targets.
- Continue to use effective methods of school differentiation, lesson observations, and internal and external moderation.
- To continue to focus and develop a relevant, fit for purpose curriculum for all within the Ofsted framework.

Going Concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Accounting Policies in note1 to the financial statements.

Financial Review

The majority of the Trust's income for the period was obtained from either the ESFA (Education and Skills Funding Agency) or Local Authority as the commissioner of pupil places, the use of which is restricted for particular purposes. The grants and funding received from these bodies for the period and associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2020, total expenditure of the Academy was in excess of recurrent grant funding from the EFA together with other incoming resources.

As shown in the Statement of Financial Activities, income for the year ended 31 August 2020 totalled £1,340,000 and expenditure totalled £1,496,000, leaving a deficit of £156,000.

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Trustees Report for the Year Ended 31 August 2020 (continued)

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £654,000 which has been carried forward to 2020/2021. It should be noted that this does not present a liquidity problem for the Trust and that the Trust is reviewing contributions to the pension scheme in order to see a reduction to the pension scheme in future years.

In 2019/20, the governing body of the Academy has adopted the following policies relating to Financial management: -

- Terms of Reference – Financial Management
- Financial Procedures Manual
- Articles of Association
- Funding Agreement
- Academy Financial Handbook

Reserves Policy

The Trustees recognise the need for the Academy to build up reserve and a policy has been formalised. This is reviewed annually although this policy is not regarded as a static policy as future plans need to be considered when setting the Academy's budget to review income and expenditure. Consideration should be given to any uncertainty over future income or the risk of unexpected events. The Academy, should consider future plans or capital projects when other spending needs might be identified that cannot be met from the income of a single year's budget alone. The minimum level of reserves for the ongoing needs of the Academy will therefore be reviewed at least annually as part of the Academy's planning processes.

The Academy holds both restricted and unrestricted funds. Unrestricted funds are held

- To provide funds which can be designated to specific areas as identified by the Academy Trust's improvement plan which is updated and reviewed on a regular basis
- To cover ongoing costs in relation to the running of the Academy Trust including catering provisions, trips/events and act as a contingency for other unforeseen costs

The level of reserves will be monitored through the review of monthly management accounts and as part of the normal monitoring and budgetary reporting processes to identify when reserve levels rise or fall. Reasoning and any corrective action, if any, that needs to be taken will be recorded and shared.

The funding received in any one year should be used to educate the children on roll. We also wish to ensure the stability of our organisational operations so that reserve levels should enable us to react quickly to changes in financial circumstances, for example, large, unplanned expenditure or a reduction in income as experienced because of COVID. Our previous plans were to gradually increase reserves to cover those eventualities. We are proposing that we aim to follow the plan.

2020-21: To maintain and build on the reserves plans. This will enable us to meet any urgent unforeseen expenditure, as mentioned above, and to grow our Multi Academy Trust.

The Academy are mindful of the budget restraints and uncertainty of the current climate and will continue to review the reserves policy.

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Trustees Report for the Year Ended 31 August 2020 (continued)

Unrestricted funds can be spent on any purpose at the discretion of the Trustees, within the objects of the Academy as set out in its governing documents. These funds are generated from activities including income from school meals, breakfast and after school clubs.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund and therefore the pension liability has been aligned with this fund.

Investment Policy

Under the Memorandum and Articles of Association, the Academy has the power to deposit or invest funds not immediately required for its own purposes, in any way the Trustees see fit. The Trust currently operates interest bearing bank accounts but at present does not have any funds invested.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are as follows:

- Failing to maintain the current Ofsted grade of 'Good'.
- Maintaining pupil numbers.
Financial - the Academy has considerable reliance on continued Government funding through ESFA and additional funding generated by school activities such as extended school clubs and school meals.
- Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards.
- Staffing – to achieve its objectives the Academy is reliant on the quality of its staff.
Leadership and Management – Strategies to develop senior and middle leadership are in place. The development of leadership capacity within the Academy will ensure that the outcomes for pupils and school improvement .
- Trustees are required to undertake a skills audit annually to ensure they have the qualities and skills required to perform their duties.

