

Registration number: 07790934

Southport Learning Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

Southport Learning Trust

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Southport Learning Trust

Reference and administrative details

Members

Ms Kate Webb
Dr Richard Hadji (resigned 13 May 2023)
Mrs Michelle Dow
Mr Stuart Bellerby (appointed 13 May 2023)
Mrs Jane Devaney (appointed 27 May 2023)
Mr Sam Cassidy (appointed 27 May 2023)

Trustees (Directors)

Mr Stuart Bellerby, Chair of Trustees
Mr Paul Blott (appointed 28 September 2022)
Mrs Claire Buck
Mr Craig Clifford
Ms Louise Cobain
Mr Richard Cottier
Mr Colin Davies (appointed 1 April 2023)
Mr Geoffrey Howe (resigned 28 September 2022)
Mr Allan Jones (appointed 1 April 2023)
Mr Philip Power
Mrs Cathy Rae, Staff Trustee (resigned 4 June 2023)
Mr Ian Raikes, Accounting Officer
Mr Peter Reed (appointed 28 September 2022)
Mrs Anna Smith, Staff Trustee (resigned 12 July 2023)
Ms Ruth Williams, Vice Chair (resigned 13 November 2023)

Company Secretary

Mr Robin Buchanan Brown

Southport Learning Trust

Reference and administrative details (continued)

Senior Management Team	Mr Ian Raikes, Executive Headteacher and Chief Executive Officer of Southport Learning Trust Ms Davina Aspinall, Headteacher of Maghull High School Mr Gareth Banks (appointed 01 September 2023), Headteacher of Birkdale High School Mr Gil Bourgade (resigned 31 August 2023), Headteacher of Birkdale High School Mrs Ruth Braithwaite, Headteacher of Bedford Primary School Mr Robin Buchanan Brown, Director of Finance Mrs Christina Greaves, Headteacher of Kew Woods Primary School Mr Ian Parry, Headteacher of Meols Cop High School Mrs Katy Robinson, Headteacher of Greenbank High School Mrs Jenna Shawe, Headteacher of Stanley High School Mrs Anna Smith, Executive Director
Principal and Registered Office	Southport Learning Trust Mornington Road Southport PR9 0TT
Company Registration Number	07790934
Auditors	Beever and Struthers Chartered Accountants Suite 9b The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS
Bankers	Lloyds Bank PLC 23 London Street Southport PR9 0UX
Solicitors	Browne Jacobson 3rd Floor No. 1 Spinningfields 1 Hardman Square Manchester M3 3EB

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, a directors' report and a strategic report under company law.

As at the 31 August 2023, the Trust operated two primary academies and five secondary academies in the Metropolitan Borough of Sefton. The seven schools within the Trust have a combined pupil roll of 5,589 (October 2022 census).

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee (registration no. 07790934) and is an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of Southport Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Southport Learning Trust.

Details of the trustees who served during the year, and to the date these accounts are approved 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 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

In accordance with normal commercial practice Southport Learning Trust has purchased Professional Indemnity Cover to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This cover has been purchased through the EFA Risk Protection Arrangement. The cover is unlimited and the cost for the period ended 31 August 2023 cannot be separately identified from the overall cover expense in the Financial Statements.

Principal activities

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing, and developing schools offering a broad and balanced curriculum. Additionally, to promote for the benefit of surrounding inhabitants, the provision of facilities for recreation and other leisure activities.

Method of recruitment and appointment or election of Trustees

The Trustees are Directors of the Academy Trust for the purposes of the Companies Act 2006 and for the purposes of charity legislation. Trustees' terms of office are for four years unless agreed otherwise, except for the Chief Executive Officer.

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

The arrangement for the appointment of new Trustees is specifically set down in the Articles of Association. In summary, these are that:

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

- The members may appoint by ordinary resolution up to five Trustees.
- The members may appoint Staff Trustees through such process as they may determine, provided that the number of Trustees, including the Chief Executive Officer, who is an employee of the Academy Trust does not exceed one third of the total number of trustees.
- Two Parent Trustees may be appointed through election by the Trust Board of registered pupils within the Trust. A Parent Trustee may be a parent of a pupil at an Academy within the Trust at the time of appointment.
- The Trustees may appoint up to three Co-opted Trustees, which cannot be an employee of the Trust and cannot exceed one third of the total number of Trustees.

Policies and procedures adopted for the induction and training of Trustees

During the period under review the Trust held 7 Trust Board Meetings. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on relevant educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

The Academy Trust also subscribes to a number of Trustee Information Services. Trustees also have access to training throughout their term of office, both from internal and from external parties.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust's use of budgets, and making major decisions about the direction of the Academy Trust, capital expenditure and Executive Management and Trust Leadership positions.

The Executive Management Team during the academic year of this report are included in the Reference and Administrative Details on page 1. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Headteachers and Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for posts in the Senior Management Team always contain a Trustee or governor. Some spending control is devolved to members of the Senior Management Team, with limits for approval being set down in the Academy Trust's Handbook.

Arrangements for setting pay and remuneration of key management personnel

The School has a Pay Policy in place which follows, as far as is practical, the Teachers Pay and Conditions Document for Teachers and NJC for support staff. This sets out the arrangement for setting pay and remuneration for all personnel. The pay and remuneration of the Chief Executive Officer is determined by the Board of Trustees following the guidelines set in the Pay Policy.

Trade union facility time

The Trust has complied with the requirements of the Trade Union (Facilities Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017. The Trust's published report covers the year from 1 April 2022 to 31 March 2023 and is summarised below.

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Trustees' report for the Year Ended 31 August 2023 (continued)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
12	11

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	9
1%-50%	3

Percentage of pay bill spent on facility time

	2023
Provide the total cost of facility time	2,782
Provide the total pay bill	17,628,910

Paid trade union activities

	2023
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	77

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

Connected organisations, including related party relationships

Trustees and key personnel declare any interests or related party disclosures and these are recorded in the register of interests. During the year there are three related party transactions which are disclosed separately in this report in note 26.

Engagement with employees (including disabled persons)

The Trustees ensure that leaders, teachers and support staff are only devoting time to the activity that make a difference for our students. Our teachers and support staff work incredibly hard but they need to maintain a good work-life balance to support their wellbeing.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Teaching and learning, planning and curriculum

- We trust teachers to decide the best approaches for their pupils.
- Teaching and learning policy is designed to allow subject specialists to teach in the way that works best for their subjects and pupils.
- No need to write lesson plans of any kind.
- Schemes of work and resources are provided but they allow for teacher's delivery style.
- 44/50 periods of teaching per fortnight maximum or at least 10% PPA time.
- A user-friendly IT platform to support sharing, joint planning and reduce workload
- No pressure to 'put on a show' in lessons: a culture of typicality is reinforced by no lesson grading
- No teachers cover lessons unless they have requested to do so or if there was an emergency
- Senior Leadership Team cover regularly to support pupils during an absence and are always the first solution in an emergency
- A culture that ensures pupils are respectful and eager to learn.

Behaviour

- Everyone has the highest expectations of behavior, with all staff, not just teaching staff, reinforcing those expectations.
- Clear Behavior Policy with guidelines which is applied consistently so all staff support each other.
- Middle and Senior Leaders support sanctions and behavior management.
- Senior Leadership are visible, and all staff have a presence.
- Senior Leadership run lunch duty to ensure high standards of behavior.
- The vast majority of cover is completed by our own bank of cover staff to avoid too much change for pupils and ensure expectations of behavior are met and that work is completed to a high standard.

Assessment and reporting to parents

- Each school has their own Marking and Feedback Policy, with the aim of reducing workload but increasing effectiveness.
- Marking is for one audience only, the pupils.
- We never ask for any data to be entered twice.
- Simplified written reports to parents/careers.
- Minimal whole school data entries.
- Parents' Evening appointments are made thoughtfully, and refreshments provided for staff.
- Staff calendar of events are planned carefully giving consideration to workload.

