

BROOKVALE GROBY LEARNING TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

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BROOKVALE GROBY LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	John Taylor Bryony Leonard Connor Acton Helen Brown (appointed 21 September 2021)
Trustees	Connor Acton, Chair of Trustees Helen Stockill, Vice Chair of Trustees ¹ Michael Richardson (resigned 27 May 2021) Helen Brown (resigned 6 September 2021) ¹ Brian Jones Geeta Parekh Steve Goddard (resigned 6 September 2021) ¹ Karl Stewart Peter Leatherland ¹ Ismeni Vasileiou (appointed 28 September 2020) Helen Speechley (appointed 24 February 2021) ¹ Liyakatalli Sonde (appointed 21 September 2021) ¹ Finance and Operations Committee
Company registered number	08089397
Company name	Brookvale Groby Learning Trust
Principal and registered office	Ratby Road Groby Leicester Leicestershire LE6 0FP
Senior management team	Will Teece, Headteacher Greg Godwin, Senior Deputy Headteacher Carol Hubbard, Deputy Headteacher Kathryn Lee, Assistant Headteacher Chris Bugh, Assistant Headteacher Helen Smart, Business Director
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ

BROOKVALE GROBY LEARNING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates one secondary academy in Groby, Leicestershire called Brookvale Groby Learning Campus. It has a pupil capacity of 1,574 and had a roll of 1,510 in the school census on 21 January 2021.

Structure, governance and management

• Constitution

The Brookvale Groby Learning Trust is a company limited by guarantee and an exempt charity. The charitable company is known as the Brookvale Groby Learning Trust. The charitable company's Memorandum and Articles of Association are the primary governing documents.

The charitable company was incorporated on 1 April 2017. The schools (Brookvale High School and Groby Community College) entered into a Multi Academy Trust on 1 April 2017 when its operations, assets and liabilities were transferred to the Academy from the two separate single academy trusts.

On 1 September 2019 the two schools merged to form a new single school called Brookvale Groby Learning Campus.

The Governors act as the Trustees for the charitable activities of the Brookvale Groby Learning Trust and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

• Members' liability

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

• Trustees' indemnities

The 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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

● **Method of recruitment and appointment or election of Trustees**

The constitution of the Trustees of the Brookvale Groby Learning Trust is laid down in its Articles of Association. It is made up of not less than 3 Trustees and has a stated maximum of 11. All Trustees serve for a term of 4 years from the date of their appointment, after which they are required to be reappointed. There are no Headteachers on the Board of Trustees..

There are currently 9 Trustees, 6 of whom are appointed by the Members of the Multi Academy Trust, 2 elected Parent Trustees and 2 Co-opted Trustees appointed by the Trustees.

Parent Trustees

The Trust Board includes 2 elected Parent Trustees. All parents and carers of students at Brookvale Groby are invited to put their name forward as a Trustee when a vacancy arises. The invitation is emailed to all parents and carers, as well as being advertised on the campus website. Should there be more nominees than places available, an election will be held. All current Brookvale Groby parents and carers are eligible to vote in the election.

Co-opted Trustees

Trustees can co opt up to 2 Trustees. Positions are mainly advertised through the Academy Ambassadors programme, as well as on the school's own website, outlining the skills the Board seeks to recruit. Potential candidates are invited to meet with the Chair of Trustees and Headteacher. Completed applications are assessed by the Board prior to making the appointment.

Staff Governors

The Trustees have made provision for staff representation on the Local Academy Board, which is a Committee of the Trust Board. There are 2 Staff Governor posts on the Local Academy Board. Staff governors are not Trustees and do not attend full board meetings. All members of staff at Brookvale Groby are invited to put their name forward as a Governor when a vacancy arises. The invitation is published via staff briefings and details of the vacancy is emailed to all staff. Should there be more nominees than places available, an election will be held. All current Brookvale Groby members of staff are eligible to vote in the election.

● **Policies adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the school. All new Trustees have the opportunity to have an initial meeting with the Chair of Trustees. There is an induction pack made available to all new Trustees. All new Trustees are recommended to attend the induction training offered by the Governor Development Service (GDS), and further training opportunities for all Trustees are communicated via circulation by email of the Weekly Bulletin produced by the GDS.

A log is kept of all training and reviewed on a regular basis at Trustee meetings.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

• **Organisational structure**

The Board of Trustees determines the overall direction of the school. The day to day running of the school is delegated to the Headteacher and the senior team. The Headteacher undertakes the key leadership role in consultation with staff, and in line with the policies agreed by the Trustees.

The Trustees aim to meet 6 times per year, supported by Committees (Local Academy Board and Finance and Operations) which meet regularly.

The Headteacher is the Accounting Officer for the Trust. The Headteacher oversees the recruitment of all staff. The Headteacher is a Governor on the Local Academy Board. Senior staff are invited to attend all relevant Local Academy Board meetings as appropriate. The Trust Business Director is responsible for the preparation of accounts.