Fundraising

The Academy Trust does not work with commercial participators or professional fundraisers, and fundraising is not undertaken amongst members of the general public unconnected with the Academy Trust. The Academy Trust fundraisers locally through events. There is no use of intrusive or persistent fundraising approaches and no undue pressure to donate.

Plans for Future Periods

Key priorities for improvement are to continue at pace and include,

- To continue to actively manage the implications of the forced closure due to COVID by effectively supporting pupils and staff physical and mental wellbeing.
- To build working relationships to work in partnership with other schools to develop and grow Acer Learning Trust
- To develop, manage and grow our remote learning offer to all pupils

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Trustees Report for the Year Ended 31 August 2020 (continued)

- To raise standards in writing through rigorous teaching of spelling, punctuation and grammar, developing positive attitudes towards learning and encouraging all pupils to take ownership of their own learning
- To develop the of leadership and management across the whole school through CPD and peer to peer work
- To continue with CPD to develop and improve skills to increase capacity to support the educational opportunities on offer to our pupils
- To provide a high-quality learning provision and environment to accommodate the pupil numbers at Holley Park Academy

Funds Held as Custodian on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 26/01/2021, and signed on its behalf by:



D Dent
Trustee



S Richards
Trustee

Acer Learning Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Acer Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the period. Attendance during the year at meetings of the Board of Trustees was as follows (including extra ordinary meetings):

Trustee	Meetings Attended	Out of a Possible
Mr D Dent	6	6
Ms G Wood	6	6
Mrs S Richards	6	6
Mr G Cue	3	6
Mr R Chamberlain	3	6
Mrs V Brown Resigned October 2019	0	1
Dr D Haw (Member)	5	5
Dr W Snaith (Member)	5	5
Mr D Green (Member)	0	5

The Trust Board met 6 times over the academic year 2019-2020. Trustees have a varied expertise of professional qualities. The meetings are held and clerked by a trained professional clerk and accurate minutes retained. The Board receives relevant information on all aspects of school attainment, business and financial performance data using headline information and clear consistent financial reports and management accounts taken from the finance system. The Executive Headteacher and Operations Manager prepare and present reports which are compliant with statutory requirements and the Academies Financial Handbook. The Board have challenged the validity and source of data included in these reports.

Acer Learning Trust

Governance Statement (continued)

The Finance, Audit and Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Trust by enabling more efficient and effective use of resources whilst seeking ways to ensure an outstanding and sustainable provision is maintained. Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
Mr D Dent	6	6
Ms G Wood	6	6
Mrs S Richards	6	6
Mr G Cue	3	6
Mr R Chamberlain	3	6

Review of Value for Money

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

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

Improving Educational Results and Opportunities

- At the beginning of the academic year targeted small group interventions were delivered in
 - Key Stage 1 and Key Stage 2 to pupils identified through tracking as requiring additional support.
 - Use of Pupil Premium enabled additional interventions to take place for these pupils.
- A nurture group for vulnerable children or children identified by teachers as who would benefit from this type of work was launched and is delivered over lunchtimes. This has built confidence to children, working in a slightly less formal setting than a classroom environment to increase their self-esteem.
- Best value is sought when purchasing resources, staff with financial responsibilities ensure purchases are fit for purpose are in line with school priorities
- Remote Learning was implemented in March 2020 to continue deliver education to pupils through online learning platforms.

The Purpose of the System of Internal Control

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

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Governance Statement (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit and Operations Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- review of suppliers to achieve best value i.e cleaning contract
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and agreed to appoint JGT Internal Audit to undertake checks to ensure financial compliance. Further support has been received from an independent Accountancy firm.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of cash banking and income;

On an annual basis, the auditor reports to the board of trustees, through the Finance, Audit and Operations Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor

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Governance Statement (continued)

- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 26/01/2021 and signed on its behalf by:



.....
D Dent
Trustee



.....
S Richards
Accounting officer
Trustee

Acer Learning Trust

Statement on Regularity, Propriety and Compliance

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

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

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



.....
S Richards, Executive Headteacher/CEO
Accounting officer

Date: 26/01/2021

Acer Learning Trust

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 26/01/2021.. and signed on its behalf by:



.....
D Dent
Trustee

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the academy incurred a net deficit movement on funds of £176,000 during the year ended 31 August 2020. After adjusting for capital movements of £32,000, the actuarial impact of FRS 102 S28 pension adjustment of £20,000 and the expenditure impact of FRS 102 S28 pension adjustment of £68,000, the academy generated an operational deficit of £56,000. As at the year end 31 August 2020, the academy's current assets exceeded its current liabilities by £13,000. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Acer Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Acer Learning Trust (continued)

Use of our report

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



.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 28th January 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

Independent Reporting Accountant's Report on Regularity to Acer Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acer Learning Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

Acer Learning Trust

Independent Reporting Accountant's Report on Regularity to Acer Learning Trust and the Education and Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

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

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



.....
MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 28th January 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Acer Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Donations and capital grants	2	4	7	7	18
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,255	-	1,255
Other trading activities	4	67	-	-	67
Total		71	1,262	7	1,340
Expenditure on:					
Raising funds	5	68	-	-	68
<i>Charitable activities:</i>					
Academy trust educational operations	6	5	1,384	39	1,428
Total		73	1,384	39	1,496
Net expenditure		(2)	(122)	(32)	(156)
Transfers between funds		(10)	10	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(20)	-	(20)
Net movement in deficit		(12)	(132)	(32)	(176)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		12	(509)	1,854	1,357
Total (deficit)/funds carried forward at 31 August 2020		-	(641)	1,822	1,181

Acer Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Donations and capital grants	2	18	3	19	40
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,153	-	1,153
Other trading activities	4	79	-	-	79
Total		97	1,156	19	1,272
Expenditure on:					
Raising funds	5	62	-	-	62
<i>Charitable activities:</i>					
Academy trust educational operations	6	4	1,270	38	1,312
Total		66	1,270	38	1,374
Net income/(expenditure)		31	(114)	(19)	(102)
Transfers between funds		(39)	39	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(214)	-	(214)
Net movement in deficit		(8)	(289)	(19)	(316)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		20	(220)	1,873	1,673
Total funds/(deficit) carried forward at 31 August 2019		12	(509)	1,854	1,357

Acer Learning Trust

(Registration number: 08158718)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	10	1,822	1,848
Current assets			
Debtors	11	39	36
Cash at bank and in hand		<u>116</u>	<u>272</u>
		155	308
Creditors: Amounts falling due within one year	12	<u>(142)</u>	<u>(233)</u>
Net current assets		<u>13</u>	<u>75</u>
Total assets less current liabilities		<u>1,835</u>	<u>1,923</u>
Net assets excluding pension liability		1,835	1,923
Pension scheme liability	21	<u>(654)</u>	<u>(566)</u>
Net assets including pension liability		<u>1,181</u>	<u>1,357</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	13	13	57
Restricted fixed asset fund	13	1,822	1,854
Restricted pension fund	13	<u>(654)</u>	<u>(566)</u>
		1,181	1,345
Unrestricted funds			
Unrestricted income fund	13	<u>-</u>	<u>12</u>
Total funds		<u>1,181</u>	<u>1,357</u>

The financial statements on pages 23 to 47 were approved by the trustees, and authorised for issue on 26/01/2021, and signed on their behalf by:



.....
D Dent
Trustee

Acer Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	(150)	80
Cash flows from investing activities	17	<u>(6)</u>	<u>6</u>
Change in cash and cash equivalents in the year		(156)	86
Cash and cash equivalents at 1 September		<u>272</u>	<u>186</u>
Cash and cash equivalents at 31 August	18	<u><u>116</u></u>	<u><u>272</u></u>

Acer Learning Trust

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

1 Accounting policies

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

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements. The governors are of the view that the Academy has sufficient resources to continue in operational existence for the foreseeable future and thus they have continued to adopt the going concern basis of accounting in preparing the financial statements.

As a result of the Global Pandemic, caused by COVID-19 and other unexpected in year expenses, Trustees saw a reduction in additional income and an increase in spending. Considering these events, the Academy incurred net expenditure of £156,000, after adjusting for depreciation, capital income and the impact of FRS 102 S28 pension adjustment the operational deficit is £56,000; resulting in funds (excluding the pension deficit and fixed asset fund) of £13,000. The net current assets as at 31 August 2020 are £13,000 and cash balances are £116,000.

The budget forecasts have been updated to factor in the expected levels of income confirmed by 20/21 allocations and considered predictions for other funding streams. The National Funding formula has been taken into consideration for 21/22 assuming pupil numbers on roll. The expenditure has considered a 2% inflator across spending. Some savings have been made on spending on services purchased by the Trust.