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Trustees' report for the Year Ended 31 August 2023 (continued)

Professional Development

- CPD tailored specifically to staff needs, which is based on their feedback.
- Time for staff to put new things into action.
- CPD is delivered as twilights with days off in lieu often resulting in an extended summer holiday.
- Non-hierarchical approach to professional development - there are things a Senior Leader can learn from an NQT and vice versa.
- In-house experts on all aspects of educational practice such as examiners and experienced Faculty, Pastoral and Subject leaders who wish to support the development of others.
- Targeted support plans for teachers who are struggling.
- Few meetings, with those that do take place doing so when they are needed - not just because they are on the calendar.
- Briefings are kept succinct and are held weekly
- We develop leadership positions at all levels through completion of the appropriate NPQs with school-based projects and an appropriate sponsor to support.
- Comprehensive support for NQTs, with dedicated mentors, regular meetings and study visits abroad.
- Development package for all staff at varying stages of their career. Staff can access training at other Trust schools.
- Performance Management is tailored to school, curriculum area and individual needs.
- SLT consider the impact on staff of any change.

We work hard, support and look after each other

- Work in a way that suits you and make sure you make time for yourself and your family.
- No expectation of answering email outside school hours.
- We are constantly streamlining all systems and processes, so they take less time.
- No tick box culture - never do anything if it's not going to make a difference.
- We regularly talk to and survey staff to get their honest opinions about how to improve.
- Staffrooms for staff to interact with colleagues.
- A culture of compassion, praise, courtesy and support for each other
- Open-door Senior Leadership - no concern is ever too small.
- Regular staff social events out-of-school.
- Well-being package for all staff to support them in work and at home with a variety of services.
- In-school health events such as yoga.
- Cycle to Work scheme.
- Occupational Health Support.
- Fully equipped fitness suite at Greenbank with Trust access.
- Performance Management includes a section on well-being.
- Seasonal events for everyone to show their less serious sides (for example, World Book Day, Christmas jumpers, house activities etc.).
- Countless opportunities to get involved with the wider life of the school - Duke of Edinburgh, sports, productions and study visits locally, nationally and abroad.
- Funding Facility Time for area-based Trade Union Representation and training for Local School Based representatives to enable support for all colleagues.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

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

Fundamental to meeting the Trust objectives, the Trust seeks to engage actively with all stakeholders in the local community and the wider educational landscape. Effective collaboration with suppliers, parents and carers, educational partners and civic leaders are seen as key enablers to achieving success. During the year the Trust has further promoted this engagement through specific activity including:

- Regular communication and engagement with parents and carers of current and prospective pupils attending the Trust schools to ensure parents and carers are fully informed.
- Engagement with other Trusts and partners at local and national level to share best practice and enhance the school improvement offer.
- Being central to partnerships with the local authority on matters which impact children and families in our schools and building a vision for education within our local community moving forward.
- Engaging with local and national businesses, further and higher education institutions, apprenticeship providers to promote career and educational opportunities for all pupils to be aware of their best next step.
- Regular communication with key suppliers to ensure clear communication and enhance arrangements to ensure the best value for money.
- Seeking possible opportunities to engage with suppliers within our local community.
- Continued prompt payments to suppliers to ensure ongoing good commercial practices.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Southport Learning Trust and to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

In accordance with the Articles of Association the Academy Trust has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn (if any), and that the curriculum should comply with the substance of the national curriculum.

The Vision of the Trust is:

'We are Southport Learning Trust

We are committed to investing in the future of our Trust and the local area.

We create a climate of excellence through the collaboration and engagement of the diverse and exceptional nature of our schools.

We ensure our community flourishes in a globally aware setting which recognises the value in unique pathways to academic and moral success for all.

At the heart of our culture is the recognition that for everybody to thrive and excel they must find enjoyment and commitment to learning.

We are Southport Learning Trust. We invest in you.'

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Objectives, strategies and activities

The main objectives of the Trust during the year ended 31 August 2023 are summarised below:

- Strive, through high expectations, for all pupils to make exceptional progress from their starting point at school through an inspirational and caring learning community;
- Develop pupils as lifelong independent learners;
- Ensure all pupils, parents and staff are being engaged, happy and proud of being part of our schools;
- Be 'can do' schools that overcome all barriers to learning and enriches the lives of pupils of all abilities and backgrounds;
- Develop and celebrate the outstanding opportunities we provide on a daily basis to nurture pupils;
- Develop key employability skills including high standards of literacy and numeracy to ensure all pupils have a chance of achieving long term economic wellbeing;
- Equip and encourage pupils to lead an active healthy lifestyle;
- Be at the heart of the local, national and global community;
- Challenge gender stereotypes, and embrace equality and diversity;
- Develop the leaders and active citizens of tomorrow;
- Engage in collaboration with partners to improve outcomes for pupils.

The Academy's main strategy is encompassed in the Trust's vision. To this end the activities provided include:

- Tuition and learning opportunities for all students to enjoy and achieve appropriate academic qualifications;
- Professional development opportunities for all staff;
- A programme of extracurricular, leisure and international opportunities for all pupils;
- To be at the heart of our local community.

Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In setting the objectives, and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

The key public benefit delivered by the Trust is the development of high-quality education provided within its schools, to the public benefit of all children local to these schools. Additionally, provide recreational and leisure facilities to the public in the interest of social welfare for the local communities in which the schools reside.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Strategic Report

Achievements and performance

Education

The Trust operates a rigorous programme of self-evaluation to ensure that standards continue to rise. Regular monitoring of performance data is carried out at LGB (Local Governing Bodies) level and subsequently to the Trust Board. External reports support the work of the Trust. Performance management of Headteachers reflects the schools and Trust priorities and is conducted and monitored throughout the year by the CEO (Chief Executive Officer), Chair and Vice Chair of the LGBs. Areas of success and risk are regularly reported back to the Trust board by the CEO and Chairs of the LGBs. An External Review of Governance was commissioned by the DFE (Department for Education) in April 2023 which identified good practice and areas to support further development of governance as the Trust continues to grow.

The Trust Growth Plan continued to be strategically implemented with Birkdale High School successfully joining the Trust in September and Meols Cop High School and Bedford Primary School joining in April. All schools have added capacity as they are strong good schools.

Greenbank High school and Kew Woods were inspected by OFSTED gaining strong good judgements. The schools were described as “Leaders and staff have high expectations for pupils. In lessons, pupils are focused fully on their learning and behave well. Leaders and staff have worked diligently to ensure that pupils’ learning is well thought through. Pupils are well prepared for the next stage of their education” and “Pupils, including those with special educational needs and/or disabilities (SEND), learn and achieve well. They gain important knowledge in different subjects. Pupils develop eager interest in their learning. They are polite, kind, and sensible. Pupils blossom because leaders and staff want the best for them” respectively. All the schools in the Trust have received a good rating in their most recent inspections.

The Trust performed well based on pupil performance at the end of key stage 4 with Greenbank High leading performance in Sefton on Progress 8 as the only school in the Above Average category with 3 out of the remaining 4 secondary schools lying comfortably in the Average category. EBACC entry, a key DFE measure is above 80% in two schools and continues to rise in our other schools. Maghull High School outcomes remain an area for school improvement support although they are joint highest in the locality with English attainment above national average. Pupils in both primary schools made average or above average progress in all three key headlines. Kew Woods attainment is significantly above national average while this remains a challenge for Bedford due to high levels of disadvantaged students and those with complex pastoral needs. Attendance remains a challenge as it does nationally for all schools.

All schools are full on entry for September 2023 which shows the confidence and reputation within the local community for our schools. Trust schools were able to fully recruit to posts and our retention is high.

The Communities of School Improvement thrived in their role of supporting development of pedagogy and curriculum. Their work evolved into our first Trust Conference in February entitled ‘Building Better Learners’ The conference focused on developing Behaviour curriculum and strategies led by nationally recognised Behaviour Hub lead, Sam Strickland and developing teaching and learning with over 50 contributors from our own talented staff building capacity. Senior Leadership and SEND communities were led by Headteachers in the Trust. Trust leaders completed wider school improvement work for the DFE at primary and secondary level outside the Trust.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

We continued to support our communities through Trust wide pupil projects. In July 2023 we completed a programme of education and fundraising around knife crime. Pupils from each school carried the message 'Southport Learning Trust says #kNOwnifecrime' between our schools which raised over £5,000 to fund knife bleed kits and boxes for our communities. The run showed to our family trust values to the wider community while supporting safeguarding locally. The Careers team trained Trust Student Careers Champions to support the learning across our schools around the growth sectors of the economy. The programme was used by National Careers Week and Liverpool City Region Careers Hub as an example of outstanding practice in this area. Competition between pupils increased with the first History, Art, English, and Geography competitions taking place. The work and achievements of pupils in the Arts was celebrated in our Trust Arts Newsletter and the first Trust Orchestra Day was enjoyed by all participants.

