

SOUTH MANCHESTER LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

SOUTH MANCHESTER LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 10
Governance statement	11 – 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 – 21
Independent reporting accountant's report on regularity	22 – 23
Statement of financial activities including income and expenditure account	24 – 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 – 48

SOUTH MANCHESTER LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R J Aubrey S G Wildman J Brophy
Trustees	P Brooks (Chief Executive Officer and Accounting Officer) * P Dunham A Hewitt * M Kane M Stansfield * S G Wildman * members of the Finance, Premises and Audit Committee
Senior management team - Chief Executive Officer - Business and Finance Director	P Brooks D Taylor
Company secretary	D Taylor
Company name	South Manchester Learning Trust
Company registration number	08137701 (England and Wales)
Registered office	Green Lane, Timperley, Altrincham, Cheshire, WA15 8QW
Independent auditor	Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT
Bankers	Lloyds Bank Plc, 76 Stamford New Road, Altrincham, WA14 1BS

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report with the financial statements of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a trustees' report and directors' report under company law.

The academy trust became a multi academy trust and changed its name on 1 September 2017 to South Manchester Learning Trust. The trust has two academies: Altrincham College for pupils aged 11 to 18 serving a catchment area in Altrincham, Sale and the surrounding areas and Reddish Vale High School for pupils aged 11 to 16 serving the catchment area of Reddish.

The trust's principal activities are to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Structure, governance and management

Constitution

The academy trust was incorporated on 10 July 2012 as a company limited by guarantee with no share capital, registration no: 08137701. The company commenced operation as an academy on 1 September 2012 and became a multi academy trust on 1 September 2017. The charitable company's Memorandum and Articles of Association are the primary governing documents of the multi academy trust. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. The registered office of the company is noted on page 1.

Members' liability

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

Trustees

The trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation. The charitable company is known as South Manchester Learning Trust.

The trustees who were in office at 31 August 2021 and served during the period are listed on page 1.

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

The members of the academy trust are responsible for the appointment of five trustees and the CEO. Any remaining trustees are co-opted by the trust board.

Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the multi academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees.

During the year, trustees are offered all necessary training.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

The governance of the academy trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

All trustees are members of the board of trustees. In addition, some trustees are members of committees which report to the board of trustees. The board of trustees meets once each term to receive reports from its sub-committees and the local governing bodies to manage its strategic objectives.

The board has two sub-committees:

- Finance, Premises and Audit which meets to consider the academy's budgets, financial performance, premises requirements, effectiveness of the academy's systems of internal control, the responsible officer's reports and its arrangements for risk management, control and governance processes.
- Pay Review Committee which meets at least annually to conduct the performance management review of the chief executive officer, headteachers, and business and finance director.

The day to day management of the academies is delegated to the headteacher, who has appointed a Senior Leadership Team, which meets weekly to support the headteacher in the day to day responsibilities of leading the academy.

Risk management

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust. The trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Arrangements for setting pay and remuneration of key management personnel

The salary and ISR of the academy headteachers, chief executive officer and business and finance director is determined by the Pay Review Committee and reviewed annually.

The performance management review of all senior leaders paid on the leadership scale is undertaken by the headteacher at each of the academies who makes a recommendation to the Pay Review Committee.

The chief executive officer leads the performance management of the academy headteachers and cross trust senior staff, supported by trustees on the Pay Review Committee.

The setting of individual ISRs takes full account of guidance within the STPCD alongside the need to maintain a balanced budget that provides for the educational needs of students.

Trade union facility time

The academy trust did support and utilise trade union facility time during the year.

Related parties and other connected charities and organisations

South Manchester Learning Trust is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The trust's object is to advance for the public benefit education for children aged 11 to 18 by establishing, maintaining, leading, managing and developing an academy offering a broad and balanced curriculum.

The trustees' vision is to create a culture of high achievement and success in order to extend lifetime opportunities for young people and to do everything possible to encourage this.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic, creative and technological excellence and extend their sporting and musical accomplishments.

The academy fosters personal development that helps students to become valued members of the community and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Objectives, strategies and activities

Student roll:

The total number of students on roll in trust schools is 1,944, with 997 students on roll at Altrincham College and 947 students on roll at Reddish Vale.

Admissions:

Altrincham College has a Planned Admission Number (PAN) of 175 for the Year 7 intake and 100 in the Sixth Form. The school is currently undersubscribed by 8%, calculated against the net capacity.

Reddish Vale has a PAN of 270 for year 7. The school is currently undersubscribed by 25%, however, numbers have grown significantly since joining the trust.

Exclusions:

As an inclusive trust the aim is always to use exclusion as a last resort and in exceptional circumstances. In the last academic year there were 3 permanent exclusions at Altrincham College, with 58 fixed term exclusions. Over the same period there were 3 permanent exclusions at Reddish Vale, with 72 fixed term exclusions.

Staffing:

The number of staff employed at Altrincham College, expressed as full time equivalents is 104.98. This compares with 104.54 full time equivalent staff at Reddish Vale.

Public benefit

The trust will promote for the benefit of inhabitants of Altrincham, Sale, Reddish and the surrounding areas, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

In this second challenging year of the Covid pandemic, we have continued to ensure all our students have experienced a broad and balanced curriculum, delivered through excellent teaching and student support, within a Covid secure environment. Students were not able to sit final GCSE and post-16 examinations, which were replaced by Teacher Assessed Grades (TAG's). We are delighted with the outcomes achieved by all students across the trust, which is testament to the student's hard work and resilience in such challenging times, led and supported by our superb staff teams.

Quality of Education

OFQUAL and the Examination Boards accepted all the Teacher Assessed Grades (TAGs) submitted by both our schools for GCSE and Post-16 qualifications. It needs to be highlighted that any comparison of 2021 results, with either 2019 or 2020 results has very limited value, as the examination process was significantly different for all 3 years.