• **Arrangements for setting pay and remuneration of key management personnel**

It is the responsibility of the Trustees to establish a Pay Committee in order to monitor pay decisions, using evidence and recommendations from the Head. The Trustees will not exercise its right to determine pay on appointment. The Trustees will ensure that salary reviews are undertaken as follows:

- Deputy Headteachers, Assistant Headteachers and classroom teachers are reviewed annually, with effect from 1 September and no later than 15 November each year.
- Headteachers are reviewed annually with effect from 1 September and no later than 31 December each year.
- Business Director pay range is set using the Local Authority job evaluation criteria.
- Decisions regarding pay progression for all teachers will be made with reference to the teachers' performance management, performance management reports and the pay recommendations they contain.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

• **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	2,725
Total pay bill	7,339,686
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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• **Related parties and other connected charities and organisations**

The Brookvale Groby Learning Trust is a Multi Academy Trust. The primary financial aim of the Brookvale Groby Learning Trust is to secure pay and conditions for staff 'at least' at national standards. The Brookvale Groby Learning Trust holds no funds and does not trade.

The Trust is an independent company in all aspects. The Headteacher, Will Teece, is a member of a number of professional organisations which enables him to keep abreast of current educational matters and networks with other schools to share knowledge and expertise.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

• **Objectives, strategies and activities**

The principal objective of the Brookvale Groby Learning Trust as a charitable company is to provide the best education it can for pupils of different abilities between the ages of 11 and 19 years and exists for the benefit of its learners.

Brookvale Groby Learning Trust is committed to the following vision and values in order to drive school improvement and help lead the wider education system.

Trust Vision Statement:

To enable the widest opportunities for all in order to raise outcomes for children and young people.

Trust Values:

- Professional leadership and learning
- Student achievement
- Wellbeing
- Future
- Community

Trust Strategic Objectives:

Professional leadership and learning: The social capital of the trust is highly developed through a relentless focus on professional learning. All members of staff feel highly valued and invested in so that they can have the highest impact on the life chances of all students. The freedom to debate teaching and learning and to invest in research based enquiry is the cornerstone of the trust.

Student achievement: All students within the trust, as a result of effective teaching and learning, are supported and challenged to make the highest levels of progress in relation to their own starting points. All students vulnerable to underachievement are championed and supported to achieve their very best.

Wellbeing: The ethos of the trust secures, for all, the highest possible levels of health and happiness as well as physical, social, emotional, cultural, moral and spiritual welfare and development. The culture of supporting the wellbeing of the individual contributes to securing the highest levels of achievement and progress.

Future: All students achieve increased responsibility and leadership for the conduct of their lives and their learning. The trust supports all students' broader development as resilient, creative individuals, active, compassionate citizens and enterprising workers in the society within which they live.

Community: The trust has a clear responsibility to contribute to the development of the local and wider educational community in order to increase social capital and drive school improvement for the benefit of all students. The school and its communities become mutual providers of resources, expertise, employment and learning experiences in order to achieve the long term sustainability of the system.

The impact of the Global Pandemic and subsequent impact on the educational sector has shifted a number of key priorities towards maintaining a continuity of education at all times. Considerable time and effort has been directed towards remote and blended learning approaches and mitigation of COVID 19 will play a considerable part in campus activities throughout 2021/22. The underlying priorities identified below, continue to be a focus for this academic year, though it would be prudent to state that the management of COVID 19 may dominate campus activity.

The current priorities for 2021/22 are based on the self evaluation conducted throughout the academic years 2019/20 and 2020/21. These priorities include:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

1. Ofsted 2016:

To further embed research evidence and strategies that support specific groups vulnerable to underachievement (boys, HPA, DS, SEND) in order to raise outcomes and close gaps.

2. Ofsted 2016:

To embed, across the Post 16 curriculum, a fully interleaved subject content and assessment system in order to raise outcomes and reduce subject variation for academic subjects.

3. Ofsted 2016:

To implement new Quality Assurance (QA) systems which maintain robust standards of teaching and learning.

4. Quality of Education:

All students have access to a broad, well structured and ambitious curriculum that is clearly conceived, taught and experienced.

Teachers' expert knowledge allows students to embed key concepts into their long term memory and apply them fluently.

Progress of all students is at least in line with national expectations, so that they move on to their planned future pathways (Ofsted 2016).

5. Behaviour and Attitudes:

Attitudes to learning are positive. Students take pride in their school and their own work and demonstrate resilience.

Attendance and punctuality for year 7-13 remain high and are above national averages for all year groups and inclusion groups.

6. Personal Development:

Embed campus character values, increase opportunities for student leadership, enhance career preparation and develop fundamental British values to enable our students to continue to their planned future pathways.

7. Leadership and management:

Professional Learning strategy that maintains robust standards (Ofsted 2016), ensures both teacher pedagogy and work life balance are strengthened.

Governors have a clear vision and strategy for the campus and hold leaders to account including effective prevent and safeguarding.

8. Post 16 (Ofsted 2016):

Post 16 tutor time programme is rigorous and structured; all P16 tutors have a clear idea of what is expected of them; students value tutor time.

Post16 Enrichment, mentoring and WEXA programmes are embedded, monitored, allowing all students including DS/SEND students to become well-rounded young adults.

9. Business Management:

Budget monitoring is effective and enables a suitable staffing structure and outstanding facilities to support student progression.