All secondary schools are now partners in the DFE Latin Excellence Programme supported by the hub lead school, Greenbank. The programme will bring Latin into the curriculum at Key Stage 3 and 4 with the aim of students completing GCSE Latin in Year 3. The programme which attracts DFE funding for each school includes an online evidence-based curriculum and the opportunity to take part in cultural visits to Bath and Rome in the future.

The Trust was successful in applying to become one of the first National Computing Centre for Education Computing Clusters to support all schools fulfil the requirements of the National Computing Quality Framework to support excellence in Computing. As a Trust we are fully involved in the Northwest Maths Hub 3 through leading a Year 5 -8 Maths Work Group to strengthen transition locally and our commitment to training and developing secondary maths specialists. The Trust continued to deliver NPQLT (National Professional Qualification for Leading Teaching), NPQSL (National Professional Qualification for Senior Leaders) and NPQH (National Professional Qualification for Headteachers) and the ECF (Early Career Framework) in partnership with the Rainbow Teaching School Hub and developed a new School Direct partnership with Edge Hill University supporting our continued partnership with AMP SCITT. A partnership with Applied Psychologies, an Education Psychology service, developed to support a graduated approach to supporting identified children and staff with additional training such as Emotional Coaching.

Trust schools continued to gain recognition through awards such as The Geographical Association Centre of Excellence and NACE (National Able Children in Education) Challenge Award which supports outreach work. Meols Cop Research School continues to lead the secondary and primary school improvement strategy for Sefton Local Authority. Several Trust practitioners lead networks for Sefton to support leadership development. Maghull High School won the Outstanding Commitment to STEM Award at the regional Educate Awards.

The central team has grown with the addition of a Finance Manager, two Finance Officers, a Human Resources Manager and Officer to ensure the infrastructure is in place to support growth and add value to our schools. The Trust continues to implement our IT Strategic Plan ensuring that IT develops with cyber security a continual focus.

As part of our Estates Strategy, we have developed a plan to support the use of the School Condition Allocation according to the guidance criteria. The Trustees have approved the initial allocation of funding which includes, building refurbishment, roofing works, flooring works, heating replacements, fire safety and alarms. Greenbank High School has been identified in wave 1 of the School Rebuilding Programme.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Key financial performance indicators

- The Trust grows diligently, building capacity to support school improvement while responding to local need
- Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money) and all schools achieve a surplus budget.
- The Trust achieves reserves of 5% of General Annual Grant. (2022/23 10.9%)
- Accounts filed with Companies House for public access and on the Trust website by 31 January of the following year.
- Trust to submit audited financial statements, auditor's management letter and accounts submission coversheet by 31 December to ESFA and zero red flags in annual audited accounts.
- All statutory returns submitted on time.
- Staffing percentage as a total budget (taking into account EHCP and SEN numbers) is no more than 82%. (2022/23 78%)

The Trust has a wide range of Key Performance Indicators in addition to the above covering, school standards, Governance and human resources. Full details on all of the Trust's KPIs can be found at www.southportlearningtrust.org/trust-objectives

Resources

In the previous year, the Trust had secured Condition Improvement Funding (CIF) worth £482k from the ESFA for two projects - pumping station renewal at Stanley High School and fire safety improvements at Maghull High School. In 2022/23, the Trust has been working hard to deliver these projects to the highest standards while ensuring value for money in a high-inflation economic environment. These project will have reached practical completion by the 31 December 2023.

The Trust has been granted a School Condition Allocation (SCA) by the Education and Skills Funding Agency (ESFA), amounting to £1,423k during the academic year 2022/23. The grant is restricted to capital school improvements. Although the grant has been recorded in the Statement of Financial Activities (SOFA) as capital income, the majority of the expenditure is to be incurred in the next academic year. The Trust is committed to ensuring that the SCA is directed towards schools with the greatest need based on professional advice and commissioned condition surveys, to improve the environment for all our staff and students to work and learn in.

Greenbank High School has been chosen as one of 239 schools nationwide to undergo a rebuilding or major refurbishment as part of the School Rebuilding Programme. The selection of each school for the programme was based on the condition of its buildings. The new building will be energy-efficient, which will help reduce the school's utility bills and contribute to the government's national net zero target. The funding for Greenbank High School will improve the learning environment for students.

The Trust has continued to align service level agreements (SLA) and contracts when able to, benefiting from economies of scale on a cost basis, but also better service/quality, alignment, and collaboration between schools for the benefit of pupils across the Trust. This is a continual process, especially with new schools joining the Trust. The Trust has been able to quickly realise cost efficiencies by the removal of school-level SLAs that are duplicates of existing Trust-wide SLA.

The Trust continues to implement the values and objectives of Integrated Curriculum Financial Planning (ICFP) to ensure the effective and transparent use of staff in all Trust schools. This will continue to develop further as the Trust develops greater more sophisticated staffing benchmarking internally and externally.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Going concern

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

Promoting the success of the academy

Under section 172(1)(a) to (f) of the Companies Act 2006, Directors of the Trust must act in a way most likely to promote the success of the Trust to achieve its charitable purposes. The Act states that in doing so, the Directors should have regard to:

- The likely consequences of any decision in the long term - all decisions are taken with reference to the long-term strategic plan and the visions and values of the Trust - refer to page 8, Objectives and Values
- The interests of the company's employees - refer to page 5, Engagement with employees (including disabled persons)
- The need to foster the company's business relationships with suppliers, customers and others - refer to page 7, Engagement with suppliers, customers and others in a business relationship with the academy trust
- The impact of the company's operations on the community and the environment - refer to page 7, Engagement with suppliers, customers and others in a business relationship with the academy trust and Page 15, Streamlined Energy and Carbon Reporting
- The desirability of the company maintaining a reputation for high standards of business conduct - refer to page 7, Engagement with suppliers, customers and others in a business relationship with the academy trust
- The need to act fairly as between members of the company - fairness is ensured by compliance with robust and usable policies which are clearly communicated and freely available and the Trust's website, www.southportlearningtrust.org/policies

Financial review

The Trust's financial objectives are:

- to maintain a balanced budget;
- to pursue alternative sources of funding, on a selective basis, consistent with the Trust's core competencies, and the need for a financial contribution to the Trust's overall finances;
- to generate sufficient levels of income to support the asset base of the Trust;
- to ensure that the income from lettings produces a net surplus;
- to fund continued capital investment.

These objectives were achieved in the year ending 31 August 2023.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also receives income from the letting of its facilities for community and sport use.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

The in-year surplus for the total funds less the amount held in fixed assets and the pension reserve was £2,921k (2022: £907k) for the year ended 31 August 2023.

During the year ended 31 August 2023, total income was £59,546k (2022: £19,934k) which related to the educational activities of the Trust. Further detail on the income for the year can be found in notes 2, 3 and 4.

During the year ended 31 August 2023, total expenditure was £33,784k (2022: £21,171k) which related to the educational activities of the Trust. Further detail on the expenditure for the year can be found in notes 5, 6 and 7.

At 31 August 2023, the net book value of fixed assets was £59,627k (2022: £36,918k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Financial position

The total fund balance at 31 August 2023 for the Trust was £63,135k (2022: £33,935k) including unrestricted funds of £2,814k (2022: £795k). The restricted funds of £60,321k (2022: £33,140k) include the restricted fixed asset fund of £60,621k (2022: £37,161k), the restricted general fund £107k (2022: £112k) and pension reserve deficit of £407k (2022: £4,133k).