What should be acknowledged is the tremendous results achieved by the young people across the trust, who have shown tremendous resilience and commitment in managing to achieve great success, remaining focussed on their learning throughout the pandemic. Huge thanks also go to our staff teams who have had to adapt to many different teaching styles, in order to support our students through lockdowns and enforced isolations, which, of course, have hindered attendance throughout.

Altrincham College	2017	2018	2019	2020	2021
Prior Attainment	4.75	4.80	4.84	4.79	4.84/102.6
Basics (4+)	54%	63%	73%	67%	79%
Basics (5+)	30%	39%	45%	43%	53%
% entering E-Bacc		52%	14%	32%	15%
% achieving E-Bacc (strong 5+)	18%	19%	3%	11%	7%
% achieving E-Bacc (standard 4+)	18%	28%	9%	19%	11%
Attainment 8	44.8	46.5	45.7	45.1	50.1

Reddish Vale	2017	2018	2019	2020	2021
Prior Attainment	27.4	26.4/4.41	4.65	4.79	4.76 / 101.8
Basics (4+)	57%	45%	37%	59%	60%
Basics (5+)	30%	21%	19%	41%	36%
% entering E-Bacc		38%	41%	57%	34%
% achieving E-Bacc (strong 5+)	10%	9%	8%	17%	13%
% achieving E-Bacc (standard 4+)			14%	28%	22%
Attainment 8	46.6	39.4	37.6	45.2	44.6

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Disadvantaged Students

Altrincham College	%	KS2 PA	Basics 4+ %	Basics 5+ %	Basics 7+ %	Att 8	E-Bacc Entry %	Ach E-Bacc (Standard) %	Ach E-Bacc (Strong) %
All		4.85	79	53	13	50.1	15	11	7
Non PP	74	4.91	85	62	17	54.8	16	11	7
PP	26	4.65	62	29	2	39.9	14	12	7
2021 Gaps		0.26	23	33↑	15↑	14.9↑	2	+1	0
20 Gaps		0.01	22	17	5	7.5	25	18	9
19 Gaps		0.22	20	8	1	6.4	0	+1	1

Reddish Vale	%	KS2 PA	Basics 4+ %	Basics 5+ %	Basics 7+ %	Att 8	E-Bacc Entry %	Ach E-Bacc Standard %	Ach E-Bacc Strong %
All		4.75	60	36	9	44.5	34	22	13
Non PP	65%	4.84	73	44	11	50.9	40	30	18
PP	35%	4.57	36	21	5	32.4	21	7	2
2021 Gaps		0.27	37↑	23	6	18.5↑	19	23	16
20 Gaps		0.34	29	29	17	13.6	20	22	17
19 Gaps		0.31	23	12	6	12.2	19	12	7

Overall, disadvantaged gaps have increased in 2021 due, in significant part, to the challenges the pandemic placed on our vulnerable families. Closing the achievement gap remains a key priority for the trust and additional funding allocated through the Recovery Premium and School Led Tutoring Grant will be fully utilised to address the challenge of disadvantage in the following years.

Ofsted

Altrincham College has an Ofsted rating of Good (March 2017), with inspection judgments of Good in every category.

As a sponsored school on joining the trust, Reddish Vale currently does not have an Ofsted grading and is likely to receive its first inspection in 2021/22.

Key performance indicators

Successful student attainment and progress outcomes, attendance data, destinations data, exclusions data and Ofsted grading are the key performance indicators for our trust schools.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note of the financial statements. There have been no financial difficulties and uncertainties arising from Covid-19.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The trust's financial position for the year to 31 August 2021 demonstrates total income of £14,768,000 with an in-year surplus in the year ended 31 August 201 of £1,651,000 after depreciation of £924,000 but before the actuarial loss of £1,396,000.

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the academy's buildings, its plant, equipment and contents.

A strategic capital plan is updated and reviewed annually by the LGB, to be recommended to the trust board for approval, in order that reserves can be prioritised and spent according to the needs of the trust.

The principal financial management policies adopted in the year are:

- regular financial reviews of income and expenditure versus planned budgets at Finance, Premises and Audit Committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy trust's educational obligations.

Budget monitoring and review has been challenging throughout this financial year, due to school closures, providing Covid secure learning environments by continually adapting to DFE guidelines, whilst delivering a quality educational experience to all our students across the trust, whether remotely or face to face. Levels of Reserves have increased due to unexpected spending patterns and the challenge of delivering capital and resource improvement programmes to set timescales.

Additional funding through the Covid Catch Up Fund has been welcomed and used to support the initial phase of the Covid recovery programme.

The trust has participated in the national Free School Meals voucher scheme throughout the pandemic, which has been very much welcomed by our vulnerable families. In addition, food parcels have been funded by the trust and regularly provided to those families and children in greatest need.

Reserves carried forward at 31 August 2021 will be utilised as part of the medium and long term plans of the trust to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

Financial and risk management objectives and policies

The trust has developed risk management procedures as outlined above. The trustees have assessed the major risks to which the trust is exposed and a formal review of the trust's risk management process is undertaken on an annual basis.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy trust's restricted reserves is £764,000 and the current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £1,454,000

Reserves have increased during 2020-21 due to Covid-19 as expenditure reduced in some areas such as energy, premises and staffing due to partial school closures.

Total reserves (excluding the pension deficit but including the restricted fixed asset fund) have increased by 2.9% from the reported accounts for 2019-20, due to Covid school closures and the complexities of delivering capital and resource improvements to set timescales. On completion of capital projects and implementation of the Covid Recovery plan reserves will return to appropriate levels as agreed by the trust board and equivalent to 1 month GAG + appropriate contingency.

A pension deficit has been recognised as at 31 August 2021 £7,170,000 it is recognised that a deficit pension of the Local Government Pension Scheme (LGPS) would generally result in a cash flow effect for the Trust in the form of an increase to pension contributions over a period of years.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Investment policy

The trust's policy is to invest surplus funds in risk free deposit accounts listed on the council's approved list of banks and building societies. Free reserves in the current account should ideally be at least equivalent to one month of GAG.