Public Benefit

The Brookvale Groby Learning Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

• **Key performance indicators**

The Academy Trust as a single entity has not been inspected. Groby Community College was inspected in September 2016 and was deemed to be continuing to provide a 'Good' standard of education for its students. Brookvale High School was inspected by Ofsted in February 2014 and was rated 'Outstanding' in all categories.

• **Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

Financial review

Financial review

The Academy Trust had a net increase in funds for the year ended 31 August 2021 of £491,252 including fixed assets movements but excluding pension reserve movements. As at 31 August 2021 the Academy Trust held £347,672 of unrestricted reserves plus £1,556,900 of unspent (non fixed asset) restricted funds. The Academy Trust therefore held combined unrestricted and non fixed asset restricted funds, being its available reserves of £1,904,572.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £6,183,000 at 31 August 2021 and a fixed asset reserve of £14,706,010 being the book value of past purchases plus £120,000 of unspent capital funds.

Despite the global pandemic, there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy, as core funding from both the Government and Local Authorities is currently expected to continue. The principal financial management policies adopted in the period are included in the Academy's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year other than the aforementioned pandemic.

The principal sources of funding for the Academy Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Reserves policy**

The Trustees have developed a reserves policy for the Academy Trust which is reviewed at least annually. The Academy Trust needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately 1 month's expenditure, being approximately £695,000.

Actual free reserves plus unspent GAG as at 31 August 2021 were £1,870,245, being £1,175,245 higher than the target level set by the Trustees. This amount in excess of target free reserves will be used to support the future developments of the Academy Trust, unplanned repairs or capital improvements not covered by new income and future costs associated with the fall in numbers in Post 16. In the 21/22 year the Trustees have committed to spend from the reserves, £110,000 on LED lighting, £46,500 contribution toward CIF projects and £8,000 toward the synthetic pitch refurbishment. The Trust also has an ambition to replace the condemned mobile classrooms on site with 4 new modular classrooms.

The Academy Trust also held other available restricted funds at the year end of £34,327 as detailed within the statement of funds note within the financial statements. Total available reserves at 31 August 2021 were £1,904,572.

Cash at bank plus short term bank investments at 31 August 2021 were £151,415 higher than total available reserves due principally to various timing differences between cash and accruals accounting based reserves.

At 31 August 2021 the Academy Trust's fixed asset reserve of £14,706,010 represented funds which could only be realised if the assets were sold plus £120,000 being the synthetic pitch repair fund and security fence fund.

The only reserve in deficit at the year end was the pension reserve (deficit of £6,183,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Principle risks and uncertainties**

The risks faced by the Academy Trust are outlined in the Risk Register agreed with the Trustees. The Trustees are continually aware and are monitoring any risks associated with the Multi Academy Trust. Policies are updated at least annually.

The principal risks for the Academy Trust during the future are:

1. The impact of COVID on the safe and effective running of the campus, its financial security, the effect on pupil outcomes due to the loss of learning.
2. Ongoing pressures due to the real terms cuts to school funding brought about increasing employment costs coupled with the significant cuts to Post 16 funding as a result of it being brought into line with Further Education funding. The Accounting Officer, Business Director and Finance and Operations Committee monitor and aim to analyse the impact of any national and local changes and adjust the running of the Academy to respond to financial challenges as appropriate.
3. Boys underachievement across all key stages and underachievement of disadvantaged students.

The Trustees are responsible for overseeing the risks faced by the Trust. Detailed considerations of risk are delegated to the Trustees and Senior Leadership Team. Risks are identified, assessed and controls established throughout the period. A formal review of the school's risk management processes is undertaken continuously throughout each year at every Trustee and Committee meeting. Risk is managed under the headings of Leadership & Management, Pupil Outcomes, Safeguarding, Teaching & Learning, Finance & operations and Risk associated with COVID.

Through the risk management process established for the trust, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Academy Trust and the Trustees are aware of the significant pension fund deficit of £6,183,000 as at 31 August 2021 for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case. 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 Pensions Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. The Academy Trust has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health.

● **Fundraising**

To support our curriculum and pupil's development, the school raises money for several local and national charities, considering the following under the provisions of the Charities (Protection and Social Investment) Act 2016, section 13:

- Approach to fundraising – inclusive of activities involving the whole school community.
- All fundraising conforms to recognised standards.
- Any complaints regarding fundraising activities, will be managed under the Trust's complaints policy.
- We limit the number of fundraising activities, to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

● **Plans for future periods**

The trustees intend to continue to provide outstanding progress for all through challenge, outstanding teaching and learning and to work together for excellence 11-19.

See the section above covering objectives, strategies and activities for detailed information on the improvement priorities for the 11-19 Brookvale Groby Learning Campus.

The Brookvale Groby Learning Trust has identified the following priorities for the forthcoming year:

- Priority 1: Further exploration of trust growth, collaboration or MAT merger including the development of the business offer
- Priority 2: Review and evaluate sustainability of the trust Post 16 curriculum offer
- Priority 3: Develop trust reporting in order to truly reflect the Key Performance Indicators driven by the trust's strategic objectives
- Priority 4: Trustees to maintain close scrutiny and challenge of KS4 and 5 performance outcomes at BGLC

● **Investment policy**

The Academy Trust's investment policy is to only hold cash reserves on deposit with major holding banks so as to minimise risk. Available rates are reviewed from time to time and where returns are judged sufficient to more than offset the administrative cost of managing deposit funds, such accounts may be used.