Reserves policy

The Trustees have reviewed the reserve levels of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of available reserves should normally be equivalent to 5% of the General Annual Grant (GAG) which is approximately £1,263k (total funds less the amount held in fixed assets and the pension reserve). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, but also taking into account any future anticipated funding. The Trust's current level of reserves (total funds less the amount held in fixed assets and the pension reserve) is £2,921k. Overall reserves are in line with requirements.

The Trust has established a robust scheme of delegation that effectively outlines the budgetary responsibility of each school. In contrast to a 'GAG pooling' model, the Trust does not amalgamate the funds of its schools, and instead, all revenue reserve balances for each school and central services are detailed in note 8. Under this policy, any school that becomes a part of the Trust through conversion or transfer will retain the revenue reserve of the school as of the date of conversion or transfer, which will serve as the opening balance of the school's revenue reserve.

Investment policy

The current investment policy is solely to invest funds in deposit accounts of major UK banks. Should a bona fide and safe investment opportunity present itself the Trustees would consider it on its merits.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Principal risks and uncertainties

The Trust has undertaken significant work to develop and embed the systems of internal control, including Financial, Operational and Risk Management which is designed to protect the Trust's assets and reputation.

Based on the Trust's objectives, the Board will undertake a comprehensive review of the risk to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust.

The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Trustees will also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

Government Funding

The Trust has considerable reliance on continued government funding through the ESFA. In 2022/23, 92% (2021/22 92%) of the Trust's income was ultimately public funded and this level of requirement is expected to continue (excluding impact of donated assets and liabilities from school joining Trust). There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Trust is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS102 section 28. More detailed explanation is provided in note 25.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year by the schools of the Trust was monitored by the Trustees.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	5,210,117	3,798,071
Energy consumption break down (kWh)		
Gas	3,571,872	2,538,673
Electricity	1,626,534	1,249,757
Transport fuel	11,058	9,177
Scope 1 emissions in metric tonnes CO₂e		
Owned transport - mini-buses	0.88	0.86
Gas consumption	652.08	463.41
Total scope 1	652.96	464.27
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	336.81	241.68
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	2.06	1.68
Total gross emissions in metric tonnes CO₂e	991.83	707.63
Intensity ratio		
Tonnes CO ₂ e per pupil	0.20	0.22

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The infrastructure works funded by CIF at Stanley High School's pumping station will result in significant energy savings due to the use of more efficient equipment.

During the year, the Trust received additional capital funding in the form of the Energy Efficiency Grant. The Trust utilised this funding to improve the energy efficiency of its heating systems and boilers by upgrading them, as well as making significant upgrades to its lighting systems by transitioning to LED lighting.

Southport Learning Trust

Trustees' report for the Year Ended 31 August 2023 (continued)

The Trust has collaborated with the Liverpool City Region Combined Authority to submit a proposal in November 2023 for Bedford Primary School to the Government Public Sector Decarbonisation Scheme. If successful, the scheme will allow the school to replace its outdated heating equipment with a low-carbon alternative, such as air or ground source heat pumps. The Trust would contribute with the value of an equivalent like-for-like replacement of the current heating system.

The Trust increased the use video conferencing technology for staff meetings, to reduce the need for travel between sites. An ever-increasing amount of Continuing Professional Development is completed remotely, removing the need to travel locally and nationally.

Plans for future periods

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students continue successfully in further education once they leave.

The Trust aims in the future to provide the opportunity for high quality education to a greater number of students through growth in rolls and number of schools. The Trust will continue to invest in capacity for the central services to support growth.

Our Trust is committed to strengthening the Trust School Improvement Team and we are taking bold steps to achieve this. Commencing September 2023, we have appointed Trust Curriculum Leads for Mathematics, English, Science, Humanities, and Languages, intending to make further appointments in other subject areas in the coming years. In the autumn term of 2023, the Trust Curriculum Leads are conducting a discovery phase to gain a comprehensive understanding of the curriculum areas across all schools, which will guide future development work.

Starting in January 2024, we have taken an exciting step forward with the appointment of our first-ever Director of Education and Quality of Education Lead.

Auditor

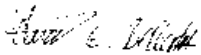
Insofar as the Trustees are aware:

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

Reappointment of auditor

Beever and Struthers were appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustee's on 13 December 2023 and signed on its behalf by:



.....
Mr Stuart Bellerby
Trustee

Southport Learning Trust

Governance statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform 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 Southport 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 7 times during the year, all meetings during the year were quorate.

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

Trustee	Meetings attended	Out of a possible
Mr Ian Raikes, Accounting Officer	7	7
Mr Stuart Bellerby (appointed 13 May 2023)	5	7
Mr Paul Blott (appointed 28 September 2022)	4	7
Mrs Claire Buck	5	7
Mr Craig Clifford	5	7
Ms Louise Cobain	5	7
Mr Richard Cottier	6	7
Mr Colin Davies (appointed 1 April 2023)	0	2
Mr Geoffrey Howe (resigned 28 September 2022)	0	1
Mr Allan Jones (appointed 1 April 2023)	1	2
Mr Philip Power	6	7
Mrs Cathy Rae, Staff Trustee (resigned 4 June 2023)	4	5
Mr Peter Reed (appointed 28 September 2022)	6	7
Mrs Anna Smith, Staff Trustee (resigned 12 July 2023)	6	7
Ms Ruth Williams, Vice Chair (resigned 13 November 2023)	7	7

During the year Mr Stuart Bellerby acted as the Chair and Ms Ruth Williams acted as the Vice Chair.

The Board of Trustees are provided with high quality, relevant data to inform strategy and monitor performance. Both quantitative and qualitative data are presented to the Board of Trustees and are provided clear explanation of the importance and value of information provided. The Board of Trustees have access to relevant staff to question the data to improve their understanding and test the data and underlying systems.

Southport Learning Trust

Governance statement (continued)

Governance reviews

An internal review of governance arrangements takes place annually to ensure compliance with the latest recommendations and requirements of the ESFA Academy Trust Handbook. The Board of Trustees also fully consider in depth the School Resource Management Self-assessment to ensure the Trust is managing resources effectively and identify any adjustments they need to make.

During the year National Leader of Governance, appointed by the National Governance Association, conducted an External Review of Governance, which was commissioned by the North of England Regional Delivery Directorate. The review was comprised of an initial scoping, detailed research and document reviews, as well as semi-structured interviews with Trustees. The objective of the review was to provide a comprehensive overview of the governance structure and practices of the organization.

Key messages from the review include:

This is a trust and a board who have worked hard to create good governance arrangements, structures, and well organised documentation within an organisation that contains seven schools rated as good by Ofsted and that clearly collaborates with other partners in their local area.

The board increasingly understand their role and have worked with the executive to develop strong relationships in line with their stated values. Schools wishing to join this MAT can identify the ethos, values, degree of autonomy and the school improvement offer available to them.

Trustees have a clear understanding of the financial position of the trust and are considering their decisions carefully - both from the perspective of the current scale of the trust and with a view to its future scale.

Relationships are constructive, positive, and professional. The executive are appropriately challenged and supported by trustees and this can be evidenced in meetings which are well planned, well chaired, clearly structured and clerked by the skilled and knowledgeable governance professional.

The review provided an action plan that includes a range of best practice recommendations, which are scheduled to be completed by November 30th, 2023. The review also recommended revisiting the vision and values of the Trust as it enters a new stage in its development and growth. This is expected to be completed by February 2024.

Southport Learning Trust

Governance statement (continued)

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to provide independent oversight and scrutiny of the Trust's risk and audit arrangements. The committee is able to provide more detailed consideration of the best means of ensuring regulatory compliance, financial probity and managing risk. The Audit and Risk Committee also appoint external and internal auditors for the Trust. The appointed internal auditor is UHY Hacker Young.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Craig Clifford	3	3
Mr Richard Cottier	2	3
Mr Stuart Bellerby (appointed 13 May 2023)	2	3
Mrs Claire Buck	2	3
Ms Louise Cobain	3	3
Mr Philip Power	3	3

Review of value for money

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

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

- Ensuring schools within the Trust have a broad, balanced and challenging curriculum. Where a curriculum area was underperforming against our challenging expectations extra resources were targeted which led to progress being made in this area.
- Pupil Premium funding has provided schools with a further opportunity to narrow the gap in achievement between pupils eligible for Free School Meals and their peers. It is the intention of the Trust to ensure that pupils will be able to benefit from the widest choice of opportunities and support to ensure that they develop academically and personally and that these interventions are individualised to best suit the needs of every eligible pupil. The achievement gap is narrowing over time due to a variety of strategies included in the school impact statements which are available on the school websites.