The Finance, Premises and Audit Committees periodically review interest rates and the business and finance director invests surplus cash on either 6 week, 3 month, 6 month, 12 month or 32 day notice terms dependent on market rates and cash flow. Interest rates have been very low so investments have been low in 2020-21. Changes to this policy require the approval of the board of trustees.

Principal risks and uncertainties

The trust has adopted a risk management policy, risk register and risk review process. The objectives determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls, loss of buildings through fire, flood or explosion, and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees;
- vetting procedures as required by law for the protection of the vulnerable; and
- strategic risk management and review process.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A deficit has been recognised at 31 August 2021.

During the accounting period, comprehensive risk assessments and control measures have been introduced relating to Covid-19. Due to the uncertainty of the situation and evolving guidance, assessments and practice are constantly being reviewed. Risk assessments have been reviewed and agreed at trustee level. Close monitoring of budgets has taken place to ensure adequate resources are available; additional resources have been purchased. Covid-19 has affected staffing across the trust; risk assessments and procedures were adapted to reflect this.

Disabled persons

The trust aims to recruit employees and retain talent, skills and experience and ensure disabled staff, as far as reasonably practicable, can fulfil their employment potential. The trust aims to provide equality in access to the full range of recruitment, career development, promotion, training and other employment opportunities for all staff. To ensure that there is no unfair discrimination on grounds of disability and that access to employment and promotion is based on merit. The trust observes good equalities practice for employees regardless of their race, gender, disability, religion/belief, sexual orientation or age.

Fundraising

Any fundraising the trust undertakes for the benefit of national charities or the school fund is completely optional. This is always shared with the school community through letters and other forms of social media. The trust has not received any complaints relating to this fundraising over the 2020-21 period.

The trust, through the governing board, has agreed only to support legally recognised charities locally and/or nationally. Which charities are supported is reviewed each year and a limit of charities supported is agreed for each term of the academic year. Monies raised are recorded and can be checked if requests are made.

During Covid-19 planned fundraising activities did not go ahead.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The trust plans to grow to a small trust of 3-5 schools, ideally with a mix of primary and secondary schools, within 3 years.

Each school within the trust has produced an Academy Improvement Plan for 2020-21, which prioritises key targets for the academic year. A number of these targets are shared.

Altrincham College:

1. To bring a broad, balanced and deep curriculum offer to all students which allows them to achieve highly and gain qualifications which allow them to make their way in the world as employable, skilled and knowledgeable global citizens.
2. To ensure excellent behaviour contributes to learning and any incidences of poor behaviour do not hinder the education of the students at Altrincham College; to ensure attitudes to learning are positive and support the place of the school in the local community.
3. To provide support and build resilience in students so they can tackle cheerfully whatever life throws at them; to foster a love of learning through exciting enrichment and by building up cultural capital to enhance a broad, balanced and deep curriculum
4. To ensure all aspects of provision are fair and bespoke to Altrincham College; to provide clarity and consistency in all things, role modelling behaviours and espousing ethical leadership at all levels.

Reddish Vale:

1. To ensure an aspirational culture of learning within the school, driving high expectations, ambition, and success for all.
2. To develop professional accountability for all.
3. To ensure a well-planned, relevant and appropriate curriculum, which engages, supports and inspires all learners.
4. To ensure a consistently high quality of teaching across all learning areas, which challenges, supports, and inspires.
5. Improve the use of in-school data and assessment information to ensure accurate evaluation and show that pupils make at least 'good' progress.
6. Ensure that the school's climate for learning reflects the school values, as a result of a consistent approach to behaviour management and a culture of high expectations and standards.
7. Develop whole school accountability for increasing school attendance and punctuality, for all groups of learners.
8. To promote inclusivity, diversity and equality, eliminating discrimination, harassment, and victimisation across the school community.
9. Monitor and evaluate interventions and graduated responses, to ensure pupils are supported and barriers to learning are removed.

As the future in relation to the virus is still uncertain, comprehensive risk assessments continue to be adapted to be in line with advice from the Local Council, Government and Public Health. The trust will continue to review these controls and adapt as necessary. Close financial monitoring will take place to ensure future priorities can be met. At this time, it is uncertain as to how long control measures will be in place. This will be reviewed on an on-going basis.

SOUTH MANCHESTER LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

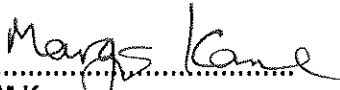
Auditors

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 they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15/12/21 and signed on its behalf by:



M Kane
Chair of Trustees

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the chief executive officer, as accounting officer, for ensuring financial controls conform to 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 South Manchester 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.

Governance review

The board of trustees takes a proactive approach to its review of effectiveness of the trustees. An annual skills audit informs the overall skill set of the board and highlights any action for review in respect of skills gaps. A full review of membership and committees is undertaken at the beginning of each academic year to ensure there is an adequate skill-set for each committee. All meetings are effectively clerked by the secretary to the trustees and minutes clearly document actions and priorities. Governance is considered as part of the Annual General Meeting and the delegated authority is clear, and governors understand their responsibilities. The governance framework is considered robust and a full review is due early in 2021 along with the next annual skills audit.

All LGB and Trust Board meetings have been conducted remotely during this financial year. This arrangement has operated very efficiently and trustees have been able to meet all their obligations and regulatory requirements.

The board of trustees has met three times during the period. Attendance during the meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr P Brooks	3	3
Mrs P Dunham	1	3
Mrs A Hewitt	2	3
Miss M Kane	3	3
Mr M Stansfield	3	3
Mrs S Wildman	3	3

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Finance, Premises and Audit committee is a sub-committee of the board of trustees. Its purpose is to report to the board of trustees on a timely basis the finance of the academy. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of possible
Mr P Brooks	3	3
Mr T Hague	3	3
Mr S Hall	1	2
Mrs A Hewitt	3	3
Ms M Kane	2	3
Mr M Stansfield	3	3
Mrs S Wildman	2	3

Review of value for money

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

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

Improving educational results

We ensure resources are directed where they are most needed and most effective in meeting the educational requirements of all our students. We are proud of our staff and students' achievements and we continue to make year on year improvements in every aspect of our work.