The Business Director will identify funds surplus to immediate cash requirements and, in line with the school's investment policy, will seek consent from the Finance & Operations Committee before investment of those funds.

Funds held as custodian on behalf of others

The Academy does not hold any such funds on behalf of any other organisations.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on its behalf by:

Connor Acton
Chair of Trustees

Will Teece
Accounting Officer

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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. To ensure the board maintains effective oversight of funds, a suite of reports is shared with the Trustees monthly, including budget monitoring and accompanying notes to explain any variances, cash flow forecast, bank reconciliation, trial balance and Income and Expenditure summary taken from the trial balance.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Connor Acton, Chair of Trustees	5	5
Helen Stockill, Vice Chair of Trustees	4	5
Michael Richardson	1	4
Helen Brown	5	5
Brian Jones	4	5
Geeta Parekh	3	5
Steve Goddard	5	5
Karl Stewart	4	5
Peter Leatherland	4	5
Ismini Vasileiou	3	5
Helen Speechley	2	2

Changes to the composition of the Trustees during the year are detailed on page 1.

The coverage of its work

Trustees have been involved in a range of scrutiny meetings focused on performance and financial data of the trust. The Finance and Operations committee has taken a detailed overview of the financial health of the Trust and scrutinised the budgets over time as well as the accounts and budget setting process. The Local Academy Board analyses in depth all the attainment and pastoral data as well as meeting with key middle leaders in order to triangulate reports from the headteacher and data presented at meetings from other senior leaders.

The Board of Trustees has quickly developed a strong understanding of the organisation. Minutes from meetings show that there is a high level of challenge at meetings. All meetings assess risk and both Trustees and Local Academy Board members are acutely aware of the challenges faced by the Trust.

- The Board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the Board:

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During the year all Trustees and Local Academy Board members reviewed their skills composition by updating the NGA skills audits. The board will use this information to ensure that all members are effectively trained moving forward. They also recognised with one of the schools (Brookvale) facing Ofsted that they would engage in further training delivered by Leicestershire's Governor Development Service. The quality of governance was found to be of high quality in the Ofsted for Groby in September 2016.

Information about the quality of the data used by the Board, and why the Board finds it acceptable

Information presented to the Board of Trustees and the committees (Finance and Operations / Local Academy Board) has been found to be detailed and transparent. The Trustees are well aware of the financial challenges over the next three years due to the squeeze on Post 16 funding. The Local Academy Board is also presented with detailed performance information about student progress at every meeting. In order to streamline the amount of information provided to Local Academy Board members all senior leaders now use the impact summary format.

The Finance & Operations Committee is a subcommittee of the main Board of Trustees. Its purpose is to assist the decision making of the Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Trust's finance and resources.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Helen Brown	5	5
Steve Goddard	5	5
Helen Stockill	5	5
Peter Leatherhead	2	4
Helen Speechley	2	2

Review of value for money

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

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

- Careful monitoring of costs and income against budget
- Benchmarking against similar schools
- Careful monitoring of curriculum efficiency including Pupil Teacher Ratio, group sizes and contact ratios for all teaching staff

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brookvale Groby Learning Trust for the year 1 September 2020 to 31 August 2021 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to employ Leicestershire County Council as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On an annual basis, the internal auditor reports to the Board of Trustees through the Finance and Operations Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short 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.

The latest internal audit visit was in October 2021. No material control issues were identified as a result of the internal auditor's review work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on their behalf by:

Connor Acton
Chair of Trustees

Will Teece
Accounting Officer

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Brookvale Groby 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 Board of Trustees are able to identify any material irregular or improper use of all 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.

Will Teece
Accounting Officer
Date: 7 December 2021

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:

Connor Acton
Chair of Trustees

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BROOKVALE GROBY LEARNING TRUST**

Opinion

We have audited the financial statements of Brookvale Groby Learning Trust (the 'academy 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 related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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.

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BROOKVALE GROBY LEARNING TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BROOKVALE GROBY LEARNING TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the Academy Trust and the industry, we have identified that the principal risks of non-compliance with laws and regulations related to UK Tax and legislation and breaches of the Academy's funding agreement with the Secretary of State for Education, the Academies Financial Handbook, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the, Companies Act 2006 and the Charities SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, in particular in relation to accruals provisions;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above. The more removed non-compliance with laws and regulations is, from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by forgery or intentional misrepresentation, for example, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BROOKVALE GROBY LEARNING TRUST (CONTINUED)**

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

Date: 17 December 2021

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 21 September 2021 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 Brookvale Groby Learning Trust during the year 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 Brookvale Groby Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brookvale Groby 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 Brookvale Groby Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Brookvale Groby Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brookvale Groby Learning Trust's funding agreement with the Secretary of State for Education dated 1 July 2012 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 year 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.

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.

