

Company Registration No. 11281425 (England and Wales)

THE LEGACY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE LEGACY LEARNING TRUST

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THE LEGACY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

T Grieveson
R Broad
L Longstaff
M McTague
I Lone

Trustees

A Crawshaw (Accounting Officer)
C Jones (Chair)
L Longstaff
C McEwan (Resigned 12 March 2020)
M J Pout
S J Sarwar
N Worth
J A Park (Appointed 12 March 2020)
H U Rashid (Appointed 12 March 2020)

Senior management team

The Legacy Learning Trust

- CEO/Executive Headteacher	A Crawshaw
- DCEO/ Headteacher	S Lymer
- CFO/ Director of Corporate Services	N Flint

Acklam Grange School

- Headteacher	M Laidler
- Deputy Headteacher/ Director of Teaching School	J Tait
- Deputy Headteacher	L Gowland
- Deputy Headteacher	A Hassack
- Lead Assistant Headteacher	J Pacey
- Assistant Headteacher	C Beaumont
- Assistant Headteacher	P Flint
- Assistant Headteacher	S King
- Assistant Headteacher	A Gika
- Assistant Headteacher	D Kerr-Morgan
- Associate Assistant Headteacher	J Jones

Linthorpe Community Primary School

- Headteacher	S Lymer
- Deputy Headteacher	G Mitchell
- Assistant Headteacher	K McDonough
- Assistant Headteacher	N Wilkinson

Company secretary

P H Daniels

Company registration number

11281425 (England and Wales)

THE LEGACY LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Acklam Grange School
Lodore Grove
Acklam
Middlesbrough
TS5 8PB

Academies operated

Acklam Grange School
Linthorpe Community Primary School

Location

Acklam
Linthorpe

Principal

Mr M Laidler
Mrs S Lymer

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

Bankers

Lloyds Bank plc
83 Linthorpe Road
Middlesbrough
TS1 5BU

Solicitors

Browne Jacobson LLP
Manchester Office
Spinningfields
Manchester
M3 3EB

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust is a Multi-Academy trust (MAT) which during the period operated two schools; Acklam Grange Secondary School and Linthorpe Community Primary School, both serving the catchment of Middlesbrough. It has a capacity of:

Nursery	118
5-16	2,100

The roll in January 2020 census was:

Nursery	105
5-16	2,070

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as The Legacy Learning Trust (TLLT).

The trustees of The Legacy Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details in appendix 1.

Members' liability

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

Trustees' indemnities

Trustees are covered by the Education and Skills Funding Agency's Risk Protection Arrangements. As part of this scheme Trustees and Governors receive unlimited indemnity.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of trustees

Each Trustee's role is linked to a core strand of business e.g. primary/secondary education, finance/business, human resources, marketing/PR. Recruitment activity is driven by a recruitment and selection process which includes formation of role profiles and role specifications which are linked to required skill sets or areas of expertise need as laid out in the DfE Governance Competency Framework.

Positions or vacancies are advertised externally for example through the Academy Ambassadors programme. Applicants are required to submit their skills focussed CV and be interviewed by a selection panel. A competitive recruitment process helps to ensure that the strongest candidates are considered for vacant posts, with the intention of adding value to the skills of the Trust Board.

Subject to the Articles of Association, the constitution of the Trust Board is as follows:

- Up to 9 trustees appointed by ordinary resolution by Members
- The total number of Trustees including the Chief Executive Officer who are employees of the Trust shall not exceed one third of the total number of Trustees
- The Trust will ensure parent participation, utilising Parent Governors on our Local Councils
- We will ensure a minimum of two Parent Governors will sit on each Local Council, with suitable procedures in place for the conduct of Parent Governor elections.

Policies and procedures adopted for the induction and training of trustees

The Trust is provided with support from the Middlesbrough Governor Development Service through a Service Level Agreement. The provision of individual training for Trustees and members of the Local Council through an annual course directory which is reviewed annually to reflect any changes in practice and legislation. Training has also been provided by the Trust and by Baldwin's focussing on trustee induction, roles, responsibilities and financial duties.

Organisational structure

The trust's governance structure consists of three levels:

Members

Trustees with two committees – Standards and Resources, Employment and Finance

Local Councils of each academy

The Members have ultimate control over the Trust and are responsible for:

- Approving the Articles of Association
- Appointment and removal of Trustees
- Securing the highest standards of accountability from Trustees for the provision of all learners in the Multi Academy Trust (MAT)
- Appointment of the Trust's auditors and receipt of the trust's audited annual accounts.

The Trustees have overall responsibility for strategic planning and setting the Trust's policy as well as responsibility for all matters relating to finance and personnel matters. The Trustees have the power to direct change when required.

The Trust Board focuses its monitoring activity through two committees:

- Standards, focusing on matters relating to standards and quality of teaching and learning, personal development, welfare, behaviour including safeguarding.
- Resources, Employment and Finance, focusing on finance, resourcing and personnel matters.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Powers are delegated from the trust Board via a Scheme of delegation, which is reviewed annually.

The overall responsibility for holding school leaders to account and driving forward improvements in performance, attainment, progress in each academy/school is delegated to the Local Councils with their impact overseen and monitored and challenged by the Board of Trustees. Local Councils discharge their functions in line the Trust's Scheme of Delegation.

The Trustees are responsible for ensuring that the academy/school Local Councils fulfil their statutory obligations and principal aims and objectives, ensuring that procedures are in place to ensure regularity, propriety and value for money, setting general policy, adopting the Trust Development Plan and budget, monitoring use of budgets, external and internal review reports and enabling them to make major decisions about the direction of the Trust, capital expenditure and key Trust and Headteacher appointments.

