

Registration number: 07728828

Grove Learning Trust

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 August 2021

GROVE LEARNING TRUST
CONTENTS

Reference and Administrative Details	1
Trustees' Report	2 to 20
Governance Statement	21 to 24
Statement of Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditor's Report on the Financial Statements	27 to 30
Independent Reporting Accountant's Report on Regularity	31 to 32
Statement of Financial Activities	33 to 34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements	37 to 60

GROVE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Cripps K Weise V Parker R Sperti
Trustees (Directors)	C Bassett (appointed 1 September 2020) K Chapple A Cripps, Chair A Garland (resigned 6 October 2021) A Griffiths, Chief Executive Officer R James J Milsom, Chair of Standards and Performance Committee M Hudson (resigned 30 September 2021) W Roe (resigned 1 July 2021)
Company Secretary	P Bartlett
Senior Management Team	A Griffiths, Chief Executive Officer P Bartlett, Chief Finance and Operations Officer
Principal and Registered Office	Eastrop Infant School Eastrop Highworth Swindon SN6 7AP
Company Registration Number	07728828
Auditors	Albert Goodman Senior Statutory Auditor Goodwood House Blackbrook Park Avenue Taunton TA1 2PX
Bankers	Lloyds Bank PLC 84-86 Cricklade Road Gorse Hill Swindon SN2 8AF
Solicitors	Thompsons Thompsons Grove House 55 Lowlands Road Harrow Middlesex HA1 3AP

GROVE LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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

The Trust operates two primary academies in Highworth, Swindon: Eastrop Infant School and Southfield Junior School. Its academies have a combined pupil capacity of 420 and had a roll of 399 in the school census on Oct 2020.

Structure, governance and management

Constitution

Grove Learning Trust opened as a multi academy trust on 1st December 2019 (previously known as Eastrop Infant School which was incorporated in 2011) and is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Directors of Grove Learning Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Grove Learning Trust.

Details of the Directors who served throughout the year and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

Members' liability

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

Trustees' indemnities

Directors benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

GROVE LEARNING TRUST

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

Method of recruitment and appointment or election of Trustees

The Trust shall have the following Directors as set out in its Articles of Association and funding agreement:

- up to 8 Directors who are appointed by members.
- the Chief Executive Officer who is treated for all purposes as being ex officio

Directors are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Any Director can be re-appointed or re-elected.

When appointing new Directors, the Board will give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

Policies and procedures adopted for the induction and training of Trustees

The Trust has a Director recruitment, induction and training policy which is available from the Clerk to the Board of Directors.

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of at least one of the academies and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by professional bodies.

GROVE LEARNING TRUST

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

Organisational structure

The Board of Directors meets once each term (six times per year). The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 2 committees as follows:

- Resources, Audit and Risk (RAR) Committee - this meets at least six times a year and is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Standards & Performance (S&P) Committee - this meets at least five times a year to monitor, evaluate and review policy, practice, and performance in relation to safeguarding, admissions, curriculum planning, communications, target setting and assessment, examinations, and all pastoral issues.

The following decisions are reserved to the Board of Directors: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairperson and/or Vice Chairperson, to appoint the Chief Executive Officer and Clerk to the Board of Directors, to approve the Trust's Strategic Business Plan and Annual Strategic Plan and associated budgets.

The Board of Directors has devolved responsibility for day-to-day management of the Trust to the Chief Executive Officer, Chief Finance and Operations Officer and to the Heads of School and Senior Management Team (SMT) in the individual academies. The SMT comprises the Head of School, Assistant Headteacher and Phase Leaders. The SMT implement the policies laid down by the Directors and report back to them on performance. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The CEO, CFOO and Heads of School are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders which must be authorised in line with the Scheme of Delegation. At academy level, the Head of School is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Directors consider the central team (CEO and CFOO) and the academy senior leadership team as the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Directors give their time freely and no Director received remuneration in the year.

Details of Directors' expenses and related party transactions are disclosed in the notes to the accounts.

GROVE LEARNING TRUST

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

Connected organisations, including related party relationships

Mr R J James is also a Trustee and member of Highworth Warneford School.

Both schools in the Trust buy in catering from Highworth Warneford School under an SLA. This has provided the expertise required under our budget constraints. During the period, the total amount charged for catering was £46,016 (2019/20: £46,164).

Objectives and activities

Objects and aims

The principal activity of the Trust is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing, and developing schools, offering a broad range of curriculum subjects for pupils of different abilities.

At Grove Learning Trust, we aim to be recognised locally and nationally as a beacon of educational excellence.

We achieve this for all the schools in our trust by:

- Creating an environment where everyone feels proud to belong and can be themselves
- Enabling families to access outstanding provision with seamless and effective transition from one stage to the next
- Championing and nurturing children so that they are confident and independent citizens
- Planning and delivering an engaging and wide curriculum so that life opportunities are broadened
- Supporting children and adults, through active school-to-school connections, exemplary teaching, and professional development, to be aspirational and lifelong learners
- Encouraging our community of schools to enjoy a safe and sustainable environment, treading softly and mindfully to protect the Earth for centuries to come
- Engaging with communities collaboratively, promoting collective responsibility for inclusive and outward facing relationships, eradicating isolation in whatever form it exists
- Sharing successes and helping each other to realise that learning has no limits

GROVE LEARNING TRUST

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

Objectives, strategies and activities

The strategic aims of the Trust each year are informed by:

- The trust's vision, Strategic 5-year plan and Risk Register
- The outcome of a school resource management adviser (SRMA) visit
- School-specific quality assurance visits carried out by the CEO
- School-specific Annual Performance Dialogue and Risk Assessments (as per the trust's Scheme of Delegation)
- Monthly financial monitoring / benchmarking undertaken by the CFOO
- Self-evaluation undertaken by the Board of Directors and executive leaders
- Regional Schools Commissioner's office / project lead for Swindon & Wiltshire

As a result, our strategic aims for 2020-21 are set out across 4 key areas:

1. School Improvement
2. Governance
3. Marketing & Growth
4. Finance & Estates

The strategic aims of the Trust during the year ended 31 August 2021 are summarised below:

School Improvement

- Ensure that Eastrop Infant School is fully prepared to achieve a good outcome when visited in the next year by Ofsted.
- Grow the capacity, confidence and skills of trust and school leaders through a planned programme of professional development activities.
- Develop a talent inventory to facilitate school-to-school support and improvement within the trust.
- Develop leaders' and governors' forensic understanding and incisive use of data, to track and impact markedly on children's progress towards above-average outcomes, in all schools across the trust.
- Develop incisive school self-evaluation and outward-facing approaches that achieve outstanding teaching and learning practices across the trust, by brokering a new professional relationship with Challenge Partners.
- Further develop the alignment of our academies' curriculum offer to ensure outstanding learning opportunities exist for all children, and remedial plans are in place to

Governance

- To ensure compliance and effective communication across our trust, develop a robust annual plan of work for all layers of governance.
- Launch individual Academy Committees for Eastrop Infant and Southfield Junior Schools, dissolving the Joint Academy Committee that is currently in operation.
- To ensure clarity of roles and responsibilities, compliance, and effective communication across our trust, launch and embed a set of revised Terms of Reference documents.
- To ensure robust governance and capacity exists, support school leaders to launch a recruitment campaign to attract new local governors to the vacancies on their Academy Committees.
- Grow the capacity, confidence, and skills of directors and governors by completing a thorough skills audit and planning a programme of professional development activities to meet needs.
- Ensure that a clear strategy for the CEO's performance management exists and is embedded in the workstream of directors across the academic year.

GROVE LEARNING TRUST

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

Marketing & Growth

- Secure GLT's onboarding processes (due diligence, academy conversion, induction manual), to successfully grow our trust by at least two schools.
- To develop a strong local presence, increase pupil numbers and boost trust income, develop and launch a marketing strategy.
- Further develop the trust's growth plan by scoping out local growth opportunities and by building our professional relationship with the RSC's office and area project lead.
- Further enhance the trust website to always ensure compliance and greater celebration of our achievements

Finance & Estates

- Further enhance monthly monitoring and reporting systems to ensure all academies (and the trust in consolidation) achieve surplus out-turn budgets through effective income/expenditure management.
- Develop a GLT quality assurance framework to ensure trust leaders' assurance of our academies' compliance with agreed policies and procedures.
- Continue to use the school resource management self-assessment dashboard to assess value for money of academy expenditure and resourcing and action plan accordingly.
- To ensure compliance and to continue to develop the skills, knowledge and understanding of trust and school leaders, plan a strategic programme of professional development activities focused on finance.
- Oversee and ensure the success of a large-scale capital (weatherproofing) project at Southfield Junior School.
- Develop a strategic estates development plan (including site specific work & condition surveying), planning opportunities for future income generation to support this area of development.
- Meet all ESFA deadlines and statutory requirements.

At Grove Learning Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise their full academic, creative, and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Achievements and performance

Grove Learning Trust is in its first full academic year of operation as a multi academy trust, which was first founded on 1 December 2019. As well as the two schools in the Trust we have also been establishing a 40-place nursey provision which has also completed its first full academic year.

Our Academies

	Joined GLT	Roll / Capacity	Last Inspected	Ofsted Overall: Effectiveness
Eastrop Infant School	01/12/2019	168 / 220	24 & 25 February 2016	Good
Southfield Junior School	01/12/2019	234 / 240	4 & 5 June 2019	Good

Due to the Covid-19 pandemic, no national data has been collected or published as no SATs tests were administered due to a national lockdown between March 2020 and July 2020.

Throughout the national lockdown, our schools were able to work successfully together to provide education and care for those children of keyworker and vulnerable families as well as remote learning opportunities for the children who were required to stay at home with their parents and carers.

Trust performance is measured through a series of non-financial KPIs:

GROVE LEARNING TRUST

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

STRATEGIC REPORT

KPI	RAG	Progress Summary
Aggregate outcomes are at least in line with national averages, with gaps closing for disadvantaged pupils.	Amber	Both schools have made very good gains in terms of progress this year, despite the impact of several lockdowns and Covid-19 bubble closures. - Closing the disadvantaged gap remains a priority at both schools and it is on their improvement plans for 2021-2.
Each school is evaluated as being at least good within 24 months of joining GLT.	Green	Both schools currently Ofsted good schools. - Eastrop awaiting inspection – now overdue due to pandemic
Grove Learning Trust grows in line with its growth plan.	Green	Two schools are in the process of joining GLT to make a hub of 4 – on track with GLT growth plans
Leaders grow from within the Grove Learning Trust. All staff and GLT's governance team have opportunities to develop and progress	Green	Training a strength of both schools and the trust's executive team, in particular links with Cabot Learning Federation (NPQ programmes) and Challenge Partners. - External quality assurance at both schools has referenced the impact of the trust on staff professional development and has pinpointed the strength of this improvement at all levels for staff in all GLT schools
Grove Learning Trust maintains a healthy financial position in line with its reserves policy	Green	Projections from the CFOO remain stable. CFOO's management report is scrutinised monthly and included in reports to Resources, Audit & Risk Committee and the Board of Directors - Forecasts for the trust's reserves at year end have been exceeded, and meet the criteria set out in our reserves policy.
Grove Learning Trust benefits from an effective marketing and communications strategy and its reputation locally and nationally is positive	Amber	Currently being developed by CFOO. - Marketing plans are scrutinised by the Board of Directors for effectiveness and value for money.

The Trust monitors each school against a School Improvement dashboard.

School	RAG Using GLT Intervention Strategy	School SEF Using Ofsted Criteria	Comments
Eastrop Infant School	Amber	Good	GLT RAG is amber because of pupil outcomes, particularly the gap between disadvantaged/pupil premium group and their peers. The Trust is also monitoring falling numbers in Reception and the effect on total number on roll.
Southfield Junior School	Amber	Good	GLT RAG is orange because: - Weak 3-year outcomes and low end of KS2 attainment and progress, although current data is looking positive we need this improvement to be visible in SATs taken in May 2022 to confirm this has been achieved. - Outcomes for disadvantaged/pupil premium group and their peers are too wide.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

The trust also monitors schools through standards visits by the Executive Team, Trust Directors, Academy Governors and external quality assurance providers.

	Last Visit	Provider
Eastrop Infant School	9th – 11th June 2021	Challenge Partners
Southfield Junior School	5th – 18th June 2021	Challenge Partners

Attendance and exclusions

2020/21	Target	Absence		Actual	Exclusions	
		Authorised	Unauthorised		Fixed	Permanent
Eastrop Infant School	96%	2%	0.5%	97.4%	0	0
Southfield Junior School	96%	3.88%	1.97%	94.09%	7	0

Absence had been impacted by some parents keeping their children home due to the Covid-19 pandemic. The school worked closely with the Education Welfare team and parents.