Reporting Accountant
Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 17 December 2021

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	708,641	708,641	51,244
Charitable activities	4	-	8,665,600	-	8,665,600	8,375,323
Other trading activities	5	34,956	-	-	34,956	63,319
Investments	6	2,586	-	-	2,586	7,859
Total income		37,542	8,665,600	708,641	9,411,783	8,497,745
Expenditure on:						
Raising funds		3,432	-	-	3,432	19,671
Charitable activities		29,904	8,790,559	574,636	9,395,099	9,012,069
Total expenditure		33,336	8,790,559	574,636	9,398,531	9,031,740
Net income/(expenditure)		4,206	(124,959)	134,005	13,252	(533,995)
Transfers between funds	18	-	(255,857)	255,857	-	-
Net movement in funds before other recognised gains/(losses)		4,206	(380,816)	389,862	13,252	(533,995)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,141,000)	-	(1,141,000)	76,000
Net movement in funds		4,206	(1,521,816)	389,862	(1,127,748)	(457,995)
Reconciliation of funds:						
Total funds brought forward		343,466	(3,104,284)	14,316,148	11,555,330	12,013,325
Net movement in funds		4,206	(1,521,816)	389,862	(1,127,748)	(457,995)
Total funds carried forward		347,672	(4,626,100)	14,706,010	10,427,582	11,555,330

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08089397

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	14,586,010	14,260,148
		<u>14,586,010</u>	<u>14,260,148</u>
Current assets			
Debtors	14	504,878	241,930
Investments	15	916,901	914,507
Cash at bank and in hand		1,139,086	1,184,319
		<u>2,560,865</u>	<u>2,340,756</u>
Creditors: amounts falling due within one year	16	(528,293)	(458,324)
Net current assets		<u>2,032,572</u>	<u>1,882,432</u>
Total assets less current liabilities		<u>16,618,582</u>	<u>16,142,580</u>
Creditors: amounts falling due after more than one year	17	(8,000)	(23,250)
Net assets excluding pension liability		<u>16,610,582</u>	<u>16,119,330</u>
Defined benefit pension scheme liability	26	(6,183,000)	(4,564,000)
Total net assets		<u><u>10,427,582</u></u>	<u><u>11,555,330</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset fund	18	14,706,010	14,316,148
Restricted income fund	18	1,556,900	1,459,716
		<u>16,262,910</u>	<u>15,775,864</u>
Restricted funds excluding pension liability	18	16,262,910	15,775,864
Pension reserve	18	(6,183,000)	(4,564,000)
Total restricted funds	18	<u>10,079,910</u>	<u>11,211,864</u>
Unrestricted income funds	18	<u>347,672</u>	<u>343,466</u>
Total funds		<u><u>10,427,582</u></u>	<u><u>11,555,330</u></u>

The financial statements on pages 25 to 56 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

Connor Acton
Chair of Trustees

The notes on pages 29 to 56 form part of these financial statements.

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	161,682	200,749
Cash flows from investing activities	22	(191,665)	(411,784)
Cash flows from financing activities	21	(15,250)	(36,372)
Change in cash and cash equivalents in the year		(45,233)	(247,407)
Cash and cash equivalents at the beginning of the year		1,184,319	1,431,726
Cash and cash equivalents at the end of the year	23, 24	1,139,086	1,184,319

The notes on pages 29 to 56 form part of these financial statements

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Brookvale Groby Learning Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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 financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite the global pandemic which was ongoing at the balance sheet date and subsequently, there are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

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

- **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.

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

Leasehold buildings	- 2-3% Straight line
Leasehold land (125 year lease)	- over 125 years
Flat roof	- 3-6% Straight line
Furniture and fixtures	- 15% Straight line
Furniture and fixtures - windows and doors	- 10% Straight line
Computer equipment	- 25% Straight line

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.

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Current asset investments

Current asset investments are cash or cash equivalents with a maturity date of less than one year valued at fair value.

1.9 Cash at bank and in hand

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

1.10 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.

1.11 Provisions

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

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

1.12 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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.

1.13 Operating leases

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

BROOKVALE GROBY LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 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 funders where the asset acquired or created is held for a specific purpose.

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

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

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2. Critical accounting estimates and areas of judgment

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

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.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Capital grants	708,641	708,641	51,244
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	51,244	51,244	
	<hr/>	<hr/>	

BROOKVALE GROBY LEARNING TRUST
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4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,364,564	7,364,564	7,183,812
Other DfE/ESFA grants			
Pupil Premium	177,539	177,539	168,345
Teachers pension grant	293,036	293,036	299,702
Others	150,857	150,857	166,056
Apprenticeship funding	-	-	6,571
	<hr/> 7,985,996	<hr/> 7,985,996	<hr/> 7,824,486
Other Government grants			
Hinckley and Bosworth Educational Partnership funding	189,903	189,903	-
Local Authority grants	142,959	142,959	387,006
	<hr/> 332,862	<hr/> 332,862	<hr/> 387,006
Other income from the Academy Trust's educational operations	174,658	174,658	158,242
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	98,160	98,160	-
	<hr/> 98,160	<hr/> 98,160	<hr/> -
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus Job Retention Scheme grant	73,924	73,924	5,589
	<hr/> 73,924	<hr/> 73,924	<hr/> 5,589
	<hr/> 8,665,600	<hr/> 8,665,600	<hr/> 8,375,323
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> <hr/> 8,375,323	<hr/> <hr/> 8,375,323	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium and Teachers pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy £98k of funding for catch-up premium and costs incurred in respect of this funding totalled £98k.