The members of the Local Councils are responsible for adopting an annual School Development Plan, implementing policies laid down by the Board of Trustees. Through the Trust reporting mechanisms, the Trust Board will receive at least termly CEO/Headteacher reports and school dashboards on outcomes of work in each school/academy.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the CEO, Deputy CEO and CFO is decided by the Trust Board. The trust has delegated responsibility to Local Councils of each academy for all other staff, including senior leadership teams in each academy. Local councils make pay related decisions having regard to the national framework of School Teacher's Pay and Conditions Document and the Trust's Pay Policy which takes into account the extent to which staff have achieved their performance objectives.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period -

Full-time equivalent employee number -

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time -

Total pay bill -

Percentage of the total pay bill spent on facility time -

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours -

Related parties and other connected charities and organisations

The Trust is presently made up of two academies and does not work with any other organisation, but is developing links with other schools, academies, colleges and other businesses where these partnerships assist the Trust's objectives.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company, in accordance with the Articles of association is to advance for the public benefit education in the United Kingdom, offering a broad and balanced curriculum education for children of differing ages 5-16.

Vision of the Trust

Placing learners and learning at the heart of all that we do.

The Legacy Learning Trust (TLLT) is founded on firmly held beliefs that education and learning are about high expectation, high aspirations and opportunity regardless of background, where learners should be supported to achieve their very best in the classroom and are encouraged to develop as well rounded individuals who are well prepared for life in modern Britain.

The co-founders of TLLT are the schools of Acklam Grange School and Linthorpe Community Primary School. As two highly successful schools, who individually and more recently in collaboration, have improved outcomes for children, demonstrated financial efficiencies and provided exceptional professional development of staff, we want to secure this partnership and protect our schools going forward.

Guiding Principles of the Trust

- 1) Care for the individual
- 2) Striving for excellence
- 3) Celebration of difference
- 4) Development leaders at all levels
- 5) Upholding the Nolan Principles

Objectives, strategies and activities

Strategic Aims of the Trust

- 1) Develop and nurture outstanding leadership and management in and across The Legacy Learning Trust (KPI3)
- 2) Secure good or better teaching, learning and assessment (KPI2)
- 3) Foster excellent personal development, behaviour and welfare (KPI2)
- 4) Promote excellent spiritual, moral, social and cultural understanding (KPI2)
- 5) Improve and achieve excellent outcomes across each phase (KPI1)
- 6) Be a highly effective MAT with academies which run efficiently, which are well organised and value for money. (KPI4)

The Trust opened as a multi-academy trust on 1 July 2018, so has just put into place Trust Development Plan 2018-21 including an annual plan, which will be a standing item at Trust Board meetings and will be monitored regularly and reviewed annually.

Public benefit

Acklam Grange School is a Teaching School and in this capacity has been able to provide school to school support and extensive CPD opportunities locally and nationally. The Executive Headteacher/CEO is also a National Leader of Education and the Teaching School has a number of Specialist Leaders of Education.

Linthorpe Community Primary School provides school to school support through its creative partnerships strategy offering bespoke support to other schools locally and nationally.

Both schools have a strong community presence. Acklam Grange School offers a sport and leisure provision to its local community on evenings, weekends and during school holidays.

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

Summary of Trust Performance

At the Primary Phase, SATs and other assessments were suspended due to Covid 19 and at the Secondary Phase, results were awarded using Centre Assessment Grades or moderated grades, whichever were higher.

Much planning, preparation, strategic and operational focus and resources – human and financial have been directed towards ensuring that staff and pupils/students across the Trust are safe, guidelines have been followed and that both schools have opened to the required groups of children in the timescales set by government and are offering a broad and balanced curriculum with limitations on delivery, wider opportunities and type of activity in school and after school.

March to July 2020

Both schools remained open to the children of key workers and vulnerable children throughout March 2020 through to July 2020, with varying but increasing numbers per day. Both schools had a comprehensive rota system in place to ensure that the appropriate staff were in school, and are supported in terms of Child Protection, first aid and referral.

Wider opening – June 2020

Both schools undertook a thorough risk assessment using the TLLT Risk Assessment template, which was shared with trustees, with staff at each school, a copy sent to locally based unions and published on the TLLT website. Both schools worked in a clear, planned and focussed manner to prepare the site, staff, parents and ultimately the pupils/students for wider opening in a safe manner, following government guidance.

Linthorpe Community Primary School

LCPS opened more widely to nursery, Reception, Year 1 and Year 6 pupils on Monday 8 June 2020. The plans for safe return centred on creating small groups of pupils max 10 per group in a year group with a set number of staff assigned to them who remained with that group throughout. Each small group stayed together for lesson time, break time and lunch-time. Lunches were eaten in the classroom, break-times were staggered, equipment was kept to a minimum and extra cleaning and hygiene regimes were in place to minimise movement and potential transmission of infection. Parental pickups and drop off were managed and staggered.

Acklam Grange School

AGS opened more widely for Year 10 students on Monday 15 June 2020 and Year 9 a week later. Some face to face for Year 10 students and then Year 9 was undertaken over a two-week cycle, with support for on-line learning and one to ones to ascertain progress and set targets for learning, which were reviewed at the next session in school. The same teachers worked with the same group of up to 15 students, with adherence to a maximum of 25% of the student population in school at any given time.