The draft financial forecast to 31 August 2021 prepared by the academy trust shows that a combination of cost cutting exercises from 1 September 2020 will result in the commencement of recovery of cumulative deficits to date and the ability to continue to meet liabilities as they fall due.

In making this assessment over going concern the governors acknowledge that there is a material uncertainty in relation to available cash balances in the period to December 2021, linking to forecast assumptions, a lack of available external funding and the low level of bank balances. Assumptions regarding quantum and timing have been made regarding non-core income levels, non-staff expenditure and supply staff costs. Additionally, it has been assumed that suppliers will continue to allow extended credit terms. Should these assumptions prove to be invalid then there is a risk regarding available cash balances with which to make required payments to staff and key suppliers as these payments become due.

Acer Learning Trust

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

1 Accounting policies (continued)

Income

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

Grants receivable

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

Acer Learning Trust

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

1 Accounting policies (continued)

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Acer Learning Trust

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

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Leasehold land & buildings	125 years straight line
Leasehold extension	50 years straight line
Leasehold improvements	15 years straight line
Furniture and equipment	4 years straight line
Computer equipment	3 years straight line

Liabilities

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

Provisions

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

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

Acer Learning Trust

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

1 Accounting policies (continued)

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 academy 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 11. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Acer Learning Trust

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

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

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.

Acer Learning Trust

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

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £39,000 (2019 - £38,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

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

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Educational trips and visits	4	-	-	4	18
Capital grants	-	-	7	7	19
Other donations	-	7	-	7	3
	<u>4</u>	<u>7</u>	<u>7</u>	<u>18</u>	<u>40</u>

Acer Learning Trust

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

2 Donations and capital grants (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000
Total 2019	18	3	19	40

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	938	-	938	948
Other ESFA Group grants	-	158	-	158	117
	-	1,096	-	1,096	1,065
Other government grants					
Local authority grants	-	147	-	147	83
Other Government grants	-	3	-	3	5
	-	150	-	150	88
Exceptional government funding					
Coronavirus exceptional support	-	9	-	9	-
	-	9	-	9	-
Total grants	-	1,255	-	1,255	1,153
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	-	1,153	-	1,153	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £9,330 of additional costs. These costs are included in notes 7 and 9 below as appropriate.

Acer Learning Trust

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

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Hire of facilities	2	-	-	2	2
Catering income	29	-	-	29	36
Other sales	9	-	-	9	7
Breakfast club	27	-	-	27	34
	<u>67</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>79</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>79</u>	<u>-</u>	<u>-</u>	<u>79</u>	

5 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	68	-	-	68	62
Academy's educational operations					
Direct costs	817	-	62	879	773
Allocated support costs	298	132	119	549	539
	<u>1,183</u>	<u>132</u>	<u>181</u>	<u>1,496</u>	<u>1,374</u>
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2019 £ 000	
Total 2019	<u>1,065</u>	<u>116</u>	<u>193</u>	<u>1,374</u>	

Acer Learning Trust

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

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	4	6
Depreciation	39	38
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	2	2

6 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	879	773
Support costs - educational operations	549	539
	1,428	1,312

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	298	298	306
Depreciation	39	39	38
Technology costs	-	-	3
Premises costs	93	93	78
Legal costs	10	10	19
Other support costs	84	84	70
Governance costs	25	25	25
Total support costs	549	549	539

7 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	860	764
Social security costs	68	68
Operating costs of defined benefit pension schemes	246	213
	1,174	1,045
Supply Teachers	1	20
Staff restructuring costs	8	-
	1,183	1,065

Acer Learning Trust

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

7 Staff (continued)

	2020 £ 000	2019 £ 000
Staff restructuring costs comprise:		
Severance payments	8	-

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers	12	11
Administration and support	15	17
Management	4	1
	31	29

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £282,706 (2019 - £295,836).

8 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

S Richards (Head teacher and trustee):

Remuneration: £50,000 - £55,000 (2019 - £45,000 - £50,000)

Employer's pension contributions: £10,000 - £15,000 (2019 - £5,000 - £10,000)

G Wood (Staff trustee):

Remuneration: £45,000 - £50,000 (2019 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 22.