With schools reopening, extensive risk assessments and close collaboration with staff and Trade Union representatives has enabled a smooth return to classroom teaching. Anonymous staff surveys took place to assess their level of engagement with the Trusts Covid-19 planning. Staff were very supportive and appreciative of the Trusts planning and the execution of the plan. Over 81% of staff said they were worried or anxious when they heard about schools reopening from the government. However this reduced to less than 5% following the work of the Trust and sharing plans for fully reopening schools with staff. Over 85% of staff felt confident or very confident to return to school once our plans had been shared and discussed.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Significant work has taken place since Southfield Junior School joined the trust to improve its performance and the outcomes for its pupils. Since the formation of the Trust, improvement has been led by the CEO, with the heads of the founding schools, supported by the CFOO. The Trust also works with a number of external school improvement partners. The Trust carried out external validation of its progress and to further challenge the executive and academy team to continue to improve. Reviews during 2020/21 have been both successful and thorough. Stand out comments include:

"Southfield Junior School is led and managed with determination and aspiration - this is clearly articulated by leaders at all levels within the school and by the CEO of the Trust. The improvement journey has been significant."

"A lot has been achieved in a short space of time which is impressive, particularly given the difficulties a global pandemic has posed over the last year."

"Following a dip in standards, the school has reviewed the approach to the teaching of reading and this is now prioritised; this is evident throughout the school with investments in new appealing and age-appropriate reading materials and the new library which is designed to entice the children in, to sit and enjoy books. Children spoken to said that they enjoy reading and their choice of books to read independently demonstrates the impact of exposure to high quality literature."

"The Trust has a knowledgeable and skilled SENDCo who works across both schools. She has worked hard to secure her vision that every teacher is a teacher of children with SEND and that they have ownership of each child's progress. All teachers know who the lowest 20% of learners are and can speak about the provision that is in place for them and the progress made as a result. Interventions are delivered by trained staff and the impact of this was exemplified in the pride of a child who had learnt to read with fluency as a result of the support received."

The executive team together have made formal Standards Visits, both virtual and in person at both schools and both schools, supported by a director/governor. The visits have provided the executive team with strong assurances of good practice. These visits have been made with . Directors have sought out the Pupil Voice to understand how improvement frameworks, continuous provision and wellness provision is impacting them. When asked "Do you enjoy learning at Eastrop?" a pupil replied "Of course, it's amazing!". The Board has taken particular interest in efforts being made to improve KPIs,

Discussions took place with a number of schools enquiring about joining the Trust over the course of the year, leading to two schools requesting to join, with the Regional Schools Commissioner recommending the Trust grow and accommodate these schools. Work is underway with the schools expected to join the Trust in January 2022. Schools continue to approach the Trust, evidencing our positive reputation and inclusive approach to onboarding schools.

The fabric of the schools has been improved following a successful CIF bid with works expected to complete prior to the start of the 2021/22 academic year.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Throughout the year, the fiscal management of the Trust and each academy has come under heavy scrutiny from the Board, with the risks associated with forming a new trust, creating a new nursery and the Covid-19 pandemic each having the potential to amplify each other. Financial reporting and modelling for the nursery showed it was and remained financially healthy despite revenue being below the budgeted levels. The nursery had always broken even and towards the end of the year began to deliver the level of income originally anticipated.

The end of year position reflects the dedication our CFOO has put in to raising the level of financial awareness of all budget holders and creating ownership of the spending in each area, along with prudent and proactive work to secure the CIF bid and other funding. She also gained her Level Seven CIPFA Certificate with exceptional scores.

Strengthening the governance of our academies and the Trust continues to be a focus. Succession planning and recruitment have taken place as the Board ended the year with reduce numbers and our Chair coming to the end of her term. Recruitment is expected to conclude in November 2021 with a new intake of directors and appointing new chair of the Academy committee for Eastrop. External validation of our governance

Key financial performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £125,249, was carried forward representing 8.02% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2021 were 399, a decrease of 3 pupils over 2020. It is anticipated, however, that this number will continue to rise as growth, by new schools joining our Trust, with the process for two schools to join the Trust in December 2021 already underway and further growth is anticipated in 2022-23. The predicted intake for our current schools is lower in the next two years, with intake increasing in subsequent years as housing capacity in the area increases. Furthermore, marketing for our nursery provision continues to be a key focus, with professional support being sought for the coming academic year. Early years provision is a prime way to ensure a healthy intake into Eastrop Infant School each year and the subsequent flow through into Southfields Junior School.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2021 this was 97.6%, compared to 99.9% in 2020, as recruitment has taken a more strategic and long-term view to ensure with vacancies deliberately not filled to avoid overstaffing as predicted falls in intake occur.

GROVE LEARNING TRUST**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)****STRATEGIC REPORT**

	Target 20/21	Actual 20/21	Kreston Reeves MAT Benchmark 2019/20
GAG carry forward %	3.5%	8.0%	8.9%
Total income per pupil	£5,683	£5,337	£5,086
Total GAG per pupil	£4,373	£3,912	£3,657
Ratio of GAG to total income	76.9%	73.3%	73%
Staff costs per pupil	£3,989	£4,058	£3,807
Ratio of staff costs to total costs	71%	77.4%	72.9%
Ratio of premises costs to total costs	5.7%	3.2%	1.4%

In summary, excluding the LGPS pension movement, Eastrop Infant School ended the year with a surplus of £36,100. Southfield Junior School ended the year with a surplus of £53,316 due to savings in staffing costs and extra income received for teacher pay grants, in addition to very careful controls of spending by Heads of Schools. This enables the Trust to strengthen its reserves in line with its state Reserves Policy, recovering from a weaker position in 2020, and to repay an equal pay loan early which will reduce the cost to the Trust overall. The reserves position and repayment of the equal pay loan have been discussed with and are supported by the Board.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Financial Position and its impact or potential impact on the Trust's finances has been high, with accounting, marketing and attendance discussed and challenged at RAR, management account meeting and the full Board at every opportunity throughout the year. The Nursery position improved significantly as the Covid-19 restrictions unwound, with the prudent and proactive leadership of the executive team ensuring they were able to capitalise on this, and be able to fill a provision gap created by the demise of another nursery during the Covid-19 lockdown.

During the year financial monitoring by the Board has improve. Increased familiarity with new accounting software introduced during the previous academic year has led to increased accounting rigour throughout the Trust. Monthly management account reviews between the CFOO, Chair of BoD, Chair of RaR and a director with a finance background have led to a greater shared understanding of financial controls, the challenges the Trust and its schools have faced during the Covid-19 pandemic and the mitigating actions being taken to protect the financial position of the trust.