The school leaders have applied the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school;
- the targeting of resources to best improve standards and the quality of provision; and
- the use of resources to best support the various educational needs of all pupils.

The academy trust places importance on staff retention and development in order to maintain the highest standards of teaching and learning. School leaders have considered the allocation and use of teaching areas, support areas and communal areas and provided a rich learning environment for teaching and learning. The quality of children's learning has been reviewed by cohort, class and individually which has provided teaching that enabled children to progress and achieve.

School leaders regularly review the quality of curriculum provision, the quality of teaching, and enrichment opportunities available to students. The trust provides a curriculum which meets the requirements of the National Curriculum, the LA Agreed RE Syllabus, the individual needs of pupils and enables students to achieve and excel.

Examples of good practice demonstrating good value for money include:

- KS4 students at the trust schools achieved headline outcomes that for the vast majority were within FFT20/50 targets;
- sixth form students leaving with three or more A Level equivalent;
- the percentage of students accessing higher education; and
- the percentage of Year 11 leavers classed as NEET (not in education, employment or training).

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial governance and oversight

Our governance arrangements included regular monitoring by the accounting officer, board of trustees, local governing bodies and committees; including the Finance, Premises and Audit Committee. They received regular financial reports, discussed the information and asked relevant questions as evidenced in the minutes. The work of the Finance, Premises and Audit Committee was further informed by the work of internal assurance auditors, external auditors and on-going quarterly support from the accountants.

The trust's system of internal financial control was 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 included:

- regular monthly financial reviews of income and expenditure against planned budgets;
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports;
- regular reviews by the Finance, Premises and Audit Committee of reports which indicated 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; and
- identification and management of risks.

The accounting officer, school leaders and trustees:

- made comparisons with other/similar schools and the government, e.g. Performance Benchmarking, FFT, Ofsted, L3VA, quality of teaching & learning, levels of expenditure;
- challenged proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, budget setting;
- required suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. secure access system, refurbishment of the reception area; and

This applied in particular to:

- staffing;
- use of premises;
- use of resources;
- quality of teaching;
- quality of learning;
- purchasing;
- pupils' welfare; and
- health and safety.

Better purchasing

The trust maintains a database of approved regular suppliers and contractors. Consortia were used where they provided value for money. The trust took opportunities to work collaboratively with others to reduce and share administration and procurement costs e.g. joint SLA agreements across the trust.

All services and contracts were appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness and ensure they were fit for purpose and best value. Multiple year contracts with the clause to be able to cancel the contract, were entered into to ensure reduced costs where it was felt that it would benefit the trust e.g. cleaning, HR and payroll contracts.

Examples of steps taken to ensure value for money when purchasing included:

- suppliers selected on the basis of their capacity to provide quality, service, timely delivery and value for money;
- viewing alternative purchasing options online and direct through suppliers in order to find the best value;
- consulting other local schools to be informed of any issues with products/services before making purchases;
- considering whether the purchase is really necessary, assessing the costs and benefits;
- obtaining three written quotes for goods or services in excess of £5,000;
- competitive tendering procedures for major purchases and contracts; and
- procedures for accepting *best value* quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship).

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The business and finance director and business managers have been influential in driving down costs through better procurement and negotiation throughout the year including; energy contracts, cleaning contract, ICT contracts and property management.

The trust reviews contracts on an annual basis to ensure they are still fit for purpose and represent best value. The business and finance director and the school business managers consult other local schools as part of the tendering processes which works well alongside better value.

Competitive tendering processes were followed for the capital projects and CIF projects which took place over the summer term. These include replacement roofs and rewiring.

The business and finance director and business managers do not waste time and resources on investigating minor areas where few improvements and savings can be achieved as the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Better income generation

Opportunities have been taken to explore and generate additional and reliable revenue streams. The trust is fully committed to providing an excellent resource to its local community and has hired the school facilities, which has generated an additional and regular income source, as well as being a benefit to the local community.

The trust invested funds in risk free deposit accounts to maximise bank interest where cash flow allowed.

Reviewing controls and managing risks

The accounting officer, school leaders and trustees assessed the major risks to which the academy was exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The school leaders implemented a number of systems to assess risks that the academy faced, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Adequate insurance cover was arranged for areas where significant financial risk may still have applied e.g. governor liability insurance.

The trust has appointed internal assurance auditor officer which provided the accounting officer and the board of trustees with on-going independent assurance that:

- the financial responsibilities of the board of trustees are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

Haines Watts was appointed as external auditor as agreed with the board of trustees. The accounting officer, budget holders, school leaders and trustees received regular budget reports which were scrutinised and challenged to ensure the most effective use of resources were used to meet the objectives of the academy trust.

Insurance levels were reviewed and used cost-effectively to manage risks. Additional insurance was purchased for CIF projects. Professional strategic advice has also been sought from the HR provider to assist with managing risk.

The trust has an investment policy and moved balances to a high interest deposit account to ensure maximum returns on surplus balances. The trustees reviewed the reserve levels of the academy trust, which encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The accounting officer and trustees determined that an appropriate level of free reserves be maintained, ideally equivalent to one month of the GAG. The reason for this was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to plan for future capital projects.

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reviewing operations to maximise use of resources

The accounting officer, school leaders and trustees reviewed expenditure within each budget heading and made adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and strategies identified in the Academy Improvement Plans.

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 the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operation, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process of identifying, evaluating and managing the trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The trust's system of internal 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- review by the Finance, Premises and Audit 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 defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed an internal auditor, Lighthouse Education. The internal audit role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On a termly basis, the internal audit reports to the board of trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities.

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

- testing of governance
- testing of compliance
- testing of recruitment processes
- testing of payroll processes
- testing of business continuity processes
- testing of control account / bank reconciliations
- testing of purchasing processes
- testing of budget planning and monthly reporting to Trustees

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

SOUTH MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The internal auditor completed the most recent review in the summer and reported that that the trust's finance department was well managed and organised. Following the revised FRC Ethical for auditors, the academy trust will no longer use their external auditors for internal audit review.