September 2020

Primary Phase:

Linthorpe Community Primary School

Primary pupils returned to school at the beginning of September 2020 and have responded well to the new Covid secure arrangements, which are extensive and impact upon all year groups. Pupils are being taught in year group bubbles, with staggered starts, breaks, lunches and home times. Attendance at primary in September was 96.6% ahead of the national which has been stated at around 88%.

Linthorpe Community Primary School is delivering a specifically designed Bridging Curriculum to support pupils and focussed upon number, reading, vocabulary and understanding, oracy, mental and physical well-being. Initial age related assessments have been undertaken in each year group, in order to assess gaps, tailor intervention and benchmark progress over the coming months.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Secondary Phase:

Acklam Grange School

Students returned to school at the beginning of September 2020 and have responded well to the new Covid secure arrangements. Students are being taught in year group bubbles, with staggered breaks, lunches and home times. Attendance at secondary in September was 94.6% ahead of the national which has been stated at around 88%.

At Acklam Grange School, from March onwards, faculties have reviewed the Schemes of Learning and Progress in order to visit, at the beginning of the year, essential topics, content and skills which have not been in school taught in order to scaffold learning for the current year.

Remote Education and Catch-Up Funding

Both schools have focussed on ensuring that there is a good quality remote education for pupils/students and both schools have made comprehensive plans for use of catch-up funding that is available for each child within the schools.

Local Lockdown Plans

Both schools within the trust have put into place local lockdown plans based on guidance and a template for planning. The impact of local lockdown is more immediate and considerable upon secondary than primary, with the need to ensure that remote learning is available and planned for both phases.

Primary Phase:

Headlines 2020:

Unable to report

Secondary Phase:

Headlines 2020:

Centre Assessed Grades and no examinations

P8 (nat)	A8 (nat)	%E/M (nat)		Ebacc (nat)	
+0.7	5.1	9-4	9-5	9-4	9-5
		75	49	32	23

Performance against Targets for 2020

Whole School	2020 Target
Attainment 8	5.00
Progress 8	0.4
English & Maths 9-5	50
English 7 Maths 9-4	70%
Ebacc 9-4	30%
Ebacc 9-5	20%

	Exceeded target
	Met target
	Below target
	Significantly below target

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

Trust Key Performance Indicators 2020-21

KPI1 Learning Outcomes (LO):

Improve and achieve excellent outcomes across each phase

KPI 2 Quality of Education, Behaviour and Attitudes, Personal development, SMSC

Secure good or better quality of education including a rich, purposeful, broad and balanced curriculum

Foster excellent behaviour and attitudes

Promote excellent personal development and spiritual, moral, social and cultural understanding

KPI3 Leadership and Management (L&M):

Develop and nurture outstanding leadership and management in and across The Legacy Learning Trust

KPI4 Strategic management and growth:

Be a highly effective MAT with academies which run efficiently, which are well organised and value for money

Going concern

The board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The grants received from the ESFA and associated expenditure from 1 September 2019 to 31 August 2020 are shown as restricted funds in the Statement of Financial Activities.

All of the expenditure in the Statement of Financial Activities is in furtherance of the Trust's objectives.

During the twelve month period from 1 September 2019 to 31 August 2020, expenditure amounting to £13,158,304 was incurred or accrued. This was offset entirely by grants receivable from the ESFA and other funds.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned. These assets are used primarily for providing the Trust's educational operations and associated support to students.

Student numbers across the Trust continue to increase. Trustees expect student numbers to increase further linked to the growing reputation of our academies in the local community based on successful outcomes across all areas. Increased student numbers will secure increased funding in future years, but with an increasing pressure on expenditure, particularly in relation to pay budgets and the financial impact of Covid, Trustees prioritise strategic financial planning and multi-year budget planning across the Trust.

The Trust prides itself on offering a value for money educational provision, with all financial decisions made being based on this principle. Financial leadership at all levels is strong across the Trust. Trustees, local councils, executive and senior leadership teams, finance staff and budget holders all have a sound understanding of the value for money principles and how this translates to their role in school and their financial behaviour. There is a strong emphasis on the impact of spending on student outcomes through the Trust's reporting and accountability mechanisms and through strategic development planning and action planning. The Trust's Pupil Premium reports clearly demonstrate the impact of spending in this area on the outcomes of that specific cohort of students.

It should explain the impact (if any) of a material pension liability arising from obligations to a defined benefit pension scheme or asset on the financial position of the academy trust.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

Trustees review the level of Trust reserves termly and annually and have agreed that the Trust should aim to hold a prudent level of reserves designed to provide:

- sufficient working capital to cover delays between spending and receipt of grants
- a contingency fund for unexpected emergencies
- funding capacity for future estate maintenance and planned capital investment subject to conditions as set out by ESFA
- funding to cover any future liabilities as outlined in the Financial Statements.

Trustees agree that expenditure of Trust reserves is in line with the short and medium term Trust Development Plans that support academies in the Trust in raising standards.

As of 31 August 2020, the level of Trust reserves are £822,871, of which £62,175 is GAG and £760,696 is unrestricted. Net current assets as at 31 August 2020 were £893,684.

The Trustees believe that the level of reserves held by the Trust as at 31 August 2020 is sufficient to meet the Reserves Policy.

Investment policy

The Trust investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its objectives. Trustees agreed a policy for investment in which decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the CFO and taking into account a contingency fund which ensures that extra funds are available on a regular timely basis to deal with any unforeseen emergencies. The cash flow forecasts will take account of the annual budget and spending plans approved by the Governing Body and updated on a monthly basis.