This has led to a robust improvement in the reserves position, while delivering significant facilities improvements. Financial review is key to all decision making and decision taken around staff recruitment combined with on-roll predictions

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

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Financial review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2021, the Trust received total income of £2,129,500 and incurred total expenditure of £2,093,495. After the pension actuary loss totalling £195,000 was accounted for, a deficit of £158,995 was made.

At 31 August 2021 the net book value of fixed assets was £3,469,155 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, CFOO, Head Teacher, managers, budget holders and other staff as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the Trusts' future plans, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately at least one month of operational expenditure, £50k, per academy. 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. This is the balance that the Directors monitor in accordance with the Board's reserves policy.

In the prior year, due to the impact of the Covid-19 pandemic, its effect on the launch of our new nursery and places taken up by families, our reserves had fallen below the level expected in our reserves policy. A strong recovery plan was set and careful budget forecasting enabled us to set surplus budgets for each of the academies in Grove Learning Trust for 2020-21 to rebuild our reserves. This plan has been met, without impacting the performance of the schools, nor limiting their ability to invest in improvements in their facilities. Our end of year surplus, while higher than normally targeted, has ensured there is no long-term impact on our reserves following the challenges of 2019/20 and prudent management of spending during 2020/21 has ensured the continuing Covid-19 pandemic has not had a detrimental impact on the Trust or its academies.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

The Equal Pay Loan receive will be paid off early, from the end of year surplus, further limiting medium- and long-term risks to our reserves.

Investment policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short-term requirements. The Directors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

Principal risks and uncertainties

The Board of Directors has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 93.6% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is 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. The new nursery now poses less of a financial risk, but remains closely monitored.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Health and wellbeing of children and staff - Covid-19 continuing has created an increased need for both physical and mental health awareness, and general wellbeing in addition to tradition health and safety concern. The Trust has implemented extensive mitigating actions in place, in full collaboration with staff and has a team member providing wellness support to both schools. This continues to be a focus of attention for the Resource, Audit & Risk committee, Standards & Performance Committee and the main Board.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

The Trust has agreed a Risk Register and a Risk Management Plan. These have been discussed by Directors and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Directors review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources, Audit and Risk (RAR) Committee meetings. The Directors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Directors recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However, as the Directors consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

Grove Learning Trust aims to comply with the guidelines and confirms its commitment to the principles set out in the guidelines for Charitable Organisations on fundraising from the public for charitable organisations.

The trust only ran small fundraising events throughout the year in conjunction with the school's PTA.

The trust does not work with professional fundraisers or companies who carry out fundraising on its behalf.

Streamlined Energy and Carbon Reporting

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

STRATEGIC REPORT

Plans for future periods

Building on effective professional relations with several local schools, Grove Learning Trust expects to formally grow as a MAT by two primary-aged schools in January 2022. This will enable our trust to grow and share expertise, further impacting on the quality of education received by the children in our schools, and benefit from economies of scale across two hub locations comprising of four schools in total in the wider Swindon region.

Preparation to onboard the new schools is well underway and is building on the experience gained during the founding of the MAT in 2019. The Trust continues to be approached by schools considering joining our MAT and our plans for growth beyond four schools is expected to continue on track. We are delighted with the reputation we have built and the calibre of schools that are approaching us. Our strategy sets out a plan for steady manageable growth so as not to hit scale related issues and weaken pupil outcomes, so we will approach all growth opportunities on their own merits, they must benefit all pupils and the Trust as a whole and we do not seek growth for the sake of growth.

School Improvement remains a priority, in particular closing the gap between disadvantaged/pupil premium group and their peers. A new role is being created within the Trust's Executive team to focus on teaching standards and performance which has been enabled by the growth of the MAT to four schools in January 2022. It is anticipated that improvements in performance witnessed by our external quality assurance partners will be realised during SATs in May 22.

We are already witnessing strong collaboration between the teaching teams at our existing academies and the two new schools joining in December 2021. We expect this to lead to an increase in the pace of improvement across all four schools, helping us to meet our objective of not simply being a Trust with good schools, but a beacon of educational excellence that acts as a model for other academies and Trusts.

GROVE LEARNING TRUST

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

STRATEGIC REPORT

The MAT growth also brings potential opportunities to increase the quality of non-academic aspects to a pupils development while they are with us, such as wellness/wellbeing and making the transition between schools as pupils age seamless, effective and beneficial. These areas form part of the Boards strategic thinking as we challenge the Trust to define what a beacon of education is, and what the true potential of the Trust can be at an academic and non-academic/life skills level.

We also anticipate the Ofsted inspection of Eastrop Junior School as this is now overdue because of the Covid-19 pandemic.

The Board appointed one of its Directors to work with both existing academies to strengthen their governance teams as recruitment has remained challenging. The Trust expects to welcome four new Directors in December as recruitment that has taken place throughout the summer of 2021 comes to fruition.

Following the notification of a successful capital funding bid, the Trust will commence a large-scale weather-proofing project at Southfield Junior School. The project was due for completion in April 2021 but has been delayed due to Covid-19 and will complete early in the 2021/22 academic year. Further CIF bids are being made to improve facilities at both existing academies in 2021/22.

The Trust has been successful in obtaining a Trust Capacity Fund (TCAF) grant, which is being used on a number of areas including external support for the creating and delivery of a marketing strategy, to fund training for team members including the Finance Officer to ensure the MAT growth is supported by a strong Trust team.

Full details of our plans for the future are given in our Trust Strategic Annual Plan, which is available on our website or from the Clerk to the Board of Directors.

Funds held as Custodian Trustee on behalf of others

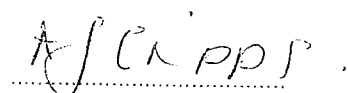
The Trust and its Directors do not act as the Custodian Directors of any other Charity.