Southport Learning Trust

Governance statement (continued)

- The Trust schools continue to support more able pupils through intervention strategies and enrichment at aims to inspire, challenge and encourage independence. Pupils with Special Educational Needs are supported appropriately by SENDCOs and external agencies funded when needed and as a result make good progress in their academic and personal development. Pupils of all abilities are being supported through the high-profile school development priorities of ensuring high attendance and a relentless focus on the pursuit of ensuring disadvantaged pupils make progress in line with their peers. The Trust ensures all pupils develop their leadership skills and have the opportunity to participate in enrichment experiences to equip them with valuable life and employability skills.
- The Trust is an active member of the secondary LIMAS (Leadership in MATs and Academies in Sefton) and primary CORE collaborative which provides support and platform for joint development of Middle and Senior Leaders. A programme of external quality assurance is facilitated through the collaboration. The Southport Learning Partnership, consisting of primary and secondary schools, has driven curriculum projects related to student voice, social enterprise, literacy and community engagement. The Trust continues to deliver training for primary school teachers and primary visits as part of our commitment to developing languages in the community. The Trust is the lead delivery partner of the National Professional Qualification for Middle (NPQML), Senior Leaders (NPQSL) and Headship (NPQH)
- The Trustees and Accounting Officer regularly review, support and challenge financial governance in the Trust through regular meetings and reports. They play an active part in assessing the effectiveness of income and expenditure and in particular the feasibility and outcomes for major capital spend.
- The purchasing procedure across the Trust is well established, an electronic purchase order processing system is used to control expenditure through a hierarchy of budgets and budget holder approvals.
- The Trust shares financial and purchasing best practices with other academies, both locally and nationally, and utilise this knowledge and experience when reviewing contracts and service level agreements. The Trust is committed to maximising value for money and will continue to pursue procurement savings and utilise the increasing scale of the Trust's operations.
- The Trust is an integral part of the local community and we take pride in providing our facilities to a wide range of community groups. This helps us build strong relationships with our community while also providing additional income to the Trust. We are committed to supporting diversity in our community and welcome all groups who wish to use our facilities. The Trust has a well-established online booking system which has proven effective at attracting new customers.

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 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 Southport Learning Trust for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Southport Learning Trust

Governance statement (continued)

Capacity to Handle Risk

The Board of Trustee's has reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustee's is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustee's.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly management accounts which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

In compliance with the Academies Financial Handbook, the Board of Trustees has considered the need for a specific internal audit function, and appointed UHY Hacker Young to act as internal auditor.

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

- HR and payroll
- Procurement
- Fixed Assets and CIF (Condition Improvement Funding)

On a completion of each audit, the auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a 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. During the year auditor has completed the schedule of work as planned.

Review of Effectiveness

As accounting officer, the Chief Executive Officer 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 financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

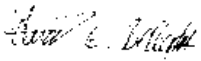
Southport Learning Trust

Governance statement (continued)

- the work of the external auditor;
- comments made by the Trust's financial statements auditors and any appointed funding auditors in their management letters and other reports.

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 Audit 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 Trustee's on 13 December 2023 and signed on its behalf by:



.....
Mr Stuart Bellerby
Trustee



.....
Mr Ian Raikes
Trustee

Southport Learning Trust

Statement of regularity, propriety and compliance

As accounting officer of Southport Learning Trust I have considered my responsibility to notify the academy trust Board of Trustee's and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust Board of Trustee's are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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 Trustee's and ESFA.



.....
Mr Ian Raikes, Trustee
Accounting officer

13 December 2023

Southport Learning Trust

Statement of Trustees' Responsibilities

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

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

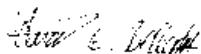
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 13 December 2023 and signed on its behalf by:



.....
Mr Stuart Bellerby
Trustee

Southport Learning Trust

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

Opinion

We have audited the financial statements of Southport Learning Trust "the academy trust" for the year ended 31 August 2023, which comprise the Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account), Balance Sheet as at 31 August 2023, Statement of Cash Flows for the year ended 31 August 2023, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2022 to 2023 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's affairs as at 31 August 2023 and of its incoming resources and application of resources, including 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 and the Academies Accounts Direction 2022 to 2023 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Southport Learning Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the directors' report included within the trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

Southport Learning Trust

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

Auditor Responsibilities for the audit of the financial statements

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy trust through discussion with governors and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2022 to 2023 and Academies Trust Handbook 2022, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances on non-compliance throughout the audit.

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

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

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

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions

Southport Learning Trust

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

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mark Bradley BA FCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

Suite 9b
The Beehive
Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

20 December 2023

Southport Learning Trust

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

In accordance with the terms of our engagement letter dated 27 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southport Learning Trust during the period 1 September 2022 to 31 August 2023 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 Southport Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Southport Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southport Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Board of Trustee's's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustee's's funding agreement with the Secretary of State for Education dated 28 October 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 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 to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Southport Learning Trust

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Mark Bradley BA FCA

For and on behalf of Beever and Struthers, Chartered Accountants

Suite 9b
The Beehive
Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

20 December 2023

Southport Learning Trust

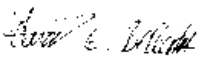
Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

		Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
	Note					
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	-	1,737	1,737	614
Transfer from local authority on conversion		1,615	1,277	15,534	18,426	-
Transfer of existing academy		119	(788)	8,267	7,598	-
Other trading activities	4	1,079	-	-	1,079	694
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	<u>193</u>	<u>30,513</u>	<u>-</u>	<u>30,706</u>	<u>18,629</u>
Total		3,006	31,002	25,538	59,546	19,937
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	6	<u>987</u>	<u>30,719</u>	<u>2,078</u>	<u>33,784</u>	<u>21,171</u>
Net income/(expenditure)		2,019	283	23,460	25,762	(1,234)
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	25	<u>-</u>	<u>3,438</u>	<u>-</u>	<u>3,438</u>	<u>7,059</u>
Net movement in funds		2,019	3,721	23,460	29,200	5,825
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2022		<u>795</u>	<u>(4,021)</u>	<u>37,161</u>	<u>33,935</u>	<u>28,110</u>
Total funds/(deficit) carried forward at 31 August 2023		<u><u>2,814</u></u>	<u><u>(300)</u></u>	<u><u>60,621</u></u>	<u><u>63,135</u></u>	<u><u>33,935</u></u>

Southport Learning Trust
(Registration number: 07790934)
Balance Sheet as at 31 August 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Tangible assets	11	59,627	36,918
Current assets			
Debtors	12	1,716	1,448
Cash at bank and in hand		<u>5,582</u>	<u>1,424</u>
		7,298	2,872
Liabilities			
Creditors: Amounts falling due within one year		<u>(3,019)</u>	<u>(1,448)</u>
Net current assets		<u>4,279</u>	<u>1,424</u>
Total assets less current liabilities		63,906	38,342
Creditors: Amounts falling due after more than one year	14	<u>(364)</u>	<u>(274)</u>
Net assets excluding pension liability		63,542	38,068
Defined benefit pension scheme liability	25	<u>(407)</u>	<u>(4,133)</u>
Total net assets		<u>63,135</u>	<u>33,935</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	107	112
Restricted fixed asset fund	15	60,621	37,161
Pension reserve	15	<u>(407)</u>	<u>(4,133)</u>
		60,321	33,140
Unrestricted funds			
Unrestricted general fund	15	<u>2,814</u>	<u>795</u>
Total funds		<u>63,135</u>	<u>33,935</u>

The financial statements on pages 32 to 63 were approved by the Trustees, and authorised for issue on 13 December 2023 and signed on their behalf by:



.....
Mr Stuart Bellerby
Trustee

Southport Learning Trust

Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	1,072	962
Cash flows from investing activities	21	2,977	(1,624)
Cash flows from financing activities	20	<u>109</u>	<u>69</u>
Change in cash and cash equivalents in the year		4,158	(593)
Cash and cash equivalents at 1 September		<u>1,424</u>	<u>2,017</u>
Cash and cash equivalents at 31 August	22	<u><u>5,582</u></u>	<u><u>1,424</u></u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

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

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 transfer on conversion within donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land 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, per the table below.