The academy furloughed some of its staff under the governments CJRS. The funding received of £74k relates to staff costs in respect of staff which are included within note 10 below as appropriate.

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5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Lettings income	6,750	6,750	54,191
Consultancy income	28,206	28,206	9,128
	<u>34,956</u>	<u>34,956</u>	<u>63,319</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank interest	2,586	2,586	7,859
	<u>2,586</u>	<u>2,586</u>	<u>7,859</u>

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Expenditure on raising funds:					
Allocated support costs	-	3,432	-	3,432	19,671
Educational operations:					
Direct costs	6,409,547	430,977	398,691	7,239,215	7,082,742
Allocated support costs	1,259,626	452,385	443,873	2,155,884	1,929,327
	<u>7,669,173</u>	<u>886,794</u>	<u>842,564</u>	<u>9,398,531</u>	<u>9,031,740</u>
<i>Total 2020</i>	<u>7,339,686</u>	<u>964,654</u>	<u>727,400</u>	<u>9,031,740</u>	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	7,239,215	2,155,884	9,395,099	9,012,069
<i>Total 2020</i>	<i>7,082,742</i>	<i>1,929,327</i>	<i>9,012,069</i>	

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	81,000	83,000
Staff costs	6,389,030	6,165,940
Depreciation	430,977	448,970
Educational supplies	163,046	145,860
Examination fees	90,851	133,869
Staff development	37,859	37,454
Support staff costs	20,517	47,893
Technology costs	25,935	19,756
	7,239,215	7,082,742

Analysis of support costs

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8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	1,259,626	1,121,097
Depreciation	143,659	149,657
Recruitment	17,453	21,715
Maintenance of premises and equipment	117,246	113,568
Cleaning	9,976	9,552
Rates	40,031	85,922
Insurance	46,020	45,551
Catering	82,472	85,635
Other support costs	261,157	143,789
Security and transport	43,970	4,817
Technology costs	23,854	25,569
Energy costs	95,453	105,695
Governance costs	14,967	16,760
	2,155,884	1,929,327

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	4,575	57,812
Depreciation of tangible fixed assets	574,636	598,627
Fees paid to auditors for:		
- audit	11,200	11,200
- other services	2,695	3,150

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	5,529,195	5,259,488
Social security costs	455,362	451,504
Pension costs	1,664,099	1,580,801
	<hr/> 7,648,656	<hr/> 7,291,793
Agency staff costs	20,517	47,893
	<hr/> 7,669,173 <hr/>	<hr/> 7,339,686 <hr/>

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	102	103
Administration and support	172	146
Management	7	8
	<hr/> 281 <hr/>	<hr/> 257 <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £551,718 (2020 - £529,881). These figures include salary costs of all Trustees employed by the Trust, even where they have no management role within their employment.

11. Trustees' remuneration and expenses

The Accounting Officer has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal only received remuneration in respect of services they provide undertaking the roles of Principal under their contracts of employment.

The value of Accounting Officer's remuneration was as follows:

W Teece (Headteacher and Accounting Officer from 1 September 2020)
Remuneration £90,000 - £95,000
Employer's pension contributions £20,000 - £25,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	15,365,603	1,215,927	441,597	17,023,127
Additions	738,702	127,599	34,197	900,498
At 31 August 2021	<u>16,104,305</u>	<u>1,343,526</u>	<u>475,794</u>	<u>17,923,625</u>
Depreciation				
At 1 September 2020	1,801,802	610,070	351,107	2,762,979
Charge for the year	376,049	139,943	58,644	574,636
At 31 August 2021	<u>2,177,851</u>	<u>750,013</u>	<u>409,751</u>	<u>3,337,615</u>
Net book value				
At 31 August 2021	<u>13,926,454</u>	<u>593,513</u>	<u>66,043</u>	<u>14,586,010</u>
At 31 August 2020	<u>13,563,801</u>	<u>605,857</u>	<u>90,490</u>	<u>14,260,148</u>

See note 1.3 regarding assets transferred on conversion.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	22,948	65,885
VAT recoverable	160,464	47,945
Prepayments and accrued income	321,466	128,100
	<u>504,878</u>	<u>241,930</u>

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15. Current asset investments

	2021 £	2020 £
Unlisted investments - Lloyds Bank	916,901	914,507

Current asset investments consists of fixed interest rate deposits with Lloyds Bank, being an investment of £301,930 @ 0.02% maturing on 1 September 2021, an investment of £308,764 @ 0.02% maturing on 1 September 2021 and an investment £306,207 @ 0.01% maturing on 1 September 2021.

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	15,250	15,250
Trade creditors	41,018	93,090
Other taxation and social security	121,809	-
Other creditors	163,225	147,661
Accruals and deferred income	186,991	202,323
	528,293	458,324

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	161,132	224,969
Resources deferred during the year	132,646	161,132
Amounts released from previous periods	(161,132)	(224,969)
	132,646	161,132

The closing balance of deferred income mainly relates to parental contributions and CIF fire compliance income received in advance of the 2021/22 academic year and rates income in relation to the post year end period.