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.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 24/10/21 and signed on its behalf by:



A Cripps
Trustee

GROVE LEARNING TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to A Griffiths, 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 Grove Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
A Cripps	8	8
A Griffiths	7	8
R James	8	8
J Milsom	8	8
M Hudson	4	5
P Bartlett	7	8
K Chapple	4	8
W Roe	7	7
A Garland	8	8
C Bassett	7	8

The Resources Audit & Risk committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A Cripps	4	6
A Griffiths	6	6
R James	6	6
P Bartlett	6	6
K Chapple	5	6
W Roe	2	6
C Bassett	6	6

GROVE LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)

The Standards & Performance Committee is a sub-committee of the main Board of Trustees. Its purpose is to review staffing levels, support with new appointments, and review the performance management. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A Cripps	4	5
A Griffiths	5	5
J Milsom	5	5
M Hudson	2	3
A Garland	4	5

Governance reviews

Focus this year has been on establishing independent Academy Committees for each of our schools and dissolving the Joint Academy Committee. This has been successful, however recruiting new Governors has been and continues to be a challenge. We appointed a Director to partner with the Academy Committees to assist them as they establish and gain experience.

Our CEO has an external mentor who is also an experienced MAT CEO. He provides external scrutiny of our Governance and has provided strongly positive feedback as well as highlighting areas to continue to improve.

We have lost a number of Directors during the year as the Covid-19 pandemic has put additional pressure on people with busy professional careers. This has led to a significant recruitment process during the latter part of the 2020/21 academic year, which will come to fruition in December 21 when the new directors are appointed.

We have sought out a range of individuals to ensure we have the balance of skills we require. This includes MAT CEO experience, company secretarial and governance expertise, and leadership development professionals.

While our Board to date has placed the Trust under strong and appropriate scrutiny in its first full academic year, we are confident that we have built a Board that can take the Trust through its next phase of growth and deliver the outcomes we desire for our pupils.

Review of value for money

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

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

- Appointing New auditors for end of year audit
- Apprenticeships - to provide good quality training for new and existing staff with relevant qualifications where recruitment has been unable to fill positions
- Use of crown commercial services when looking for new equipment and services.

GROVE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Grove Learning Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee 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;
- identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from James Cowper Kreston. The external auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of budgeting and financial monitoring
- testing of income and processes
- compliance
- testing of payroll and procedures

On a semi-annual basis, the auditor reports to the Board of Trustees, through the Resources, Audit & Risk committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

There were no material control or other issues reported by the internal auditor to date.

GROVE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

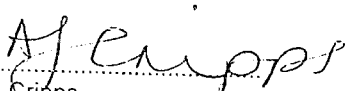
Review of effectiveness

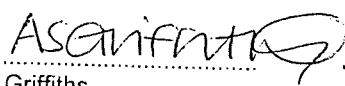
As Accounting Officer, A Griffiths, Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external 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.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28/11/21 and signed on its behalf by:


A Cripps
Trustee


A Griffiths
Trustee

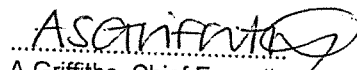
GROVE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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


A Griffiths, Chief Executive Officer
Accounting officer

Date: 25/11/21

GROVE 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:

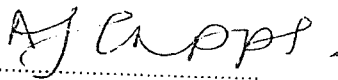
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 25/11/21 and signed on its behalf by:



A Cripps
Trustee

GROVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE LEARNING TRUST

Opinion

We have audited the financial statements of Grove Learning Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. 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 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 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.

GROVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 26], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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.

Auditor's responsibilities for the audit of the financial statements

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

GROVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE LEARNING TRUST (CONTINUED)

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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 engagement partner 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 through discussions with trustees and other management, and from our commercial knowledge and experience of the 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, Academies Accounts Direction 2020 to 2021, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy'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; and
- 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 to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

GROVE LEARNING TRUST

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GROVE LEARNING TRUST (CONTINUED)**

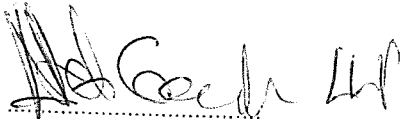
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Joseph Doggrell ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 31/1/2021

GROVE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Grove Learning Trust during the year to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Grove 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 Grove 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 Grove Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

GROVE LEARNING TRUST

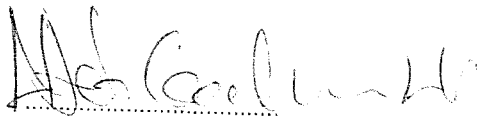
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2020);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

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



Joseph Doggrell ACA

For and on behalf of Albert Goodman , Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 31/11/2021

GROVE LEARNING TRUST

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	4,080	3,757	31,573	39,410
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,992,554	-	1,992,554
Other trading activities	4	97,506	-	-	97,506
Investments	5	30	-	-	30
Total		101,616	1,996,311	31,573	2,129,500
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	101,586	1,896,128	95,781	2,093,495
Net income/(expenditure)		30	100,183	(64,208)	36,005
Transfers between funds		-	(2,583)	2,583	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	24	-	(195,000)	-	(195,000)
Net movement in funds/(deficit)		30	(97,400)	(61,625)	(158,995)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		62,950	(436,119)	3,635,027	3,261,858
Total funds/(deficit) carried forward at 31 August 2021		62,980	(533,519)	3,573,402	3,102,863

GROVE LEARNING TRUST

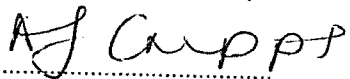
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	19,020	196,871	215,891
Transfer from local authority on conversion		40,610	(229,000)	2,152,901	1,964,511
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	28,679	1,591,823	-	1,620,502
Other trading activities	4	48,439	-	-	48,439
Investments	5	96	-	-	96
Total		117,824	1,381,843	2,349,772	3,849,439
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	76,338	1,685,616	76,903	1,838,857
Net income/(expenditure)		41,486	(303,773)	2,272,869	2,010,582
Transfers between funds		-	(26,193)	26,193	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	24	-	90,000	-	90,000
Net movement in funds/(deficit)		41,486	(239,966)	2,299,062	2,100,582
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		21,464	(196,153)	1,335,965	1,161,276
Total funds/(deficit) carried forward at 31 August 2020		62,950	(436,119)	3,635,027	3,261,858

GROVE LEARNING TRUST
(REGISTRATION NUMBER: 07728828)
BALANCE SHEET

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,469,155	3,450,521
Current assets			
Debtors	13	109,976	239,275
Cash at bank and in hand		<u>450,221</u>	<u>127,561</u>
		560,197	366,836
Creditors: Amounts falling due within one year	14	<u>(235,489)</u>	<u>(152,499)</u>
Net current assets		<u>324,708</u>	<u>214,337</u>
Total assets less current liabilities		<u>3,793,863</u>	<u>3,664,858</u>
Net assets excluding pension liability		3,793,863	3,664,858
Pension scheme liability	24	<u>(691,000)</u>	<u>(403,000)</u>
Net assets including pension liability		<u><u>3,102,863</u></u>	<u><u>3,261,858</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(533,519)	(436,119)
Restricted fixed asset fund		<u>3,573,402</u>	<u>3,635,027</u>
		3,039,883	3,198,908
Unrestricted funds			
Unrestricted general fund		<u>62,980</u>	<u>62,950</u>
Total funds		<u><u>3,102,863</u></u>	<u><u>3,261,858</u></u>