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

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

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold buildings	40 years
Freehold improvements	10 years
Fixtures, fittings and equipment	4-5 years
Computer hardware	4 years
Assets under construction	Nil

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.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

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.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. 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 13. 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.

Taxation

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

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

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds see note 25. 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.

Where individual schools have separately identifiable assets and liabilities in the same LGPS scheme these are reported net in these financial statements.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

2 Donations and capital grants

	Restricted Fixed Asset Funds £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
Other voluntary income			
Capital grants	1,737	1,737	613
Other donations	-	-	1
	<u>1,737</u>	<u>1,737</u>	<u>614</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £ 000	Restricted General Funds £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
Educational operations				
DfE/ESFA revenue grants				
GAG	-	25,861	25,861	16,346
Pupil Premium	-	1,237	1,237	726
Other DfE Group Grants	-	753	753	598
Mainstream grants	-	474	474	26
FSM	-	669	669	-
	<u>-</u>	<u>28,994</u>	<u>28,994</u>	<u>17,696</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted Funds £ 000	Restricted General Funds £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
Other government grants				
Local Authority Grants	-	1,250	1,250	662
Other Government Grants	-	269	269	162
	-	1,519	1,519	824
Non-government grants and other income				
Other Non-Government Revenue	193	-	193	109
Total grants	193	30,513	30,706	18,629

4 Other trading activities

	Unrestricted Funds £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
Hire of facilities	233	233	195
Catering income	16	16	-
Other sales	276	276	172
Income from other charitable activities	63	63	128
Trip Income	491	491	199
	1,079	1,079	694

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

5 Expenditure

	Non Pay Expenditure			2023/22 Total £ 000	As restated 2022/21 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	17,372	2,274	1,719	21,365	13,351
Allocated support costs	6,991	2,598	2,830	12,419	7,820
	<u>24,363</u>	<u>4,872</u>	<u>4,549</u>	<u>33,784</u>	<u>21,171</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

5 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2023/22 £ 000	2022/21 £ 000
Operating lease rentals	81	42
Depreciation	2,212	1,561
Fees payable to auditor - audit	21	12
- other audit services	8	6
(Gain)/loss on disposal of fixed assets	-	3
	<u>-</u>	<u>3</u>

6 Charitable activities

	2023/22 £ 000	As restated 2022/21 £ 000
Direct costs - educational operations	21,365	13,351
Support costs - educational operations	12,419	7,820
	<u>33,784</u>	<u>21,171</u>

	Educational operations £ 000	2023/22 Total £ 000	As restated 2022/21 Total £ 000
Analysis of support costs			
Support staff costs	6,991	6,991	4,602
Premises costs	2,598	2,598	1,474
Technology costs	399	399	300
Legal costs - other	43	43	21
Other support costs	2,347	2,347	1,397
Governance costs	41	41	26
Total support costs	<u>12,419</u>	<u>12,419</u>	<u>7,820</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Staff

Staff costs

	2023/22 £ 000	2022/21 £ 000
Staff costs during the year were:		
Wages and salaries	17,627	10,900
Social security costs	1,787	1,122
Operating costs of defined benefit pension schemes	4,001	3,050
	<u>23,415</u>	<u>15,072</u>
Supply staff costs	951	380
Staff restructuring costs	-	4
	<u>24,366</u>	<u>15,456</u>
	2023/22 £ 000	2022/21 £ 000
Staff restructuring costs comprise:		
Severance payments	<u>-</u>	<u>4</u>

Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2022: £4,160). Individually, the payments were:

Non-contractual payments £4,160

Staff numbers

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

	2023/22 No	2022/21 No
Teachers	262	176
Administration and support	233	161
Management	31	23
	<u>526</u>	<u>360</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Staff (continued)

Higher paid staff

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

	2023/22 No	2022/21 No
£60,001 - £70,000	14	8
£70,001 - £80,000	2	5
£80,001 - £90,000	4	2
£90,001 - £100,000	1	2
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,133,525 (2022: £825,878).

8 Central services

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

- Trust Strategic Leadership
- Educational Support Services
- Financial Services
- Capital Development Leadership
- Strategic IT Services
- Human Resources
- Legal Services

The academy trust charges for these services on the following basis:

Flat percentage of GAG income 4.5% (2022: 4%)

The actual amounts charged during the year were as follows:

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Central services (continued)

	2023/22 £ 000	2022/21 £ 000
Greenbank High School	217	220
Kew Woods Primary School	79	66
Maghull High School	273	219
Stanley High School	191	149
Birkdale High School	217	-
Meols Cop High School	110	-
Bedford Primary School	38	-
	1,125	654

9 Related party transactions - trustees' remuneration and expenses

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

Mr Ian Raikes (Chief Executive Officer and trustee):

Remuneration: £125,000 - £130,000 (2022 - £115,000 - £120,000)

Employer's pension contributions: £30,000 - £35,000 (2022 - £30,000 - £35,000)

Mrs Anna Smith (Executive Director and trustee (resigned 12 July 2023)):

Remuneration: £90,000 - £95,000 (2022 - £80,000 - £85,000)

Employer's pension contributions: £15,000 - £20,000 (2022 - £15,000 - £20,000)

Mrs Cathy Rae (Staff Trustee (resigned 4 June 2023)):

Remuneration: £45,000 - £50,000 (2022 - £40,000 - £45,000)

Employer's pension contributions: £10,000 - £15,000 (2022 - £10,000 - £15,000)

Mr Mark Melia (Staff trustee (resigned 2 February 2022)):

Remuneration: £Nil (2022 - £15,000 - £20,000)

Employer's pension contributions: £Nil (2022 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 26.

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business.

The cost of this insurance is included in the total insurance cost.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Trustees' and officers' insurance (continued)

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.

11 Tangible fixed assets

	Freehold land and buildings £ 000	Freehold improvements £ 000	Assets under construction £ 000	Furniture and equipment £ 000	Computer equipment £ 000	2023/22 Total £ 000
Cost						
At 1 September 2022	32,575	7,575	1,711	665	437	42,963
Additions	-	216	715	130	262	1,323
Transfer on conversion/transfer	23,615	-	-	20	27	23,662
Transfers	-	1,861	(1,861)	-	-	-
At 31 August 2023	<u>56,190</u>	<u>9,652</u>	<u>565</u>	<u>815</u>	<u>726</u>	<u>67,948</u>
Depreciation						
At 1 September 2022	2,400	2,953	-	456	236	6,045
Charge for the year	<u>954</u>	<u>993</u>	<u>-</u>	<u>172</u>	<u>157</u>	<u>2,276</u>
At 31 August 2023	<u>3,354</u>	<u>3,946</u>	<u>-</u>	<u>628</u>	<u>393</u>	<u>8,321</u>
Net book value						
At 31 August 2023	<u>52,836</u>	<u>5,706</u>	<u>565</u>	<u>187</u>	<u>333</u>	<u>59,627</u>
At 31 August 2022	<u>30,175</u>	<u>4,622</u>	<u>1,711</u>	<u>209</u>	<u>201</u>	<u>36,918</u>

12 Debtors

	2023 £ 000	2022 £ 000
Trade debtors	43	44
VAT recoverable	409	152
Other debtors	2	4
Prepayments	416	193
Accrued grant and other income	<u>846</u>	<u>1,055</u>
	<u>1,716</u>	<u>1,448</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

13 Creditors: amounts falling due within one year

	2023	2022
	£ 000	£ 000
Trade creditors	1,259	531
Other taxation and social security	529	289
Other loans	36	24
Other creditors	37	16
Accruals	515	293
Deferred income	211	98
Pension scheme creditor	416	188
Concessionary loan	16	9
	<u>3,019</u>	<u>1,448</u>
	2023	2022
	£ 000	£ 000

Deferred income

Deferred income at 1 September 2022	98	82
Resources deferred in the period	211	98
Amounts released from previous periods	<u>(98)</u>	<u>(82)</u>
Deferred income at 31 August 2023	<u>211</u>	<u>98</u>

Deferred income at 31 August 2023 relates to amounts received before the year end that relates to the next academic year. It includes Universal Infant Free School Meals, Trip income and NTP.