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17. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£	£
Other loans	8,000	<i>23,250</i>

Other loans consist of Condition Improvement Fund (CIF) loans for a roofing project, a windows project and fencing improvements as approved by the Education and Skills Funding Agency. The CIF windows loan attracts an interest rate of 1.65% and is repayable over 4 years commencing September 2017. The CIF fencing loan is interest free and is repayable over 4 years commencing September 2018. The CIF roofing loan attracts an interest rate of 1.55% and is repayable over 5 years commencing September 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General funds	343,466	37,542	(33,336)	-	-	347,672
Restricted general funds						
General Annual Grant (GAG)	1,386,191	7,364,564	(6,972,325)	(255,857)	-	1,522,573
Pupil Premium	14,525	177,539	(158,795)	-	-	33,269
Teachers pension grant	-	293,036	(293,036)	-	-	-
Other DfE grants	3,520	150,857	(154,377)	-	-	-
Other government grants	10,480	142,959	(153,132)	-	-	307
HBEP funding	45,000	189,903	(234,903)	-	-	-
Other income	-	174,658	(173,907)	-	-	751
COVID-19 additional funding (DfE/ESFA)	-	98,160	(98,160)	-	-	-
COVID-19 additional funding (non- DfE/ESFA)	-	73,924	(73,924)	-	-	-
Pension reserve	(4,564,000)	-	(478,000)	-	(1,141,000)	(6,183,000)
	(3,104,284)	8,665,600	(8,790,559)	(255,857)	(1,141,000)	(4,626,100)

BROOKVALE GROBY LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
DfE Group capital grants	1,247,021	702,641	(73,892)	56,300	-	1,932,070
Transfer from Local Authority	5,371,370	-	(122,420)	-	-	5,248,950
Transfer from ESFA	7,382,106	6,000	(267,235)	-	-	7,120,871
Section 106	15,643	-	(350)	-	-	15,293
Capital expenditure from GAG	244,008	-	(110,739)	135,557	-	268,826
Synthetic pitch repair fund	56,000	-	-	4,000	-	60,000
Security fencing fund	-	-	-	60,000	-	60,000
	14,316,148	708,641	(574,636)	255,857	-	14,706,010
Total Restricted funds	11,211,864	9,374,241	(9,365,195)	-	(1,141,000)	10,079,910
Total funds	11,555,330	9,411,783	(9,398,531)	-	(1,141,000)	10,427,582

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18. Statement of funds (continued)

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

Restricted general funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year plus amounts set aside for a future synthetic pitch and security fencing.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. The closing balance relates to unspent funds.

Teachers pension grant supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme. All funds have been spent within the year.

The DfE grants consists of Teachers pay grant, Free School Meals (FSM) grant and 16 to 19 tuition fund. All funds have been spent in full within the year.

Other government grants consist of Special Educational Needs (SEN) funding, Pupil Premium Plus and Hinckley and Bosworth Educational Partnership funding. The closing balance relates to looked after children.

Other income consists of catering income and other smaller revenue items. The closing balance relates to £296 of STEM income and £455 of art exhibition income.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

Restricted fixed asset funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from Local Authority relates to the value of £6,436,852 (leasehold land and buildings plus moveable assets) transferred from the Local Authority to the Academy on conversion. The closing balance relates to the net book value of the assets concerned.

The transfer from the ESFA relates to the value of leasehold land and buildings plus moveable assets transferred from the ESFA to the Academy on conversion to an Academy Trust. The closing balance relates to the net book value of the assets concerned.

The Section 106 income was applied for to further fund the dining hall extension project. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

The synthetic pitch fund represents funds set aside for the future work. The balance carried forward relates to unspent funds.

The security fencing fund represents funds set aside for the future work. The balance carried forward relates to unspent funds.

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18. Statement of funds (continued)

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

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General funds	286,608	336,937	(276,079)	(4,000)	-	343,466
Enter text here - user input						
Restricted general funds						
General Annual Grant (GAG)	1,071,736	7,221,337	(6,790,320)	(116,562)	-	1,386,191
Pupil Premium	-	168,345	(153,820)	-	-	14,525
Other DfE Group grants	9,044	428,233	(433,757)	-	-	3,520
Teachers pension grant	72,968	133,407	(150,895)	-	-	55,480
Other government grants	-	158,242	(158,242)	-	-	-
Pension reserve	(4,170,000)	-	(470,000)	-	76,000	(4,564,000)
	<u>(3,016,252)</u>	<u>8,109,564</u>	<u>(8,157,034)</u>	<u>(116,562)</u>	<u>76,000</u>	<u>(3,104,284)</u>

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18. Statement of funds (continued)