The financial statements on pages 33 to 60 were approved by the Trustees, and authorised for issue on 25/11/2021 and signed on their behalf by:



 A Cripps
 Trustee

GROVE LEARNING TRUST
STATEMENT OF CASH FLOWS

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	405,472	2,419,700
Cash flows from investing activities	20	<u>(82,812)</u>	<u>(2,464,265)</u>
Change in cash and cash equivalents in the year		322,660	(44,565)
Cash and cash equivalents at 1 September		<u>127,561</u>	<u>172,126</u>
Cash and cash equivalents at 31 August	21	<u><u>450,221</u></u>	<u><u>127,561</u></u>

GROVE LEARNING TRUST

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

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 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.

GROVE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)**

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

GROVE LEARNING TRUST

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

(CONTINUED)

1 Accounting policies (continued)

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 £500 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/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

Long-term leasehold land
Leasehold property
Furniture and equipment
Computer equipment

Depreciation method and rate

- straight line over 125 years
- straight line between 25 - 50 years
- straight line between 5-10 years
- straight line over 4 - 20 years

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.

GROVE LEARNING TRUST

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

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.

GROVE LEARNING TRUST

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

(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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2020/21 Total £	2019/20 Total £
Other voluntary income					
Capital grants					
DfE/ESFA	-	-	31,573	31,573	196,871
Other donations	4,080	3,757	-	7,837	19,020
	<u>4,080</u>	<u>3,757</u>	<u>31,573</u>	<u>39,410</u>	<u>215,891</u>

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	1,561,112	1,561,112	1,271,604
Other DfE/ESFA grants	77,545	77,545	117,896
Pupil Premium	89,438	89,438	82,255
UIFSM	50,029	50,029	46,541
PE Grant	35,460	35,460	30,760
DfE conversion grant	50,000	50,000	-
	<u>1,863,584</u>	<u>1,863,584</u>	<u>1,549,056</u>
Other government grants			
Other Government Grants	60,241	60,241	29,947
High Needs	38,878	38,878	38,194
Catch-up premium	29,440	29,440	-
COVID-19 emergency support	-	-	3,305
JRS Claims	411	411	-
	<u>128,970</u>	<u>128,970</u>	<u>71,446</u>
Total grants	<u>1,992,554</u>	<u>1,992,554</u>	<u>1,620,502</u>

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

The catch up premium income, associated expenditure and carried forward balance to be spent in 2021-22 is detailed in the Funds note.

4 Other trading activities

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Other Income (unrestricted)	88,271	88,271	41,450
Internal catering income	9,235	9,235	6,989
	<u>97,506</u>	<u>97,506</u>	<u>48,439</u>

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

5 Investment income

	Unrestricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	30	30	96

6 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other costs £	2021 Total £	2020 Total £
Academy's educational operations					
Direct costs	1,318,579	-	130,265	1,448,844	1,283,031
Allocated support costs	300,837	204,302	139,512	644,651	555,826
	<u>1,619,416</u>	<u>204,302</u>	<u>269,777</u>	<u>2,093,495</u>	<u>1,838,857</u>

Net income/(expenditure) for the year includes:

	2020/21 £	2019/20 £
Operating lease rentals	9,476	10,965
Depreciation	96,136	76,903
Fees payable to auditor - audit	10,500	10,500
- other audit services	<u>2,675</u>	<u>3,275</u>

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

7 Charitable activities

	2020/21 £	2019/20 £
Direct costs - educational operations	1,448,844	1,283,031
Support costs - educational operations	644,651	555,826
	<u>2,093,495</u>	<u>1,838,857</u>
	2020/21 Total £	2019/20 Total £
Analysis of direct costs		
Teaching and educational support staff costs	1,318,579	1,164,200
Educational supplies	63,338	43,300
Staff development	-	9,283
Other direct costs	31,057	15,673
Technology costs	35,870	50,575
Total direct costs	<u>1,448,844</u>	<u>1,283,031</u>
	2020/21 Total £	2019/20 Total £
Analysis of support costs		
Support staff costs	300,837	195,085
Depreciation	95,781	76,903
Recruitment and support	375	824
Rent, rates and utilities	27,956	25,969
Insurance	8,425	8,065
Catering	52,252	49,257
Maintenance of premises and equipment	41,606	19,817
Cleaning	38,959	46,698
Professional fees	60,191	84,865
Other support costs	18,269	35,560
Governance costs	-	12,783
Total support costs	<u>644,651</u>	<u>555,826</u>

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

8 Staff

Staff costs

	2020/21 £	2019/20 £
Staff costs during the year were:		
Wages and salaries	1,172,373	977,172
Social security costs	97,729	84,155
Operating costs of defined benefit pension schemes	<u>347,963</u>	<u>289,638</u>
Supply staff costs	1,618,065	1,350,965
	<u>1,351</u>	<u>8,320</u>
	<u><u>1,619,416</u></u>	<u><u>1,359,285</u></u>

Staff numbers

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

	2021 No	2020 No
Charitable Activities		
Teachers	22	18
Administration and support	37	21
Management	<u>5</u>	<u>6</u>
	<u><u>64</u></u>	<u><u>45</u></u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2021 No	2020 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £296,305 (2020: £290,899).