Trustees have agreed to invest when they feel it is prudent to do so, based on the financial performance of each individual academy within the Trust and medium term financial plans. When an investment is made and funds come to maturity Trustees will then make the decision whether to re-invest or whether the funds will be required for urgent necessities or contingencies.

The Trust will not take out any long term deposits until reliable cash flow patterns have been established and medium term budget planning gives ongoing confidence in relation to cash flow and future funding. Monies will only be paid into term deposits not exceeding six months. Trustees have an approved investment policy.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The Trust has in place a risk management strategy and a risk register with the main items of risk being regularly reviewed. The CEO and CFO have lead responsibility for the risk management processes and risk register. The principal risks are as follows:

- 1a) Success/outcome rates drop
- 1b) Ofsted Inspection result of a school/academy in TLLT less than Grade 2, Good
- 2a) Quality of teaching and learning decreases
- 2b) Attendance decreases
- 2c) Exclusions increase
- 3a) TLLT does not have sufficient staff capacity and capability.
- 3b) Leadership/staff capacity compromised e.g. absence.
- 3c) Key management roles remain vacant
- 3d) TLLT unable to recruit sufficient trustees
- 4a) Deficit budget
- 4b) Serious safeguarding issue which is not dealt with effectively.
- 4c) Increase in accidents
- 4d) Compliance issues – GDPR, complaints
- 5a) Covid-19 pandemic – risk of transmission
- 5b) Covid-19 pandemic – severity of symptoms
- 5c) Covid-19 pandemic – risk of serious disease and death
- 5d) Covid-19 pandemic – financial risk

In addition, the Trust has a Financial Handbook in place which ensures that the systems are in place to enable sound financial management across the Trust. The Trust will have three internal assurance visits during the year carried out by the external auditor.

Fundraising

The Legacy Learning Trust approaches fundraising under the following categories:

- Student fundraising
- External grant finding
- Support/donations from local partners/ businesses/suppliers

Student fundraising is undertaken under the supervision of staff members. The beneficiary of the fundraising is always known in advance and is clearly communicated to those people who may contribute donations to raise funds. Fundraising activities are not intrusive or persistent and do not put any person under undue pressure to donate.

External grant finding is undertaken by selected staff who have appropriate training. Grant applications are completed according to the specifications and rules of the grant and are quality assured by the CFO or CEO. A log of applications made, their status and the result is kept for internal management purposes to ensure a co-ordinated and coherent approach to fundraising across the Trust.

Support/donations from local partners/businesses/suppliers is considered on a case by case basis. Any offers of donations or support are viewed alongside the Trust's gifts and hospitality policy before acceptance and appropriate records are maintained. Where the Trust has approached these groups for donations for specific projects, full details have been maintained and all appropriate interests are recorded.

THE LEGACY LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

In line with our aims and key objectives our plans for future periods are to:

- Continue to provide high quality, value for money education for all our students across the Trust
- Continually improve the quality of teaching, learning and assessment through for example, curriculum review and outstanding professional development
- Give high priority to PDBW and SMSC ensuring personal development for our students as well as academic achievement.
- Continue to offer exceptional school to school support through the AGS Teaching School and LCPS Creative Partnerships sharing our expertise in the interests of system leadership
- Action growth plans for the Trust as and when appropriate in the local and regional context.
- Re-align and refine growth plans in the national context, including the Covid-19 pandemic, which may slow progress in this area due to financial and human resource capacity.

Funds held as custodian trustee on behalf of others

The Trust holds no funds as Custodian Trustee on behalf of others.

Auditor

In so far 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.

A resolution proposing that Azets Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2020 and signed on its behalf by:

C Jones
Chair

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Legacy 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. As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Legacy 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 9* times during the twelve-month period. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A Crawshaw (Accounting Officer)	6	6
C Jones (Chair)	5	6
L Longstaff	6	6
C McEwan (Resigned 12 March 2020)	0	2
M J Pout	1	6
S J Sarwar	5	6
N Worth	3	6
J A Park (Appointed 12 March 2020)	4	5
H U Rashid (Appointed 12 March 2020)	4	5

The REF Committee has formally met once during the twelve-month period. Attendance during the year at REF Committee meetings was as follows:

Trustees	Meetings attended	Out of possible
A Crawshaw (Accounting Officer)	1	1
C Jones (Chair)	1	1
L Longstaff	1	1
C McEwan (Resigned 12 March 2020)	0	1
M J Pout	0	1
S J Sarwar	1	1
N Worth	0	1
J A Park (Appointed 12 March 2020)	0	0
H U Rashid (Appointed 12 March 2020)	0	0

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Standards Committee has formally met twice during the twelve-month period. Attendance during the year at Standards Committee meetings was as follows:

Trustees	Meetings attended	Out of possible
A Crawshaw (Accounting Officer)	2	2
C Jones (Chair)	2	2
L Longstaff	2	2
C McEwan (Resigned 12 March 2020)	0	2
M J Pout	1	2
S J Sarwar	2	2
N Worth	1	2
J A Park (Appointed 12 March 2020)	0	1
H U Rashid (Appointed 12 March 2020)	1	1

* In accordance with Government direction on restrictions imposed to manage Covid-19, the meeting schedule was amended and meetings were held remotely using the Zoom platform. Following school closures the committee meetings (REF and Standards) were combined and held as full Trust Board meetings.