14 Creditors: amounts falling due in greater than one year

	2023	2022
	£ 000	£ 000
Other loans	295	224
Concessionary loan	<u>69</u>	<u>50</u>
	<u>364</u>	<u>274</u>

Included within other loans are loans of £331k from ESFA under the Condition Improvement Fund. These loans are repayable over 10 years. Interest is charged at the Public Works Loan Board rates of interest.

Included within concessionary loans are loans of £85k from Salix. These loans are repayable over 8 years. No interest is charged on the loans.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds

	As restated Balance at 1 September 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2023 £ 000
Restricted funds					
<i>Restricted general funds</i>					
GAG	112	25,862	(25,867)	-	107
Pupil Premium	-	1,237	(1,237)	-	-
Other DfE/ESFA grants	-	752	(752)	-	-
Mainstream Grants	-	475	(475)	-	-
FSM	-	669	(669)	-	-
Other Government Grants	-	1,519	(1,519)	-	-
Transfer from Academy	-	100	(100)	-	-
<i>Restricted fixed asset funds</i>					
Restricted Fixed Asset	-	1,737	58,884	-	60,621
Donations/Capital Grants	6,073	-	(6,073)	-	-
Donated Assets	(736)	-	736	-	-
Capital from Unrestricted	1,039	-	(1,039)	-	-
Transfer from Local Authority	-	15,533	(15,533)	-	-
Transfer from Academy	-	8,267	(8,267)	-	-
Transfer on Conversion	18,811	-	(18,811)	-	-
Transfer in MHS	11,974	-	(11,974)	-	-
<i>Pension reserve funds</i>					
Pension Reserve	(4,133)	-	288	3,438	(407)
Transfer from local authority	-	1,277	(1,277)	-	-
Transfer from Acadmey	-	(888)	888	-	-
Total restricted funds	<u>33,140</u>	<u>56,540</u>	<u>(32,797)</u>	<u>3,438</u>	<u>60,321</u>
<i>Unrestricted general funds</i>					
Unrestricted Funds	<u>795</u>	<u>3,006</u>	<u>(987)</u>	<u>-</u>	<u>2,814</u>
Total unrestricted funds	<u>795</u>	<u>3,006</u>	<u>(987)</u>	<u>-</u>	<u>2,814</u>
Total funds	<u><u>33,935</u></u>	<u><u>59,546</u></u>	<u><u>(33,784)</u></u>	<u><u>3,438</u></u>	<u><u>63,135</u></u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds (continued)

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

	Balance at 1 September 2021 £ 000	As restated Incoming resources £ 000	As restated Resources expended £ 000	Gains, losses and transfers £ 000	As restated Balance at 31 August 2022 £ 000
Restricted funds					
<i>Restricted general funds</i>					
GAG	137	16,347	(16,372)	-	112
Pupil Premium	-	726	(726)	-	-
Other DfE/ESFA grants	-	742	(742)	-	-
Other Government Grants	-	662	(662)	-	-
<i>Restricted fixed asset funds</i>					
Donations/Capital Grants	5,570	613	(110)	-	6,073
Donated Assets	(375)	-	(361)	-	(736)
Capital from Unrestricted	753	-	(15)	301	1,039
Transfer on Conversion	19,080	-	(269)	-	18,811
Transfer in MHS	12,783	-	(809)	-	11,974
<i>Pension reserve funds</i>					
Pension Reserve	(10,511)	-	(681)	7,059	(4,133)
Total restricted funds	<u>27,437</u>	<u>19,090</u>	<u>(20,747)</u>	<u>7,360</u>	<u>33,140</u>
<i>Unrestricted general funds</i>					
Unrestricted Funds	<u>673</u>	<u>804</u>	<u>(381)</u>	<u>(301)</u>	<u>795</u>
Total unrestricted funds	<u>673</u>	<u>804</u>	<u>(381)</u>	<u>(301)</u>	<u>795</u>
Total funds	<u><u>28,110</u></u>	<u><u>19,894</u></u>	<u><u>(21,128)</u></u>	<u><u>7,059</u></u>	<u><u>33,935</u></u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£ 000	£ 000
Greenbank High School	591	643
Kew Woods Primary School	50	92
Maghull High School	303	209
Stanley High School	200	186
Birkdale High School	208	-
Meols Cop High School	1,349	-
Bedford Primary School	279	-
Central services	<u>(59)</u>	<u>(223)</u>
Total before fixed assets and pension reserve	2,921	907
Restricted fixed asset fund	60,621	37,161
Pension reserve	<u>(407)</u>	<u>(4,133)</u>
Total	<u><u>63,135</u></u>	<u><u>33,935</u></u>

Central services are carrying a net deficit of £59k on these funds because of accelerated growth in services provided to the Trust schools to enhance operational efficiency and ultimately increase overall organisational performance.

The academy trust is taking the following action to the return the central services to a surplus, the flat percentage of GAG allocated to central services is increasing gradually in line with the Trust strategy.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £ 000	Other support staff costs £ 000	Educational supplies £ 000	Other costs (excluding depreciation) £ 000	Total 2023 £ 000	Total 2022 £ 000
Greenbank High School	3,623	1,324	338	1,041	6,326	5,976
Kew Woods Primary School	1,215	629	190	423	2,457	2,368
Maghull High School	3,942	1,173	394	1,063	6,572	6,066
Stanley High School	2,878	981	226	834	4,919	4,395
Birkdale High School	3,305	1,037	308	981	5,631	-
Meols Cop High School	1,661	677	247	307	2,892	-
Bedford Primary School	511	422	53	161	1,147	-
Central services	243	586	18	391	1,238	805
Academy Trust	<u>17,378</u>	<u>6,829</u>	<u>1,774</u>	<u>5,201</u>	<u>31,182</u>	<u>19,610</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	59,627	59,627
Current assets	2,814	3,490	994	7,298
Current liabilities	-	(3,019)	-	(3,019)
Creditors over 1 year	-	(364)	-	(364)
Pension scheme liability	-	(407)	-	(407)
Total net assets	<u>2,814</u>	<u>(300)</u>	<u>60,621</u>	<u>63,135</u>

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

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total Funds £ 000
Tangible fixed assets	-	-	36,919	36,919
Current assets	795	1,673	404	2,872
Current liabilities	-	(1,287)	(162)	(1,449)
Creditors over 1 year	-	(274)	-	(274)
Pension scheme liability	-	(4,133)	-	(4,133)
Total net assets	<u>795</u>	<u>(4,021)</u>	<u>37,161</u>	<u>33,935</u>

17 Capital commitments

	2023 £ 000	2022 £ 000
Contracted for, but not provided in the financial statements	<u>37</u>	<u>519</u>

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2023 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Long-term commitments, including operating leases (continued)

	2023	2022
	£ 000	£ 000
Amounts due within one year	60	44
Amounts due between one and five years	134	85
	<u>194</u>	<u>129</u>

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

	2023	2022
	£ 000	£ 000
Net income/(expenditure)	25,762	(1,234)
Depreciation	2,276	1,561
Capital grants from DfE and other capital income	(1,737)	(613)
Defined benefit pension scheme cost less contributions payable	(66)	507
Defined benefit pension scheme finance cost	166	174
(Increase)/decrease in debtors	(376)	694
Increase/(decrease) in creditors	1,070	(130)
Loss on disposal of tangible fixed assets	-	3
Transfer in on conversion	(26,023)	-
Net cash provided by Operating Activities	<u>1,072</u>	<u>962</u>

20 Cash flows from financing activities

	2023	2022
	£ 000	£ 000
Repayments of borrowing	(36)	(17)
Cash inflows from new borrowing	145	86
Net cash provided by financing activities	<u>109</u>	<u>69</u>