Restricted fixed asset funds

DfE Group capital grants	1,333,835	51,244	(138,058)	-	-	1,247,021
Transfer from Local Authority	5,494,077	-	(122,707)	-	-	5,371,370
Transfer from ESFA	7,655,217	-	(273,111)	-	-	7,382,106
Section 106	15,643	-	-	-	-	15,643
Capital expenditure from GAG	196,197	-	(64,751)	112,562	-	244,008
Synthetic pitch repair fund	48,000	-	-	8,000	-	56,000
	<u>14,742,969</u>	<u>51,244</u>	<u>(598,627)</u>	<u>120,562</u>	<u>-</u>	<u>14,316,148</u>
Total Restricted funds	<u>11,726,717</u>	<u>8,160,808</u>	<u>(8,755,661)</u>	<u>4,000</u>	<u>76,000</u>	<u>11,211,864</u>
Total funds	<u><u>12,013,325</u></u>	<u><u>8,497,745</u></u>	<u><u>(9,031,740)</u></u>	<u><u>-</u></u>	<u><u>76,000</u></u>	<u><u>11,555,330</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	14,586,010	14,586,010
Current assets	330,863	2,110,002	120,000	2,560,865
Creditors due within one year	16,809	(545,102)	-	(528,293)
Creditors due in more than one year	-	(8,000)	-	(8,000)
Pension scheme liability	-	(6,183,000)	-	(6,183,000)
Total	<u><u>347,672</u></u>	<u><u>(4,626,100)</u></u>	<u><u>14,706,010</u></u>	<u><u>10,427,582</u></u>

Analysis of net assets between funds - prior year

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19. Analysis of net assets between funds (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	14,260,148	14,260,148
Current assets	343,466	1,941,290	56,000	2,340,756
Creditors due within one year	-	(458,324)	-	(458,324)
Creditors due in more than one year	-	(23,250)	-	(23,250)
Pension scheme liability	-	(4,564,000)	-	(4,564,000)
Total	343,466	(3,104,284)	14,316,148	11,555,330

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	13,252	(533,995)
Adjustments for:		
Depreciation	574,636	598,627
Capital grants from DfE and other capital income	(708,641)	(51,244)
Interest receivable	(2,586)	(7,859)
Defined benefit pension scheme cost less contributions payable	397,000	387,000
Defined benefit pension scheme finance cost	81,000	83,000
Increase in debtors	(293,187)	(42,964)
Increase/(decrease) in creditors	100,208	(231,816)
Net cash provided by operating activities	161,682	200,749

21. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(15,250)	(36,372)
Net cash used in financing activities	(15,250)	(36,372)

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22. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	2,586	7,859
Purchase of tangible fixed assets	(900,498)	(163,806)
Capital grants from DfE Group	708,641	51,244
Movement in current investments	(2,394)	(307,081)
Net cash used in investing activities	(191,665)	(411,784)

23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,139,086	1,184,319
Total cash and cash equivalents	1,139,086	1,184,319

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,184,319	(45,233)	1,139,086
Debt due within 1 year	(15,250)	-	(15,250)
Debt due after 1 year	(23,250)	15,250	(8,000)
Liquid investments	914,507	2,394	916,901
	2,060,326	(27,589)	2,032,737

25. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	680,511

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26. Pension commitments

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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £143,767 were payable to the schemes at 31 August 2021 (2020 - £136,272) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £853,872 (2020 - £803,722).

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

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

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £532,000 (2020 - £503,000), of which employer's contributions totalled £427,000 (2020 - £404,000) and employees' contributions totalled £ 105,000 (2020 - £99,000). The agreed contribution rates for future years are 24.2 - 25.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.40	2.70
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20
Commutation of pensions to lump sums	50.00	50.00

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate -0.1%	311	241
Salary increase rate +0.1%	33	28
Pension increase rate +0.1%	274	209

Share of scheme assets

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26. Pension commitments (continued)

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

	2021 £	2020 £
Equities	3,491,020	2,664,440
Corporate bonds	1,745,510	1,309,640
Property	421,330	361,280
Cash and other liquid assets	361,140	180,640
Total market value of assets	6,019,000	4,516,000

The actual return on scheme assets was £1,041,000 (2020 - £(205,000)).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2020 for the year to 31 August 2021, or date of joining the fund if later).

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26. Pension commitments (continued)

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

	2021 £	2020 £
Current service cost	(824,000)	(791,000)
Interest income	81,000	86,000
Interest cost	(162,000)	(169,000)
Total amount recognised in the Statement of Financial Activities	(905,000)	(874,000)

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

	2021 £	2020 £
At 1 September	9,080,000	8,445,000
Current service cost	824,000	791,000
Interest cost	162,000	169,000
Employee contributions	105,000	99,000
Actuarial losses/(gains)	2,101,000	(367,000)
Benefits paid	(70,000)	(57,000)
At 31 August	12,202,000	9,080,000

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

	2021 £	2020 £
At 1 September	4,516,000	4,275,000
Interest income	81,000	86,000
Actuarial gains/(losses)	960,000	(291,000)
Employer contributions	427,000	404,000
Employee contributions	105,000	99,000
Benefits paid	(70,000)	(57,000)
At 31 August	6,019,000	4,516,000

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27. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	28,824	24,074
Later than 1 year and not later than 5 years	10,249	23,793
	<u>39,073</u>	<u>47,867</u>

28. Members' liability

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

29. Related party transactions

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

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