The Trust Board has established a number of committees including the Resources, Employment and Finance Committee. The board of Trustees has reviewed and agreed key policies and documentation critical to the effective establishment of a Trust in the period from 1 September 2019 to 31 August 2020 including:

- Articles of association
- Scheme of Delegation
- Terms of Reference for Trust Committees and the Local Councils
- Due diligence process and procedure
- Review of individual school progress and results
- Review and monitoring of the Trust strategic planning, including vision and growth planning
- Finance Procedures for the Trust
- Approval of the 2020-21 annual budget

The Trust Board was established on 1 July 2018 and its major challenge, during the 2018-19 period, is to ensure that all processes and procedures are fully embedded, compliant and effective. During 2019-20 challenges included response to Covid-19.

Trustees have already undertaken training, and continue to work with the CEO, Deputy CEO and CFO to further develop and enhance quality of data and understanding of data.

A second review of governance was carried out in 2019/20, the impact and outcomes of which are that governors undertook a self and team review of their skills against the governance competency framework. This resulted in Trustees and Local Councils compiling their own development plan for the year ahead, which is reviewed regularly.

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

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

Covid-19 has brought significant challenge in this area with additional and unplanned spending to ensure that the academies in the Trust can provide a safe environment for staff and students at the various stages throughout the pandemic. At all times, best endeavours to ensure value for money have been sought and detailed records have been maintained. Work is ongoing in this area to try to minimise the negative financial effect of additional costs versus potential reimbursement although this is not fully within the Trust's control and is reliant on national policy.

The accounting officer considers how the academy 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:

- Sharing staffing skills and resources
- Re-negotiating a number of contracts on a trust wide basis
- An ongoing review of contracts and service level agreements
- Detailed planning for future central services to serve the whole Trust improving service quality and reducing cost.
- Trust wide consideration and implementation of Covid secure measures.

The impact on educational outcomes has been:

- Savings made have been reinvested into new strategies to improve student outcomes
- Established strategies, which are having a positive impact on student outcomes, can be continued, despite rising costs and funding challenges

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 The Legacy Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

The academy 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Azets Audit Services Limited as external auditor to carry out additional termly internal assurance reviews.

The external auditor's role includes performing a range of checks on the academy trust's financial systems as one of the options under the Academies Financial Handbook.

The auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees in the December meeting each year. This work began in 2018/19 as the Trust only formed in July 2018.

An internal assurance review was undertaken in spring 2020, which considered the following areas:

- Accounts and reconciliations
- Risk management
- Purchasing
- Payroll and expenses
- Bank accounts
- Corporate governance and regularity

THE LEGACY LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key risks were identified in the areas of accounts and reconciliations, payroll control accounts and corporate governance (reporting management accounts to governors and committees). These risks started to be addressed in the summer term 2020.

An internal assurance review was undertaken in summer 2020, which considered the following areas:

- Accounts and Reconciliations:
- Previous risks (Bank reconciliations, Monthly payroll control accounts, Monthly creditor and debtor aged listings, accruals accounting)
- Risk management
- Purchasing
- Payroll and expenses
- Corporate Governance

Key risks identified have either since been resolved or are being addressed in the autumn term 2020. Governors have been kept fully informed of all related issues.

Both of these reports were received in October/November 2020 and will therefore be reported to the Trust Board in the autumn term 2020.

The trust will appoint new internal auditors for 2020/21 to meet the new ethical requirements.

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 10 December 2020 and signed on its behalf by:

A Crawshaw
Accounting Officer

C Jones
Chair

THE LEGACY LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of The Legacy Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

A Crawshaw
Accounting Officer

10 December 2020

THE LEGACY LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of The Legacy Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 10 December 2020 and signed on its behalf by:

C Jones
Chair

THE LEGACY LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGACY LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of The Legacy Learning Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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 accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

THE LEGACY LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGACY LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

THE LEGACY LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEGACY LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

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Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

THE LEGACY LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education & 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 The Legacy 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.

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

Respective responsibilities of The Legacy Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Legacy Learning Trust's funding agreement with the Secretary of State for Education dated 28 March 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Azets Audit Services

Dated:

THE LEGACY LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	39,739	39,739	192,648
Charitable activities:						
- Funding for educational operations	4	53,457	12,767,518	-	12,820,975	12,020,407
- Funding for teaching schools	26	-	123,700	-	123,700	69,500
Other trading activities	5	179,235	-	-	179,235	614,732
Investments	6	1,789	-	-	1,789	612
Total		234,481	12,891,218	39,739	13,165,438	12,897,899
Expenditure on:						
Raising funds	7	220,592	-	-	220,592	585,893
Charitable activities:						
- Educational operations	9	53,910	13,364,102	745,064	14,163,076	13,088,420
- Teaching schools		-	123,700	-	123,700	69,500
Total	7	274,502	13,487,802	745,064	14,507,368	13,743,813
Net expenditure		(40,021)	(596,584)	(705,325)	(1,341,930)	(845,914)
Other recognised gains/(losses)						
Pension assets not recognised in prior year						401,000
Actuarial losses on defined benefit pension schemes	19	-	(3,615,000)	-	(3,615,000)	(1,475,000)
Net movement in funds		(40,021)	(4,211,584)	(705,325)	(4,956,930)	(1,919,914)
Reconciliation of funds						
Total funds brought forward		800,717	(1,397,241)	37,834,795	37,238,271	39,158,185
Total funds carried forward		760,696	(5,608,825)	37,129,470	32,281,341	37,238,271