21 Cash flows from investing activities

	2023	2022
	£ 000	£ 000
Purchase of tangible fixed assets	(1,323)	(2,237)
Cash funds transferred on conversion	2,297	-
Capital funding received from sponsors and others	2,003	613
Net cash provided by/(used in) investing activities	<u>2,977</u>	<u>(1,624)</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

22 Analysis of cash and cash equivalents

	2023 £ 000	2022 £ 000
Cash in hand and at bank	5,582	1,424
Total cash and cash equivalents	<u>5,582</u>	<u>1,424</u>

23 Analysis of changes in net debt

	At 1 September 2022 £ 000	Cash flows £ 000	At 31 August 2023 £ 000
Cash	1,424	4,235	5,659
Loans falling due within one year	(33)	(19)	(52)
Loans falling due after more than one year	<u>(274)</u>	<u>(90)</u>	<u>(364)</u>
	<u>(307)</u>	<u>(109)</u>	<u>(416)</u>
Total	<u>1,117</u>	<u>4,126</u>	<u>5,243</u>

24 Member 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 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.

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £416,000 (2022 - £188,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the period amounted to £2,827,000 (2022: £1,808,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.
(<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.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.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,676,000 (2022 - £897,000), of which employer's contributions totalled £1,127,000 (2022 - £725,000) and employees' contributions totalled £549,000 (2022 - £172,000). The agreed contribution rates for future years are 16.8% to 19.8% per cent for employers and 5.5% to 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	4.30	4.40
Rate of increase for pensions in payment/inflation	2.90	3.00
Discount rate for scheme liabilities	<u>5.00</u>	<u>4.30</u>

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

	2023	2022
Retiring today		
Males retiring today	21.91	20.90
Females retiring today	24.84	24.00
Retiring in 20 years		
Males retiring in 20 years	20.99	22.40
Females retiring in 20 years	<u>23.56</u>	<u>25.90</u>

Sensitivity analysis

	2023 £ 000	2022 £ 000
Discount rate +0.1%	(351)	3,847
Discount rate -0.1%	357	4,425
Mortality assumption – 1 year increase	432	4,465
Mortality assumption – 1 year decrease	(424)	3,808
CPI rate +0.1%	357	4,422
CPI rate -0.1%	<u>(351)</u>	<u>3,850</u>

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

	2023 £ 000	2022 £ 000
Equities	10,811	5,570
Government bonds	1,185	1,073
Other bonds	374	404
Property	2,495	1,247
Cash and other liquid assets	229	254
Other	<u>5,697</u>	<u>3,004</u>
Total market value of assets	<u>20,791</u>	<u>11,552</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

The actual return on scheme assets was £871,000 (2022 - £499,000).

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2023 £ 000	2022 £ 000
Current service cost	(1,037)	(1,217)
Past service cost	(1)	(1)
Interest income	722	200
Interest cost	(888)	(374)
Admin expenses	(23)	(14)
	<u>(1,227)</u>	<u>(1,406)</u>
Total amount recognized in the SOFA	<u>(1,227)</u>	<u>(1,406)</u>

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

	2023 £ 000	2022 £ 000
At start of period	15,685	22,071
Conversion of academy trusts	3,429	-
Transferred in on existing academies joining the trust	3,407	-
Current service cost	1,038	1,217
Interest cost	888	374
Employee contributions	297	172
Actuarial (gain)/loss	(3,289)	(7,758)
Benefits paid	(258)	(392)
Past service cost	-	1
	<u>21,197</u>	<u>15,685</u>
At 31 August	<u>21,197</u>	<u>15,685</u>

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

	2023 £ 000	2022/21 £ 000
At start of period	11,552	11,560
Conversion of academy trusts	4,706	-
Transferred in on existing academies joining the trust	2,519	-
Interest income	722	200
Actuarial gain/(loss)	149	(699)
Employer contributions	1,127	725
Employee contributions	297	172
Benefits paid	(281)	(406)
	<u>20,791</u>	<u>11,552</u>
At 31 August	<u>20,791</u>	<u>11,552</u>

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

25 Pension and similar obligations (continued)

Considering the impact of "asset ceiling", three of the seven schools have an asset balance on their defined pension scheme. As all schools are members of the same LGPS we have not adjusted the asset balances which therefore net off to the overall pension deficit. The asset balances are detailed below.

- Kew Woods Primary School

The balance of the net defined pension scheme asset is £323,000.

- Meols Cop High School

The balance of the net defined pension scheme asset is £892,000.

- Bedford Primary School

The balance of the net defined pension scheme asset is £566,000.

All the remaining schools hold pensions as deficit balances with an overall deficit for the Trust.

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. The following related party transactions took place in the financial period. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Mrs L Power, spouse of Mr P Power, a trustee, is employed by the academy trust as a Receptionist. Mrs L Power's appointment was made in open competition and Mr P Power was not involved in the decision-making process regarding appointment. Mrs L Power is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Miss H Power, daughter of Mr P Power, a trustee, is employed by the academy trust as a Teaching Assistant. Miss H Power's appointment was made in open competition and Mr P Power was not involved in the decision-making process regarding appointment. Miss H Power is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mrs H Howe, daughter-in-law of Mr G Howe, a trustee (resigned 28 September 2022), is employed by the academy trust as a Teacher. Mrs H Howe's appointment was made in open competition and Mr G Howe was not involved in the decision-making process regarding appointment. Mrs H Howe is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £15,834 and disbursed £15,600 from the fund. An amount of £11,550 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2022 are £19,295 received, £14,034 disbursed and £11,315 included in other creditors.

28 Academy trust with newly converted academies

On the converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southport Learning Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

On 1 April 2023 the Bedford Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southport Learning Trust from Sefton Council Local Authority for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Endowment fund £000	Total £000
Leasehold land and buildings	-	-	3,845	-	3,845
On LA funds	278	-	23	-	301
LGPS pension surplus/(deficit)	-	501	-	-	501
Net assets	<u>278</u>	<u>501</u>	<u>3,868</u>	<u>-</u>	<u>4,647</u>

The above net assets include £301,027 that were transferred as cash.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

28 Academy trust with newly converted academies (continued)

On 1 April 2023 the Meols Cop High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southport Learning Trust from Sefton Council Local Authority for £Nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Endowment fund £000	Total £000
Leasehold land and buildings	-	-	11,550	-	11,550
On LA funds	1,028	-	116	-	1,144
On other school funds	309	-	-	-	309
LGPS pension surplus/(deficit)	-	776	-	-	776
Net assets	<u>1,337</u>	<u>776</u>	<u>11,666</u>	<u>-</u>	<u>13,779</u>

The above net assets include £1,144,037 that were transferred as cash.

29 Transfer of existing academies into the academy trust

On 01 September 2022 Birkdale High School transferred from an independent academy into Southport Learning Trust. All the operations and assets and liabilities were transferred to Southport Learning Trust for £Nil consideration.

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

The table below sets out the adjusted fair values transferred.

Southport Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

29 Transfer of existing academies into the academy trust (continued)

Birkdale High School

	Value reported by transferring academy trust £ 000	Fair value adjustments £ 000	Transfer in recognised £ 000
Tangible fixed assets			
Leasehold land and buildings	8,537	(317)	8,220
Leasehold improvements	1,477	(1,477)	-
Furniture and equipment	26	(6)	20
Computer equipment	34	(7)	27
	<u>10,074</u>	<u>(1,807)</u>	<u>8,267</u>
Other assets			
Debtors due after one year	157	1	158
Cash in bank and in hand	545	-	545
	<u>702</u>	<u>1</u>	<u>703</u>
Liabilities			
Creditors due in less than one year	(416)	-	(416)
Creditors due in more than one year	(68)	-	(68)
	<u>(484)</u>	<u>-</u>	<u>(484)</u>
Pensions			
Pensions – pension scheme liabilities	(888)	-	(888)
Net assets/(liabilities)	<u>9,404</u>	<u>(1,806)</u>	<u>7,598</u>

30 Prior Year values restated

The income and expenditure has been restated in line with the academy chart of accounts, the changes have no impact on prior year overall totals or funds.



Certificate of Completion

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