Acer Learning Trust

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

9 Trustees' and officers' insurance

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

10 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2019	1,954	86	43	2,083
Additions	6	3	4	13
At 31 August 2020	1,960	89	47	2,096
Depreciation				
At 1 September 2019	132	65	38	235
Charge for the year	22	12	5	39
At 31 August 2020	154	77	43	274
Net book value				
At 31 August 2020	1,806	12	4	1,822
At 31 August 2019	1,822	21	5	1,848

Land & buildings owned by the Local Authority are leased to the Academy Trust on a 125 year lease. In accordance with recommended accounting practice, the Academy Trust has recognised the value of the land & buildings in the balance sheet and charges depreciation on it over the life of the lease.

Land & buildings are included on the Balance Sheet at a depreciated replacement cost as recommended by the Education and Skills Funding Agency. A valuation was undertaken by Mouchel, as commissioned by the Education Funding Agency, on 31 March 2013 when land and buildings were valued at £1,732,000.

Acer Learning Trust

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

11 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	-	1
VAT recoverable	2	12
Prepayments and accrued income	37	23
	<u>39</u>	<u>36</u>

12 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	103	201
Accruals	17	8
Deferred income	22	24
	<u>142</u>	<u>233</u>

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	24	29
Resources deferred in the period	(24)	(29)
Amounts released from previous periods	22	24
Deferred income at 31 August 2020	<u>22</u>	<u>24</u>

At the balance sheet date the Trust was holding funds received in advance in respect of Universal Free School Meals.

Acer Learning Trust

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

13 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	939	(993)	10	(44)
Pupil Premium	-	31	(31)	-	-
Other DfE/ESFA	57	286	(286)	-	57
Other grants	-	6	(6)	-	-
	<u>57</u>	<u>1,262</u>	<u>(1,316)</u>	<u>10</u>	<u>13</u>
Restricted fixed asset funds					
Transfer on conversion	1,645	-	(12)	-	1,633
DfE/EFA capital grants	13	7	(5)	(9)	6
Capital expenditure from GAG	<u>196</u>	<u>-</u>	<u>(22)</u>	<u>9</u>	<u>183</u>
	1,854	7	(39)	-	1,822
Restricted pension funds					
Pension reserve	<u>(566)</u>	<u>-</u>	<u>(68)</u>	<u>(20)</u>	<u>(654)</u>
Total restricted funds	1,345	1,269	(1,423)	(10)	1,181
Unrestricted funds					
Unrestricted funds	<u>12</u>	<u>70</u>	<u>(72)</u>	<u>(10)</u>	<u>-</u>
Total funds	<u>1,357</u>	<u>1,339</u>	<u>(1,495)</u>	<u>(20)</u>	<u>1,181</u>

Acer Learning Trust

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

13 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	948	(987)	39	-
Pupil Premium	-	32	(32)	-	-
Other DfE/ESFA	57	173	(173)	-	57
Other grants	-	3	(3)	-	-
	<u>57</u>	<u>1,156</u>	<u>(1,195)</u>	<u>39</u>	<u>57</u>
Restricted fixed asset funds					
Transfer on conversion	1,657	-	(12)	-	1,645
DfE/EFA capital grants	191	19	(5)	(192)	13
Capital expenditure from GAG	<u>25</u>	<u>-</u>	<u>(21)</u>	<u>192</u>	<u>196</u>
	<u>1,873</u>	<u>19</u>	<u>(38)</u>	<u>-</u>	<u>1,854</u>
Restricted pension funds					
Pension reserve	<u>(277)</u>	<u>-</u>	<u>(75)</u>	<u>(214)</u>	<u>(566)</u>
Total restricted funds	<u>1,653</u>	<u>1,175</u>	<u>(1,308)</u>	<u>(175)</u>	<u>1,345</u>
Unrestricted funds					
Unrestricted funds	<u>20</u>	<u>97</u>	<u>(66)</u>	<u>(39)</u>	<u>12</u>
Total funds	<u><u>1,673</u></u>	<u><u>1,272</u></u>	<u><u>(1,374)</u></u>	<u><u>(214)</u></u>	<u><u>1,357</u></u>

Acer Learning Trust

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

13 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants and staff development grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy Trust.