THE LEGACY LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2019
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	849	54,759	137,040	192,648
Charitable activities:					
- Funding for educational operations	4	76,863	11,943,544	-	12,020,407
- Funding for teaching schools	26	-	69,500	-	69,500
Other trading activities	5	614,732	-	-	614,732
Investments	6	612	-	-	612
Total		693,056	12,067,803	137,040	12,897,899
Expenditure on:					
Raising funds	7	585,893	-	-	585,893
Charitable activities:					
- Educational operations	9	32,147	12,318,294	737,979	13,088,420
- Teaching schools		-	69,500	-	69,500
Total	7	618,040	12,387,794	737,979	13,743,813
Net income/(expenditure)		75,016	(319,991)	(600,939)	(845,914)
Transfers between funds	17	-	(3,250)	3,250	-
Other recognised gains/(losses)					
Pension assets not recognised in prior year			401,000		401,000
Actuarial losses on defined benefit pension schemes	19	-	(1,475,000)	-	(1,475,000)
Net movement in funds		75,016	(1,397,241)	(597,689)	(1,919,914)
Reconciliation of funds					
Total funds brought forward		725,701	-	38,432,484	39,158,185
Total funds carried forward		800,717	(1,397,241)	37,834,795	37,238,271

THE LEGACY LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		37,058,657		37,697,755
Current assets					
Debtors	14	1,012,206		1,280,510	
Cash at bank and in hand		578,264		402,460	
		<u>1,590,470</u>		<u>1,682,970</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(696,786)		(690,454)	
Net current assets			893,684		992,516
Net assets excluding pension liability			37,952,341		38,690,271
Defined benefit pension scheme liability	19		(5,671,000)		(1,452,000)
Total net assets			<u>32,281,341</u>		<u>37,238,271</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			37,129,470		37,834,795
- Restricted income funds			62,175		54,759
- Pension reserve			(5,671,000)		(1,452,000)
Total restricted funds			<u>31,520,645</u>		<u>36,437,554</u>
Unrestricted income funds	17		760,696		800,717
Total funds			<u>32,281,341</u>		<u>37,238,271</u>

The accounts on pages 25 to 49 were approved by the trustees and authorised for issue on 10 December 2020 and are signed on their behalf by:

C Jones
Chair

Company Number 11281425

THE LEGACY LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		240,242		(876,239)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,789		612	
Capital grants from DfE Group		39,739		137,040	
Purchase of tangible fixed assets		(105,966)		(3,250)	
Net cash (used in)/provided by investing activities			<u>(64,438)</u>		<u>134,402</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period			175,804		(741,837)
Cash and cash equivalents at beginning of the year			<u>402,460</u>		<u>1,144,297</u>
Cash and cash equivalents at end of the year			<u><u>578,264</u></u>		<u><u>402,460</u></u>

THE LEGACY 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.

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

Grants are included in the 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 period 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 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are 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.

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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 that require 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years
Motor vehicles	3 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Land and buildings have been valued by trustees on a depreciated replacement cost basis based on previous values provided by the local authority. Other assets transferred on conversion have been valued based on an estimated book value based on their original purchase cost.

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.

1.6 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 of services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 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. Prepayments are not financial instruments.

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. 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	39,739	39,739	137,040
Other donations	-	-	-	55,608
	<u>-</u>	<u>39,739</u>	<u>39,739</u>	<u>192,648</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	10,613,864	10,613,864	10,342,545
Other DfE group grants	-	1,540,320	1,540,320	1,165,916
	-	12,154,184	12,154,184	11,508,461
Other government grants				
Local authority grants	-	487,823	487,823	435,083
Exceptional government funding				
Coronavirus job retention scheme grant	-	14,189	14,189	-
Coronavirus exceptional support	-	111,322	111,322	-
	-	125,511	125,511	-
Other funding				
Teaching schools	-	123,700	123,700	69,500
Catering	35,569	-	35,569	63,257
Other incoming resources	17,888	-	17,888	13,606
	53,457	123,700	177,157	146,363
Total funding	53,457	12,765,707	12,819,164	12,089,907

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil Premium	887,309	886,939
Universal Free School Meals	84,437	64,493
PE Sports Grant	21,220	21,220
Teachers Pay and Pensions Grants	519,617	166,582
Year 7 Catch Up Grant	27,137	26,682
Phonics	600	-
	1,540,320	1,165,916

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 £111k of cleaning and other support costs. These costs are included in notes 7 and 9 below as appropriate.
- The academy furloughed some of its other staff under the government's CJRS. The funding received of £14k relates to staff costs in respect of staff which are included within note 10 below as appropriate.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	19,029	-	19,029	92,047
Catering income	285	-	285	550
School to school support	-	-	-	9,039
Parental contributions	34,208	-	34,208	30,019
Clubs income	-	-	-	66,519
Other income	125,713	-	125,713	416,558
	<u>179,235</u>	<u>-</u>	<u>179,235</u>	<u>614,732</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,789	-	1,789	612
	<u>1,789</u>	<u>-</u>	<u>1,789</u>	<u>612</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2020 £	Total 2019 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	178,483	-	42,109	220,592	585,893
Academy's educational operations					
- Direct costs	8,332,458	-	465,418	8,797,876	8,519,480
- Allocated support costs	2,709,507	1,691,676	964,017	5,365,200	4,568,940
Teaching schools					
- Direct costs	123,700	-	-	123,700	69,500
	<u>11,344,148</u>	<u>1,691,676</u>	<u>1,471,544</u>	<u>14,507,368</u>	<u>13,743,813</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	8,225	7,500
- Other services	7,150	7,550
Operating lease rentals	44,119	29,908
Depreciation of tangible fixed assets	745,064	737,979
Net interest on defined benefit pension liability	24,000	(17,000)
	<u>828,568</u>	<u>859,937</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

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

- leadership
- human resources;
- financial services;
- admissions appeals;
- marketing and design; and
- site team

Acklam Grange charges Linthorpe Community Primary School for these services as they are utilised. The charge in the year was £85,038.