Review of effectiveness

As accounting officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the leadership team within the academy trusts who have responsibility for the development and maintenance of the internal control framework;
- the work of the Finance, Premises and Audit Committee;
- the work of the internal auditor; and
- the work of the external auditors.

Approved by order of the members of the board of trustees on 15-12-21..... and signed on its behalf by:


.....
M Kane
Chair of Trustees


.....
P R Brooks
Chief Executive Officer and Accounting Officer

SOUTH MANCHESTER LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of South Manchester Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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.

.....P.R.

P R Brooks
Chief Executive Officer and Accounting Officer

Date: 15.12.21

SOUTH MANCHESTER LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of South Manchester 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 2020 to 2021 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:

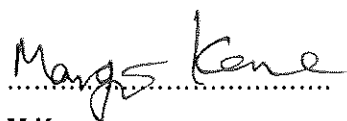
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 15/12/21 and signed on its behalf by:



M Kane

Chair of Trustees

SOUTH MANCHESTER LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH MANCHESTER LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of South Manchester Learning Trust for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

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

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

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

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

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.

SOUTH MANCHESTER LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

SOUTH MANCHESTER LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021


- Identify and assess the risks of material misstatement of the group's or the parent charitable company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Identify and test journal entries, in particular any journal entries posting with unusual account combinations.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.

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.



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 15/12/21

SOUTH MANCHESTER LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Manchester Learning Trust during the period 1 September 2020 to 31 August 2021 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 South Manchester 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 South Manchester 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 South Manchester Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Manchester Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Manchester Learning Trust's funding agreement with the Secretary of State for Education dated 25 August 2017 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SOUTH MANCHESTER LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Haines Watts

Haines Watts
Reporting Accountant

Date: 15/12/21

SOUTH MANCHESTER LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted Funds	Restricted funds:		Total 2021	Total 2020 Restated
	Notes	£(000)	General	Fixed asset	£(000)	£(000)
Income and endowments from:						
Donations and capital grants	3	-	4	2,269	2,273	2,432
Charitable activities:						
- Funding for educational operations	4	145	11,850	-	11,995	11,099
Other trading activities	5	318	182	-	500	505
Investments	6	-	-	-	-	2
Total		<u>463</u>	<u>12,036</u>	<u>2,269</u>	<u>14,768</u>	<u>14,038</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	<u>328</u>	<u>11,865</u>	<u>924</u>	<u>13,117</u>	<u>12,366</u>
Total	7	<u>328</u>	<u>11,865</u>	<u>924</u>	<u>13,117</u>	<u>12,366</u>
Net income		135	171	1,345	1,651	1,672
Transfers between funds	18	-	(526)	526	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	<u>-</u>	<u>(1,396)</u>	<u>-</u>	<u>(1,396)</u>	<u>(853)</u>
Net movement in funds		135	(1,751)	1,871	255	819
Reconciliation of funds						
Total funds brought forward		<u>1,319</u>	<u>(4,655)</u>	<u>41,794</u>	<u>38,458</u>	<u>37,639</u>
Total funds carried forward		<u>1,454</u>	<u>(6,406)</u>	<u>43,665</u>	<u>38,713</u>	<u>38,458</u>

SOUTH MANCHESTER LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information as restated Year ended 31 August 2020		Unrestricted Funds	Restricted funds:		Total 2020
	Notes	£(000)	General £(000)	Fixed asset £(000)	£(000)
Income and endowments from:					
Donations and capital grants	3	-	3	2,429	2,432
Charitable activities:					
- Funding for educational operations	4	180	10,919	-	11,099
Other trading activities	5	288	217	-	505
Investments	6	2	-	-	2
Total		<u>470</u>	<u>11,139</u>	<u>2,429</u>	<u>14,038</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	316	11,235	815	12,366
Total	7	<u>316</u>	<u>11,235</u>	<u>815</u>	<u>12,366</u>
Net income/(expenditure)		154	(96)	1,614	1,672
Transfers between funds	18	-	(361)	361	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(853)	-	(853)
Net movement in funds		154	(1,310)	1,975	819
Reconciliation of funds					
Total funds brought forward		<u>1,166</u>	<u>(3,345)</u>	<u>39,818</u>	<u>37,639</u>
Total funds carried forward		<u>1,320</u>	<u>(4,655)</u>	<u>41,793</u>	<u>38,458</u>

SOUTH MANCHESTER LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021	2020
	Notes	£(000)	Restated £(000)
Fixed assets			
Tangible assets	13	41,573	40,899
Current assets			
Debtors	14	2,465	1,679
Cash at bank and in hand		2,729	2,268
		5,194	3,947
Current liabilities			
Creditors: amounts falling due within one year	15	(764)	(1,190)
Net current assets		4,430	2,757
Total assets less current liabilities		46,003	43,656
Creditors: amounts falling due after more than one year	16	(120)	(86)
Net assets before defined benefit pension scheme liability		45,883	43,570
Defined benefit pension scheme liability	20	(7,170)	(5,112)
Total net assets		38,713	38,458
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		43,665	41,793
- Restricted income funds		764	457
- Pension reserve		(7,170)	(5,112)
Total restricted funds		37,259	37,138
Unrestricted income funds	18	1,454	1,320
Total funds		38,713	38,458

The accounts were approved by the trustees and authorised for issue on 15/12/21 and are signed on their behalf by:


M Kane
Chair of Trustees

Company Number 08137701

SOUTH MANCHESTER LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £(000)	2020 £(000)
Cash flows from operating activities			
Net cash used in operating activities	21	(228)	(111)
Cash flows from investing activities			
Dividends, interest and rents from investments		-	2
Capital grants from DfE Group		2,252	2,429
Purchase of tangible fixed assets		(1,581)	(1,895)
Net cash provided by investing activities		671	536
Cash flows from financing activities			
New other loan		83	-
Repayment of long term government loans		18	(10)
Repayment of other loan		(83)	-
Net cash provided by/(used in) financing activities		18	(10)
Net increase in cash and cash equivalents in the reporting period		461	415
Cash and cash equivalents at beginning of the year		2,268	1,853
Cash and cash equivalents at end of the year		2,729	2,268

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

South Manchester Learning Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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 2020 to 2021 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.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Donations

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

Other income

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

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.

Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

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.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land and buildings	50 years
Leasehold property	20 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged 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.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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.

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 the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

1.12 Agency arrangements

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

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.

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 20, 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 2021. 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.

3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Donated fixed assets	-	17	17	-
Capital grants	-	2,252	2,252	2,429
Other donations	-	4	4	3
	<u>-</u>	<u>2,273</u>	<u>2,273</u>	<u>2,432</u>

SOUTH MANCHESTER LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
DfE/ESFA grants				
General annual grant (GAG)	-	10,254	10,254	9,662
Other DfE/ESFA grants:				
Pupil premium	-	593	593	578
Teachers' pay grant	-	130	130	125
Teachers' pension grant	-	368	368	355
Others	-	70	70	58
	<u>-</u>	<u>11,415</u>	<u>11,415</u>	<u>10,778</u>
Other government grants				
Local authority grants	-	217	217	141
	<u>-</u>	<u>217</u>	<u>217</u>	<u>141</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	144	144	-
Other DfE/ESFA COVID-19 funding	-	64	64	-
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	10	10	-
	<u>-</u>	<u>218</u>	<u>218</u>	<u>-</u>
Other incoming resources	<u>145</u>	<u>-</u>	<u>145</u>	<u>180</u>
Total funding	<u>145</u>	<u>11,850</u>	<u>11,995</u>	<u>11,099</u>

The academy trust received £217,000 (2020; £141,000) from local authorities in the year, £62,000 (2020; £5,000) being pupil premium funding, £155,000 (2020; £131,000) being High Needs funding and £8,000 (2020; £3,000) of other funding. There were also adjustments in regards to excluded pupils of (£8,265) (2020; £2,000). There were no unfulfilled conditions or other contingencies relating to the grants in the year.

The academy trust received £144,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £99,000. The academy received £64,000 of COVID mass testing grant funding and £10,000 of Coronavirus job retention scheme funding both of which have been spent in full at the year end.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Hire of facilities	49	-	49	69
Catering income	-	182	182	217
Educational trips	30	-	30	37
Other income	239	-	239	182
	<u>318</u>	<u>182</u>	<u>500</u>	<u>505</u>

6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Short term deposits	-	-	-	2

7 Expenditure

	Staff costs £(000)	Non-pay expenditure Premises £(000)	Other £(000)	Total 2021 £(000)	Total 2020 £(000)
Academy's educational operations					
- Direct costs	8,121	298	808	9,227	8,696
- Allocated support costs	2,086	1,268	536	3,890	3,670
	<u>10,207</u>	<u>1,566</u>	<u>1,344</u>	<u>13,117</u>	<u>12,366</u>

Net income/(expenditure) for the year includes:

	2021 £(000)	2020 £(000)
Fees payable to auditor for:		
- Audit	16	15
- Other services	3	4
Operating lease rentals	24	58
Depreciation of tangible fixed assets	924	815
Net interest on defined benefit pension liability	92	75

8 Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2021 £(000)	Total 2020 £(000)
Direct costs				
Educational operations	81	9,146	9,227	8,696
Support costs				
Educational operations	247	3,643	3,890	3,670
	<u>328</u>	<u>12,789</u>	<u>13,117</u>	<u>12,366</u>
Analysis of costs			2021 £(000)	2020 £(000)
Direct costs				
Teaching and educational support staff costs			8,123	7,669
Staff development			26	23
Depreciation			298	263
Technology costs			169	178
Educational supplies and services			290	226
Examination fees			130	104
Educational consultancy			116	103
Other direct costs			75	130
			<u>9,227</u>	<u>8,696</u>
Support costs				
Support staff costs			2,091	1,748
Depreciation			626	552
Maintenance of premises and equipment			211	261
Cleaning			100	89
Energy costs			203	193
Rent, rates and other occupancy costs			90	75
Insurance			38	58
Security and transport			11	23
Catering			199	299
Interest on defined benefit pension scheme			92	75
Legal costs			19	22
Other support costs			184	250
Governance costs			26	25
			<u>3,890</u>	<u>3,670</u>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

	2021 £(000)	2020 £(000)
Wages and salaries	7,216	6,780
Social security costs	707	656
Pension costs	2,079	1,875
Staff costs - employees	10,002	9,311
Agency staff costs	205	106
	10,207	9,417
Staff development and other staff costs	33	23
Total staff expenditure	10,240	9,440

Staff numbers

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

	2021 Number	2020 Number
Teachers	126	129
Administration and support	111	107
Management	4	4
	241	240

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £288,319 (2020: £299,033).

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no expenses were reimbursed to trustees.

The value of trustees' remuneration was as follows:

P Brooks (CEO)

Remuneration: £15,001 - £20,000 (2020: £15,001-£20,000)

Employer's Pension Contributions: £Nil (2020: £Nil)

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees' and officers' insurance

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

13 Tangible fixed assets

	Freehold land and buildings	Leasehold property	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Cost						
At 1 September 2020	43,489	631	478	458	1,838	46,894
Transfer on conversion	478	-	(478)	-	-	-
Additions	991	58	390	89	70	1,598
At 31 August 2021	44,958	689	390	547	1,908	48,492
Depreciation						
At 1 September 2020	4,784	119	-	367	725	5,995
Charge for the year	597	32	-	69	226	924
At 31 August 2021	5,381	151	-	436	951	6,919
Net book value						
At 31 August 2021	39,577	538	390	111	957	41,573
At 31 August 2020	38,705	512	478	91	1,113	40,899

SOUTH MANCHESTER LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

The net book value of land and buildings comprises:

	2021 £(000)	2020 £(000)
Freeholds	29,578	29,409
Long leaseholds (over 50 years)	9,999	9,296
	<u>39,577</u>	<u>38,705</u>