GROVE LEARNING TRUST

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

(CONTINUED)

9 Central services

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

- Administration services
- Audit services
- Data protection
- Education support
- Financial services
- Governance
- Health and safety
- Human resources
- Insurance
- Legal services
- Professional services

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

10% of total budgeted income

The actual amounts charged during the year were as follows:

	2021/20	2020/19
	£	£
Eastrop Infant School	97,182	67,364
Southfield Junior School	111,409	77,629
	<u>208,591</u>	<u>144,993</u>

GROVE LEARNING TRUST

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

(CONTINUED)

10 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:

A Griffiths (Chief Executive Officer):

Remuneration: £80,000 - £85,000 (2020 - £80,000 - £85,000)

Employer's pension contributions: £Nil (2020 - £Nil)

Other related party transactions involving the trustees are set out in note 25.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Property improvements £	Total £
Cost					
At 1 September 2020	3,707,072	120,044	140,408	267,840	4,235,364
Additions	-	5,700	28,455	80,260	114,415
At 31 August 2021	3,707,072	125,744	168,863	348,100	4,349,779
Depreciation					
At 1 September 2020	556,111	91,655	95,640	41,437	784,843
Charge for the year	67,167	9,691	12,513	6,410	95,781
At 31 August 2021	623,278	101,346	108,153	47,847	880,624
Net book value					
At 31 August 2021	3,083,794	24,398	60,710	300,253	3,469,155
At 31 August 2020	3,150,961	28,389	44,768	226,403	3,450,521

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

13 Debtors

	2021	2020
	£	£
Trade debtors	915	466
VAT recoverable	28,929	9,865
Prepayments and accrued income	80,132	228,944
	<u>109,976</u>	<u>239,275</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	69,215	61,985
Other taxation and social security	23,254	21,656
Other creditors	27,428	27,211
Accruals and deferred income	115,592	41,647
	<u>235,489</u>	<u>152,499</u>

	2021	2020
	£	£
Deferred income		
Deferred income at 1 September 2020	31,147	30,208
Resources deferred in the period	32,917	31,147
Amounts released from previous periods	(31,147)	(30,208)
Deferred income at 31 August 2021	<u>32,917</u>	<u>31,147</u>

At the balance sheet date the academy trust was holding UIFSM and other income received in advance for the 2020/21 academic year.

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

15 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	1,561,112	(1,426,688)	(9,175)	125,249
UIFSM	-	50,029	(50,029)	-	-
Pupil Premium	-	89,439	(89,439)	-	-
PE Grant	-	35,460	(26,701)	-	8,759
Other ESFA Grants	-	127,545	(77,545)	-	50,000
Local authority grants	-	99,118	(99,118)	-	-
Donations	-	3,757	(3,757)	-	-
Catch up premium	-	29,440	(29,440)	-	-
Equal Pay Loan	(33,119)	-	-	6,592	(26,527)
JRS	-	411	(411)	-	-
Pension reserve	(403,000)	-	(93,000)	(195,000)	(691,000)
	<u>(436,119)</u>	<u>1,996,311</u>	<u>(1,896,128)</u>	<u>(197,583)</u>	<u>(533,519)</u>
Restricted fixed asset funds					
Transferred on Conversion	3,069,159	-	(74,987)	-	2,994,172
Purchased From Restricted Funds	370,448	-	(18,637)	2,583	354,394
DFC Grant	10,914	31,573	(2,157)	-	40,330
CIF Grant	184,506	-	-	-	184,506
	<u>3,635,027</u>	<u>31,573</u>	<u>(95,781)</u>	<u>2,583</u>	<u>3,573,402</u>
Total restricted funds	3,198,908	2,027,884	(1,991,909)	(195,000)	3,039,883
Unrestricted funds					
General	62,950	101,616	(101,586)	-	62,980
Total funds	<u>3,261,858</u>	<u>2,129,500</u>	<u>(2,093,495)</u>	<u>(195,000)</u>	<u>3,102,863</u>

GROVE LEARNING TRUST

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

(CONTINUED)

15 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	19,753	1,271,604	(1,265,164)	(26,193)	-
Rates Relief	-	6,324	(6,324)	-	-
UIFSM	-	46,541	(46,541)	-	-
Pupil Premium	-	82,255	(82,255)	-	-
PE Grant	-	30,760	(30,760)	-	-
Other ESFA Grants	-	114,877	(114,877)	-	-
Local authority grants	-	39,462	(39,462)	-	-
Donations (trips)	-	13,540	(13,540)	-	-
Donations	-	5,480	(5,480)	-	-
Equal Pay Loan	(31,906)	-	(1,213)	-	(33,119)
Pension reserve	(184,000)	(229,000)	(80,000)	90,000	(403,000)
	<u>(196,153)</u>	<u>1,381,843</u>	<u>(1,685,616)</u>	<u>63,807</u>	<u>(436,119)</u>
Restricted fixed asset funds					
Transferred on Conversion	977,530	2,152,901	(61,272)	-	3,069,159
Purchased From Restricted Funds	358,435	-	(14,180)	26,193	370,448
DFC Grant	-	12,365	(1,451)	-	10,914
CIF Grant	-	184,506	-	-	184,506
	<u>1,335,965</u>	<u>2,349,772</u>	<u>(76,903)</u>	<u>26,193</u>	<u>3,635,027</u>
Total restricted funds	<u>1,139,812</u>	<u>3,731,615</u>	<u>(1,762,519)</u>	<u>90,000</u>	<u>3,198,908</u>
Unrestricted funds					
General	21,464	89,145	(47,659)	-	62,950
Nursery funding	28,679	(28,679)	-	-	-
Total unrestricted funds	<u>50,143</u>	<u>60,466</u>	<u>(47,659)</u>	<u>-</u>	<u>62,950</u>
Total funds	<u>1,189,955</u>	<u>3,792,081</u>	<u>(1,810,178)</u>	<u>90,000</u>	<u>3,261,858</u>

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

15 Funds (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) - Funding from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

Pupil Premium - Funding received from the ESFA during the year for children that qualify for free school meals to enable the school to address the current underlying inequalities between those children and their wealthier peers.

PE Grant - Funding received from the ESFA to improve the PE and sport provision, for the benefit of primary aged pupils, so that they develop healthy lifestyles.

Other ESFA grants - ESFA grants towards the Teachers' pension and pay awards.

Local Authority - Includes High Needs funding to fund further support for pupils with additional needs and funding towards the nursery.

Donations - Monies given to the school from the PTA and local donors. This was spent during the year on educational trips and equipment.

The Equal Pay Loan is amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay.

Pension Reserve - The defined benefit pension scheme fund represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion back to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets on conversion represent the value of the building and other assets transferred to the new Academy from the Local Authority.

Fixed assets purchased from restricted funds represents amounts spent on fixed assets from GAG received from the ESFA and other restricted donations.

Fixed assets purchased from ESFA capital grants represents amounts spent on fixed assets from Devolved Formula Capital (DFC) funding. This is funding received from the ESFA to cover maintenance and the purchase of the academy's assets.

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

15 Funds (continued)

Fixed assets purchased from Condition Improvement Fund (CIF). This is funding from the ESFA to address significant condition need, keeping education provider buildings safe and in good working order. This includes funding projects to address health and safety issues, building compliance and poor building condition.