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	17,888	8,779,988	8,797,876	8,519,480
Teaching schools	-	123,700	123,700	69,500
Support costs				
Educational operations	36,022	5,329,178	5,365,200	4,568,940
	<u>53,910</u>	<u>14,232,866</u>	<u>14,286,776</u>	<u>13,157,920</u>
		Educational operations £	Total 2020 £	Total 2019 £
Analysis of support costs				
Support staff costs		2,709,507	2,709,507	2,090,086
Depreciation		745,064	745,064	737,979
Technology costs		80,453	80,453	66,141
Premises costs		946,612	946,612	948,968
Legal costs		1,723	1,723	1,303
Other support costs		858,769	858,769	705,295
Governance costs		23,072	23,072	19,168
		<u>5,365,200</u>	<u>5,365,200</u>	<u>4,568,940</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	8,166,743	7,826,982
Social security costs	777,513	745,395
Pension costs	2,272,618	1,610,407
Staff costs - employees	11,216,874	10,182,784
Agency staff costs	112,669	137,989
Staff restructuring costs	14,605	34,908
	11,344,148	10,355,681
Staff development and other staff costs	11,932	43,877
Total staff expenditure	11,356,080	10,399,558

Staff restructuring costs comprise:

Redundancy payments	14,605	34,908
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Staff numbers

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

	2020 Number	2019 Number
Teachers	133	126
Administration and support	161	148
Management	19	15
	313	289

Higher paid staff

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

	2020 Number	2019 Number
£70,001 - £80,000	1	2
£80,001 - £90,000	2	2
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

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 and national insurance contributions) received by key management personnel for their services to the academy trust was £347,302 (2019: £315,398).

11 Trustees' remuneration and expenses

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

The value of trustees' remuneration and other benefits was as follows:

Mrs A Crawshaw (Accounting Officer)

Remuneration £120,001 - £125,000 (2019: £115,001 - £120,000)

Employer's pension contributions £25,001 - £30,000 (2019: £15,000 - £20,000)

During the year, travel and subsistence payments totalling £28 (2019: £397) were reimbursed or paid directly to 1 trustees (2019: 1 trustees).

The prior year figures relate to a two month period

12 Insurance for trustees and officers

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides 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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	38,442,505	43,530	48,640	22,714	38,557,389
Additions	75,022	16,944	14,000	-	105,966
At 31 August 2020	38,517,527	60,474	62,640	22,714	38,663,355
Depreciation					
At 1 September 2019	830,254	15,921	5,429	8,030	859,634
Charge for the year	712,566	19,202	5,796	7,500	745,064
At 31 August 2020	1,542,820	35,123	11,225	15,530	1,604,698
Net book value					
At 31 August 2020	36,974,707	25,351	51,415	7,184	37,058,657
At 31 August 2019	37,612,251	27,609	43,211	14,684	37,697,755

14 Debtors

	2020 £	2019 £
Trade debtors	34,551	70,743
VAT recoverable	573,294	472,829
Other debtors	-	4,569
Prepayments and accrued income	404,361	732,369
	1,012,206	1,280,510

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	223,488	163,799
Other taxation and social security	188,625	179,484
Other creditors	89	125,821
Accruals and deferred income	284,584	221,350
	696,786	690,454

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	41,756	76,248
Deferred income at 1 September 2019	76,248	31,000
Released from previous years	(76,248)	(31,000)
Resources deferred in the year	41,756	76,248
Deferred income at 31 August 2020	41,756	76,248

Deferred income consists of universal infant free school meals received in advance of the 2020/21 academic year.

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	10,613,864	(10,551,689)	-	62,175
Other DfE / ESFA grants	-	1,540,320	(1,540,320)	-	-
Other government grants	-	613,334	(613,334)	-	-
Teaching schools	-	123,700	(123,700)	-	-
Other restricted funds	54,759	-	(54,759)	-	-
Pension reserve	(1,452,000)	-	(604,000)	(3,615,000)	(5,671,000)
	(1,397,241)	12,891,218	(13,487,802)	(3,615,000)	(5,608,825)
Restricted fixed asset funds					
Inherited on conversion	37,658,598	-	(725,019)	-	36,933,579
DfE group capital grants	137,040	39,739	(5,413)	-	171,366
Capital expenditure from GAG	39,157	-	(14,632)	-	24,525
	37,834,795	39,739	(745,064)	-	37,129,470
Total restricted funds	36,437,554	12,930,957	(14,232,866)	(3,615,000)	31,520,645
Unrestricted funds					
General funds	800,717	234,481	(274,502)	-	760,696
Total funds	37,238,271	13,165,438	(14,507,368)	(3,615,000)	32,281,341

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants include phonics, teachers pay and pension grants, year 7 catch up grant, pupil premium, PE grant and universal infant free school meals grants received.

Other government grants include funding received for pupils with special educational needs, early years funding and pupil premium received from the local authority.

Teaching school income and expenditure is generated as a result of the academy trust's status as a teaching school.