14 Debtors

	2021 £(000)	2020 £(000)
Trade debtors	3	7
VAT recoverable	74	187
Prepayments and accrued income	2,388	1,485
	<u>2,465</u>	<u>1,679</u>

15 Creditors: amounts falling due within one year

	2021 £(000)	2020 £(000)
Government loans	23	39
Trade creditors	462	909
Other creditors	-	39
Accruals and deferred income	279	203
	<u>764</u>	<u>1,190</u>

16 Creditors: amounts falling due after more than one year

	2021 £(000)	2020 £(000)
Government loans	<u>120</u>	<u>86</u>

SOUTH MANCHESTER LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due after more than one year

	2021 £(000)	2020 £(000)
Analysis of loans		
Wholly repayable within five years	143	125
Less: included in current liabilities	(23)	(39)
	<u>120</u>	<u>86</u>
Amounts included above		
	<u>120</u>	<u>86</u>
Loan maturity		
Debt due in one year or less	23	39
Due in more than one year but not more than two years	23	39
Due in more than two years but not more than five years	58	39
Due in more than five years	39	8
	<u>143</u>	<u>125</u>

The funding for CIF projects was part-funded through two Condition Improvement Funding (CIF) loans with interest rates of 1.56% per annum. Loan funding is calculated up to a maximum of a three year payback and is recovered by a reduction in the monthly General Annual Grant payments issued by the Education Funding Agency.

The Salix loans also included are in the above totals are interest free and repayable over eight years.

17 Deferred income

	2021 £(000)	2020 £(000)
Deferred income is included within:		
Creditors due within one year	<u>70</u>	<u>50</u>
Deferred income at 1 September 2020	50	37
Released from previous years	(50)	(37)
Resources deferred in the year	<u>70</u>	<u>50</u>
Deferred income at 31 August 2021	<u>70</u>	<u>50</u>

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Catering income received in advance - £20,583
- TMBC Exclusion Clawback income - £8,678
- Trip income - £3,200
- Donations - £1,500
- Locker income £1,800
- Non ESFA grant funding received - £18,932
- Rates Relief - £14,933

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £(000)	Income £(000)	Restated Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2021 £(000)
Restricted general funds					
General Annual Grant (GAG)	457	10,254	(9,479)	(526)	706
Pupil premium	-	593	(593)	-	-
Catch-up premium	-	144	(99)	-	45
Other DfE/ESFA COVID-19 funding	-	64	(64)	-	-
Coronavirus job retention scheme grant	-	10	(10)	-	-
Other DfE/ESFA grants	-	138	(136)	-	2
Other government grants	-	217	(206)	-	11
Teachers pay grant	-	368	(368)	-	-
Teacher pension grant	-	62	(62)	-	-
Other restricted funds	-	186	(186)	-	-
Pension reserve	(5,112)	-	(662)	(1,396)	(7,170)
	<u>(4,655)</u>	<u>12,036</u>	<u>(11,865)</u>	<u>(1,922)</u>	<u>(6,406)</u>
Restricted fixed asset funds					
Inherited on conversion	36,598	-	(548)	-	36,050
DfE group capital grants	4,594	2,252	(226)	-	6,620
Capital expenditure from GAG	602	-	(148)	526	980
Private sector capital sponsorship	-	17	(2)	-	15
	<u>41,794</u>	<u>2,269</u>	<u>(924)</u>	<u>526</u>	<u>43,665</u>
Total restricted funds	<u>37,139</u>	<u>14,305</u>	<u>(12,789)</u>	<u>(1,396)</u>	<u>37,259</u>
Unrestricted funds					
General funds	<u>1,319</u>	<u>463</u>	<u>(328)</u>	<u>-</u>	<u>1,454</u>
Total funds	<u>38,458</u>	<u>14,768</u>	<u>(13,117)</u>	<u>(1,396)</u>	<u>38,713</u>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy trust.

Restricted fixed asset funds are those funds relating to the long term assets of the academy trust used in delivering the objectives of the academy trust.

Unrestricted funds are those funds which the Board of Trustees may use in the pursuance of the academy trust's objectives and are expendable at the discretion of the Trustees.

There is a transfer of £40,000 from GAG funds to restricted fixed asset funds that represents fixed assets purchased from GAG reserves at Reddish Vale.

There is a transfer of £526,000 from GAG funds to restricted fixed asset funds that represents fixed assets purchased from GAG reserves at Altrincham College. Included within the restricted fixed asset funds is £2,094,000 of accrued capital income that has yet to be spent.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Restated comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2020 £(000)
Restricted general funds					
General Annual Grant (GAG)	383	9,662	(9,227)	(361)	457
Pupil premium	-	578	-	-	578
Other DfE/ESFA grants	-	538	(1,116)	-	(578)
Other government grants	-	141	(141)	-	-
Other restricted funds	-	220	(220)	-	-
Pension reserve	(3,728)	-	(531)	(853)	(5,112)
	<u>(3,345)</u>	<u>11,139</u>	<u>(11,235)</u>	<u>(1,214)</u>	<u>(4,655)</u>
Restricted fixed asset funds					
Transfer on conversion	37,146	-	(548)	-	36,598
DfE group capital grants	2,314	2,429	(255)	106	4,594
Capital expenditure from GAG	358	-	(12)	255	601
	<u>39,818</u>	<u>2,429</u>	<u>(815)</u>	<u>361</u>	<u>41,793</u>
Total restricted funds	<u>36,473</u>	<u>13,568</u>	<u>(12,050)</u>	<u>(853)</u>	<u>37,138</u>
Unrestricted funds					
General funds	<u>1,166</u>	<u>470</u>	<u>(316)</u>	<u>-</u>	<u>1,320</u>
Total funds	<u>37,639</u>	<u>14,038</u>	<u>(12,366)</u>	<u>(853)</u>	<u>38,458</u>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