14 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total funds £ 000
Tangible assets	-	-	1,822	1,822
Current assets	-	155	-	155
Current liabilities	-	(142)	-	(142)
Pension scheme liability	-	(654)	-	(654)
	-	(641)	1,822	1,181

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	1,848	1,848
Current assets	245	57	6	308
Current liabilities	(233)	-	-	(233)
Pension scheme liability	-	(566)	-	(566)
Total net assets	12	(509)	1,854	1,357

Acer Learning Trust

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

15 Commitments under operating leases

Operating leases

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

	2020 £ 000	2019 £ 000
Amounts due within one year	2	4
Amounts due between one and five years	-	2
	<u>2</u>	<u>6</u>

16 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

		2020 £ 000	2019 £ 000
Net expenditure		(156)	(102)
Depreciation	5	39	38
Capital grants from DfE and other capital income		(7)	(19)
Defined benefit pension scheme cost less contributions payable	21	58	69
Defined benefit pension scheme finance cost	21	10	6
(Increase)/decrease in debtors		(3)	6
(Decrease)/increase in creditors		(91)	82
Net cash (used in)/provided by Operating Activities		<u>(150)</u>	<u>80</u>

17 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Purchase of tangible fixed assets	(13)	(13)
Capital funding received from sponsors and others	7	19
Net cash (used in)/provided by investing activities	<u>(6)</u>	<u>6</u>

18 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	116	272
Total cash and cash equivalents	<u>116</u>	<u>272</u>

Acer Learning Trust

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

19 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	272	(156)	116
	-	-	-
Total	272	(156)	116

20 Members' liability

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

21 Pension and similar obligations

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

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

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

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.

The TPS is an unfunded scheme to which both 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.

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

21 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £122,275 (2019: £76,654).

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

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

Local government pension scheme

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 2020 was £80,000 (2019 - £85,000), of which employer's contributions totalled £63,000 (2019 - £68,000) and employees' contributions totalled £17,000 (2019 - £17,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by South Tyneside Council.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.70	3.50
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	<u>2.20</u>	<u>2.00</u>

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

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

21 Pension and similar obligations (continued)

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.80</u>	<u>26.90</u>
Sensitivity analysis		
	At 31 August 2020	At 31 August 2019
	£000	£000
Discount rate +0.1%	1,507	1,352
Discount rate -0.1%	1,595	1,432
Mortality assumption – 1 year increase	1,496	1,345
Mortality assumption – 1 year decrease	1,606	1,437
CPI rate +0.1%	1,587	1,413
CPI rate -0.1%	<u>1,514</u>	<u>1,370</u>

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

	2020	2019
	£ 000	£ 000
Equities	479	540
Property	82	71
Government bonds	22	34
Corporate bonds	205	94
Cash and other liquid assets	17	17
Other	<u>91</u>	<u>69</u>
Total market value of assets	<u>896</u>	<u>825</u>

The actual return on scheme assets was £4,000 (2019 - £49,000).

Amounts recognised in the statement of financial activities

	2020	2019
	£ 000	£ 000
Current service cost	121	137
Interest income	(16)	(21)
Interest cost	<u>26</u>	<u>27</u>
Total amount recognised in the SOFA	<u>131</u>	<u>143</u>

Acer Learning Trust

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

21 Pension and similar obligations (continued)

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

	2020	2019
	£ 000	£ 000
At start of period	1,391	972
Current service cost	121	96
Interest cost	26	27
Employee contributions	17	17
Actuarial (gain)/loss	8	242
Benefits paid	(13)	(4)
Past service cost	-	41
At 31 August	1,550	1,391

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

	2020	2019
	£ 000	£ 000
At start of period	825	695
Interest income	16	21
Actuarial gain/(loss)	(12)	28
Employer contributions	63	68
Employee contributions	17	17
Benefits paid	(13)	(4)
At 31 August	896	825

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Mrs J Chamberlain

(Mrs J Chamberlain is a related party by virtue of her husband, Mr R Chamberlain, being a Trustee of the Academy Trust)

During the year Mrs J Chamberlain was employed by the Academy Trust as a Teaching Assistant and was paid in line with the national pay scales.

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

At the balance sheet date the amount due to Mrs J Chamberlain was £Nil (2019 - £Nil).