The pension reserve reflects the LGPS transactions. 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 the LGPS, and the pension liability has therefore been aligned with these funds.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from the Local Authority on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

At 31 August 2020 the academy had restricted general and unrestricted funds of £822,871.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	10,342,545	(10,339,295)	(3,250)	-
Other DfE / ESFA grants	-	1,165,916	(1,165,916)	-	-
Other government grants	-	435,083	(435,083)	-	-
Teaching schools	-	69,500	(69,500)	-	-
Other restricted funds	-	54,759	-	-	54,759
Pension reserve	-	401,000	(378,000)	(1,475,000)	(1,452,000)
	-	12,468,803	(12,387,794)	(1,478,250)	(1,397,241)
Restricted fixed asset funds					
Transfer on conversion	38,382,481	-	(723,883)	-	37,658,598
DfE group capital grants	-	137,040	-	-	137,040
Capital expenditure from GAG	50,003	-	(14,096)	3,250	39,157
	38,432,484	137,040	(737,979)	3,250	37,834,795
Total restricted funds	38,432,484	12,605,843	(13,125,773)	(1,475,000)	36,437,554
Unrestricted funds					
General funds	725,701	693,056	(618,040)	-	800,717
Total funds	39,158,185	13,298,899	(13,743,813)	(1,475,000)	37,238,271

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Acklam Grange School	534,216	628,575
Linthorpe Community Primary School	288,655	226,901
Total before fixed assets fund and pension reserve	822,871	855,476
Restricted fixed asset fund	37,129,470	37,834,795
Pension reserve	(5,671,000)	(1,452,000)
Total funds	32,281,341	37,238,271

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Acklam Grange School	6,173,428	1,749,349	374,825	1,553,912	9,851,514	9,118,063
Linthorpe Community Primary School	2,461,213	380,158	78,661	386,758	3,306,790	3,509,771
	<u>8,634,641</u>	<u>2,129,507</u>	<u>453,486</u>	<u>1,940,670</u>	<u>13,158,304</u>	<u>12,627,834</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	37,058,657	37,058,657
Current assets	760,696	758,961	70,813	1,590,470
Creditors falling due within one year	-	(696,786)	-	(696,786)
Defined benefit pension liability	-	(5,671,000)	-	(5,671,000)
Total net assets	<u>760,696</u>	<u>(5,608,825)</u>	<u>37,129,470</u>	<u>32,281,341</u>
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	37,697,755	37,697,755
Current assets	842,194	703,736	137,040	1,682,970
Creditors falling due within one year	(41,477)	(648,977)	-	(690,454)
Defined benefit pension liability	-	(1,452,000)	-	(1,452,000)
Total net assets	<u>800,717</u>	<u>(1,397,241)</u>	<u>37,834,795</u>	<u>37,238,271</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 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 Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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 the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The 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 the TPS in the period amounted to £1,251,673 (2019: £820,798).

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.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	434,000	359,000
Employees' contributions	146,000	157,000
Total contributions	580,000	516,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.2	3.0
Rate of increase for pensions in payment/inflation	2.2	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.0

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	23.5	23.8
Retiring in 20 years		
- Males	23.2	23.6
- Females	25.3	25.7

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
	£	£
Discount rate + 0.1%	11,006,000	8,803,000
Discount rate - 0.1%	11,675,000	9,245,000
Mortality assumption + 1 year	10,927,000	8,719,000
Mortality assumption - 1 year	11,743,000	9,327,000
CPI rate + 0.1%	11,607,000	9,157,000
CPI rate - 0.1%	11,074,000	8,887,000

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

	2020	2019
	Fair value	Fair value
	£	£
Equities	4,304,640	5,782,716
Cash	657,024	961,263
Property	453,120	635,796
Other assets	249,216	189,225
Total market value of assets	5,664,000	7,569,000

The actual return on scheme assets was £(2,469,000) (2019: £262,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	1,014,000	594,000
Past service cost	-	160,000
Interest income	(149,000)	(198,000)
Interest cost	173,000	181,000
Total operating charge	1,038,000	737,000

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	9,021,000	-
Obligations acquired on conversion	-	6,402,000
Current service cost	1,014,000	594,000
Interest cost	173,000	181,000
Employee contributions	146,000	157,000
Actuarial loss	997,000	1,539,000
Benefits paid	(16,000)	(12,000)
Past service cost	-	160,000
	<u>11,335,000</u>	<u>9,021,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	7,569,000	-
Assets acquired on conversion	-	6,803,000
Interest income	149,000	198,000
Actuarial loss/(gain)	(2,618,000)	64,000
Employer contributions	434,000	359,000
Employee contributions	146,000	157,000
Benefits paid	(16,000)	(12,000)
	<u>5,664,000</u>	<u>7,569,000</u>
20 Reconciliation of net expenditure to net cash flow from operating activities	2020	2019
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(1,341,930)	(444,914)
Adjusted for:		
Net surplus on conversion to academy	-	(401,000)
Capital grants from DfE and other capital income	(39,739)	(137,040)
Investment income receivable	(1,789)	(612)
Defined benefit pension costs less contributions payable	580,000	395,000
Defined benefit pension scheme finance cost/(income)	24,000	(17,000)
Depreciation of tangible fixed assets	745,064	737,979
Decrease/(increase) in debtors	268,304	(763,524)
Increase/(decrease) in creditors	6,332	(245,128)
	<u>240,242</u>	<u>(876,239)</u>

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	402,460	175,804	578,264

22 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	28,742	34,472
Amounts due in two and five years	37,186	65,928
	<u>65,928</u>	<u>100,400</u>

23 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	18,727	72,620

24 Related party transactions

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

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

THE LEGACY LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Teaching schools trading account

	2020		2019	
	£	£	£	£
Direct income				
External funding		123,700		69,500
Direct costs				
Direct staff costs	123,700		69,500	
Total expenditure		(123,700)		(69,500)
Surplus from all sources		-		-
Teaching schools balances at 1 September 2019		-		-
Teaching schools balances at 31 August 2020		-		-