Total funds analysis by academy

	2021 £(000)	Restated 2020 £(000)
Fund balances at 31 August 2021 were allocated as follows:		
Reddish Vale High School	985	984
Altrincham College	1,233	793
Total before fixed assets fund and pension reserve	2,218	1,777
Restricted fixed asset fund	43,665	41,793
Pension reserve	(7,170)	(5,112)
Total funds	38,713	38,458

Total cost analysis by academy

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

	Teaching educational support £(000)	Other staff costs £(000)	Educational supplies £(000)	Other costs excluding depreciation £(000)	Total 2021 £(000)	Total 2020 £(000)
Reddish Vale High School	3,955	1,118	131	1,463	6,667	6,247
Altrincham College	4,166	972	158	1,191	6,487	6,227
	8,121	2,090	289	2,654	13,154	12,474

19 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	41,573	41,573
Current assets	1,454	1,648	2,092	5,194
Creditors falling due within one year	-	(764)	-	(764)
Creditors falling due after one year	-	(120)	-	(120)
Defined benefit pension liability	-	(7,170)	-	(7,170)
Total net assets	1,454	(6,406)	43,665	38,713

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total Funds £(000)
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	40,899	40,899
Current assets	1,320	1,733	894	3,947
Creditors falling due within one year	-	(1,190)	-	(1,190)
Creditors falling due after one year	-	(86)	-	(86)
Defined benefit pension liability	-	(5,112)	-	(5,112)
Total net assets	1,320	(4,655)	41,793	38,458

20 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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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.

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

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 pension costs paid to the TPS in the period amounted to £1,162,000 (2020: £1,145,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.2% in Reddish Vale High School and 18.1% in Altrincham College for employers and 5.5%-12.5% for employees.

The estimated value of employer contributions for the coming year is £266,000.

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	2021 £(000)	2020 £(000)
Employer's contributions	347	274
Employees' contributions	116	97
	<hr/>	<hr/>
Total contributions	463	371
	<hr/>	<hr/>
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
	<hr/>	<hr/>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

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

	2021 Years	2020 Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis

Changes in assumptions at 31 August 2021 for Altrincham College	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	178
1 year increase in Member Life Expectancy	4%	283
0.1% increase in the Salary Increase Rate	0%	24
0.1% increase in the Pension Increase Rate	2%	151

Changes in assumptions at 31 August 2020 for Reddish Vale High School	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	310
1 year increase in Member Life Expectancy	4%	468
0.1% increase in the Salary Increase Rate	0%	27
0.1% increase in the Pension Increase Rate	2%	278

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

	2021 Fair value £(000)	2020 Fair value £(000)
Equities	8,235	6,371
Bonds	1,740	1,499
Property	812	655
Other assets	811	843
Total market value of assets	11,598	9,368

The actual return on scheme assets was £1,891,000 (2020: £(108,000)).

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

Amount recognised in the statement of financial activities	2021 £(000)	2020 £(000)
Current service cost	917	730
Interest income	(162)	(174)
Interest cost	254	249
Total operating charge	<u>1,009</u>	<u>805</u>

The prior year pension liabilities have been re-stated by £637,000 in line with the FRS102 actuarial report

Changes in the present value of defined benefit obligations	2021 £(000)	2020 £(000)
At 1 September 2020	14,480	12,937
Current service cost	917	730
Interest cost	254	249
Employee contributions	116	97
Actuarial loss	3,125	571
Benefits paid	(124)	(104)
At 31 August 2021	<u>18,768</u>	<u>14,480</u>

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

	2021 £(000)	2020 £(000)
At 1 September 2020	9,368	9,209
Interest income	162	174
Actuarial (gain)/loss	1,729	(282)
Employer contributions	347	274
Employee contributions	116	97
Benefits paid	(124)	(104)
At 31 August 2021	<u>11,598</u>	<u>9,368</u>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Reconciliation of net income to net cash flow from operating activities

	2021 £(000)	2020 £(000)
Net income for the reporting period (as per the statement of financial activities)	1,651	1,671
Adjusted for:		
Capital grants from DfE and other capital income	(2,269)	(2,429)
Investment income receivable	-	(2)
Defined benefit pension costs less contributions payable	570	456
Defined benefit pension scheme finance cost	92	75
Depreciation of tangible fixed assets	924	815
(Increase) in debtors	(786)	(1,201)
(Decrease)/increase in creditors	(410)	504
Net cash used in operating activities	(228)	(111)

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £(000)	2020 £(000)
Amounts due within one year	27	56
Amounts due in two and five years	42	19
	<u>69</u>	<u>75</u>

23 Analysis of changes in net funds

	1 September 2020 £(000)	Cash flows £(000)	31 August 2021 £(000)
Cash	2,268	461	2,729
Loans falling due within one year	(39)	16	(23)
Loans falling due after more than one year	(86)	(34)	(120)
	<u>2,143</u>	<u>443</u>	<u>2,586</u>

SOUTH MANCHESTER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Capital commitments

	2021 £(000)	2020 £(000)
Expenditure contracted for but not provided in the accounts	2,044	-

Commitments noted above are to be funded from unspent Condition Improvement Funding (CIF) grants received prior to the year end. Further CIF funding is to be received in the 2021/22 financial period.

Capital commitments are split as follows:

- Altrincham College £1,338,985
- Reddish Vale £705,011

25 Related party transactions

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

No related party transactions took place in the period of account.

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the academy trust received £11,667 (2020: £13,343) and disbursed £4,550 (2020: £13,343) from the fund. An amount of £7,117 (2020: £nil) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The academy trust received laptops from the DfE during the period ended 31 August 2021 as part of the COVID-19 support received for students. The academy trust did not have any discretion as to who the laptops were to be provided for and as such this has been treated as an agency arrangement. The total value of laptops received by Altrincham College and Reddish Vale High School respectively is estimated to be £43,168 and £64,955 (Total £108,123). No income or expenditure has been recognised with regards to this donation from the DfE.

28 Prior year adjustment

A prior year adjustment has been made with regards to the defined benefit pension liabilities. Brought forward defined benefit pension liabilities have been re-stated by £637,000 in line with the FRS102 actuarial report.