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Central Services	46,379	6,789
Eastrop Infant School	(7,184)	(42,913)
Southfield Junior School	181,266	65,955
Total before fixed assets and pension reserve	220,461	29,831
Restricted fixed asset funds	3,573,402	3,635,027
Pension reserve	(691,000)	(403,000)
Total	3,102,863	3,261,858

Eastrop Infant School is carrying a net deficit of £7,184 on these funds because:

Eastrop Infant School opened its new nursery provision 1 September 2020. The Trust expected the nursery to be loss making for its first few months as nursery places were taken up, however the nursery was affected by the COVID-19 outbreak at its key growth phase and accounts for the deficit at Eastrop Infant School at the year end.

The trust is taking the following action to return the academy to surplus:

We have taken the measures to reduce spending across the MAT in order to bolster reserves, but remain confident that once any COVID-19 restrictions are lifted that there is underlying local demand for nursery places and the nursery will recover its deficit position.

GROVE LEARNING TRUST

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

(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 £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2021 £
Central Services	91,820	117,089	5,530	42,449	256,888
Eastrop Infant School	591,422	82,299	12,115	275,576	961,412
Southfield Junior School	635,337	101,451	16,398	284,567	1,037,753
Academy Trust	<u>1,318,579</u>	<u>300,839</u>	<u>34,043</u>	<u>602,592</u>	<u>2,256,053</u>
					Total 2020 £
Central Services					230,856
Eastrop Infant School					859,902
Southfield Junior School					<u>671,196</u>
Academy Trust					<u>1,761,954</u>

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

16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,469,155	3,469,155
Current assets	62,980	321,594	175,623	560,197
Current liabilities	-	(164,113)	(71,376)	(235,489)
Pension scheme liability	-	(691,000)	-	(691,000)
Total net assets	<u>62,980</u>	<u>(533,519)</u>	<u>3,573,402</u>	<u>3,102,863</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	3,450,521	3,450,521
Current assets	62,950	119,380	184,506	366,836
Current liabilities	-	(128,433)	-	(128,433)
Creditors over 1 year	-	(24,066)	-	(24,066)
Pension scheme liability	-	(403,000)	-	(403,000)
Total net assets	<u>62,950</u>	<u>(436,119)</u>	<u>3,635,027</u>	<u>3,261,858</u>

17 Capital commitments

	2021 £	2020 £
Contracted for, but not provided in the financial statements	<u>124,747</u>	<u>205,007</u>

GROVE LEARNING TRUST

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

(CONTINUED)

18 Long-term commitments, including operating leases

Operating leases

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

	2021	2020
	£	£
Amounts due within one year	3,748	9,476
Amounts due between one and five years	844	4,592
	<u>4,592</u>	<u>14,068</u>

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

	2021	2020
	£	£
Net income	36,005	2,010,582
Depreciation	95,781	546,676
Capital grants from DfE and other capital income	(31,573)	(196,871)
Interest receivable	(30)	(96)
Defined benefit pension scheme cost less contributions payable	86,000	73,000
Defined benefit pension scheme finance cost	7,000	7,000
Pension liability transferred on conversion	-	229,000
Decrease/(increase) in debtors	129,299	(171,658)
Increase/(decrease) in creditors	82,990	(77,933)
Net cash provided by Operating Activities	<u>405,472</u>	<u>2,419,700</u>

20 Cash flows from investing activities

	2021	2020
	£	£
Dividends, interest and rents from investments	30	96
Purchase of tangible fixed assets	(114,415)	(2,661,232)
Capital funding received from sponsors and others	31,573	196,871
Net cash used in investing activities	<u>(82,812)</u>	<u>(2,464,265)</u>

21 Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand and at bank	450,221	127,561
Total cash and cash equivalents	<u>450,221</u>	<u>127,561</u>

GROVE LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)**

22 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	127,561	322,660	450,221
Loans falling due within one year	(33,119)	6,592	(26,527)
Total	<u>94,442</u>	<u>329,252</u>	<u>423,694</u>

23 Members' liability

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

24 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 Wiltshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £27,992 were payable to the schemes at the year end (2020: £27,111) and are included within other 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.

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.

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £119,113 (2020: £85,473).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £121,000 (2020 - £102,000), of which employer's contributions totalled £98,000 (2020 - £84,000) and employees' contributions totalled £23,000 (2020 - £18,000). The agreed contribution rates for future years are 23.68 per cent for employers and 5.5 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.

GROVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.30	2.60
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.70</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.70
Females retiring today	24.40	24.00
Retiring in 20 years		
Males retiring in 20 years	22.90	22.50
Females retiring in 20 years	<u>26.20</u>	<u>25.50</u>

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

	2021	2020
	£	£
Equities	719,950	591,360
Corporate bonds	431,970	337,920
Property	143,990	126,720
Cash and other liquid assets	<u>13,090</u>	<u>-</u>
Total market value of assets	<u>1,309,000</u>	<u>1,056,000</u>

The actual return on scheme assets was £171,479 (2020 - £22,000).

Amounts recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	(184,000)	(157,000)
Interest income	19,000	16,000
Interest cost	<u>(26,000)</u>	<u>(23,000)</u>
Total amount recognized in the SOFA	<u>(191,000)</u>	<u>(164,000)</u>

GROVE LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021****(CONTINUED)****24 Pension and similar obligations (continued)**

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

	2021	2020
	£	£
At start of period	1,459,000	568,000
Transferred in on existing academies joining the trust	-	785,000
Current service cost	184,000	157,000
Interest cost	26,000	23,000
Employee contributions	23,000	18,000
Actuarial (gain)/loss	322,000	(80,000)
Benefits paid	(14,000)	(12,000)
At 31 August	<u>2,000,000</u>	<u>1,459,000</u>

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

	2021	2020
	£	£
At start of period	1,056,000	384,000
Transferred in on existing academies joining the trust	-	556,000
Interest income	19,000	16,000
Actuarial gain/(loss)	127,000	10,000
Employer contributions	98,000	84,000
Employee contributions	23,000	18,000
Benefits paid	(14,000)	(12,000)
At 31 August	<u>1,309,000</u>	<u>1,056,000</u>

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

During the period the academy was charged £46,016 (2020: £46,164) in relation to catering services from Highworth Warneford School. R James is a trustee at both this academy and Highworth Warneford School.

Other than the above, there were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

26 Events after the end of the reporting period

Following the year end the Wroughton schools have decided to join the trust and the expected date of conversion is 1 January 2022.