

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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MIDDLESEX LEARNING PARTNERSHIP
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	I Comfort J Major T St Catherine V Olisa
Trustees	T Hemming, CEO S Arnold, Vice Chair A Akintola I Comfort, Chair of Trustees A Singer R Middleton J Wallis J Lewis (appointed 11 December 2020)
Company registered number	07719016
Company name	Middlesex Learning Partnership
Registered and principal office	Yeading Lane Hayes Middlesex UB4 9LE
Company Secretary	T Hemming
Chief Executive Officer	T Hemming
Senior Leadership Team	T Hemming, CEO J Jones, Head of School P Bateman, Head of School (Resigned April 2021) S Roberts, Head of School S Flick-Smith, CFO R Inniss, Trust Primary Achievement L Hyatt, Head of School (Appointed April 2021)
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Middlesex Learning Partnership (the Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustee's Report, and a Directors' Report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is an exempt charity incorporated in England as a company limited by guarantee on 3 December 2012. The Trust includes 3 academy schools as at 31 August 2020, Barnhill Community High School, Belmore Primary and William Byrd Primary (The Academies or the Schools). Barnhill became an Academy on 26 July 2011, Belmore on the 1 December 2012 and William Byrd on 1 September 2017. The Trust's Articles of Association (the Articles) is its primary governing document.

Member's Liability

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

Trustees Indemnities

The Trust's combined policy insurance was in place for 2020/21. All-risk insurance including specific Trustee third party insurance was in place for 2020/21 for all Academies, through Zurich for Barnhill Community High and through the Department for Education's (DfE) Risk Protection Arrangement (RPA) for Belmore and William Byrd.

Methods, policies and procedures for recruitment, appointment, induction and training of new Trustees

In this Report the term Director or Trustee refers to a member of the Board of Trustees (the Board). The term Governor relates to a member of a Local Governing Body (LGB).

Trustees are appointed for a fixed term. Three Trustees are ex-officio positions, the Chair or representative of the Barnhill LGB, the Chair or a representative of the Belmore Primary LGB and the Chief Executive Officer (CEO). The Members may appoint up to three Trustees nominated by the LGBs. The Board, may co-opt up to three additional Trustees.

New Trustees are required to attend a training programme. The induction programme includes a tour of the Schools, meetings with pupils/students and staff and provisions of policy and procedure documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work they will undertake.

This year the Trust revised its Articles to reflect changes implemented by the DfE and the current status of the organisation.

Employee Consultation and Disabled Employees.

The Trustees recognise that our employees are fundamental and core to our business and delivery of high quality education. Our success depends on attracting, retaining and motivating employees. The Trustees factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Where appropriate, the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trades unions.

The Trust provides information to employees generally by way of email, Teams video meetings and staff meetings. Information is channelled via leadership meetings and staff briefings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and student progress and attainment statistics, when they are made available.

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Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

The Trust has policies in place to support its commitment to equality, diversity and inclusion. These include:

- Safer Recruitment Policy
- Accessibility & Equality Policy
- Absence Management Policy

The following was action taken during the year to introduce, maintain or develop arrangements to provide information and consult employees on matters affecting them:

- Staff Surveys - Staff Wellbeing Committee
- Communications Group
- Individual/Group Consultation (including Change Management Policy)

Trustees Day-to-Day Management

The Trustees delegate the day to day management of the Trust to the CEO and her Senior Leadership Teams. Throughout the 2019/20 financial year, the Senior Leadership Team comprised the Head of School for Barnhill Community High, John Jones, the Head of School for Belmore Primary, Paul Bateman, and the Head of School for William Byrd Primary, Sarah Roberts and the Director of Primary Achievement. This team is supported by a Chief Financial Officer and a Trust HR manager.

Methods of Recruiting and Appointing New Trustees

Any vacancies or additions to the Board are completed through a recruitment process which involves three potential sources; candidates who have come through the Academy Ambassadors programme; any member of a Local Governing Body who may wish to take a wider role; and the use of more informal networks. Regardless of the source of the potential Trustees, all are taken through a rigorous recruitment process to ensure their suitability and commitment to the role.

The training and induction of each new Trustee reflects their existing experience. As appropriate the induction process includes education, charity, legal and financial matters. All Trustees are provided with access to the documentation needed to fulfil their roles, for example, meeting minutes, policies, procedures etc through The Trust Governor software. This information is held on the secure and accessible "Trust" website.

External Body/Person Entitled to Appoint Trustees

Currently the Articles provide that the Secretary of State may appoint additional Trustees if the Trust fails to comply with a Secretary of State warning notice. This provision was removed in the revised Articles.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Trust executive staff is set by the Remunerations Committee. Head Teachers' pay is set in line with the School Teachers Pay and Conditions Document. The Remunerations Committee has commission external benchmarking in order to set pay levels which are aligned to the market but that allow the Trust to attract and retain key talent. The external benchmarking takes account of:

1. Relevant external positioning i.e. size of Trust
2. Internal positioning and parity
3. The individual's experience and contribution to the Trust

The Remunerations Committee has committed to undertaking this benchmarking as required and at least every three years.

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TRADE UNION REPRESENTATIVE

Trade union representatives and full-time equivalents Trade union representatives: 2

FTE trade union representatives: 0.6

Percentage of working hours spent on facility time 0% of working hours: 0 representatives

1 to 50% of working hours: 1 representatives

51 to 99% of working hours: 0 representative

100% of working hours: 0 representatives Total pay bill and facility time costs

Total pay bill: £12,984,000

Total cost of facility time: £46,254

Percentage of pay spent on facility time: 0.36% Paid trade union activities

Percentage of total paid facility time hours spent on paid trade union activities: 100%

Organisational Structure

The Trustees are responsible for setting the strategic direction of the Trust, adopting an annual plan and budget, monitoring the Trust by use of budgets and making major decisions about its direction, capital expenditure and senior staff appointments.

The Leadership Group at Barnhill consists of the Head of School, 3 Deputy Head Teachers and 4 Assistant Heads. At Belmore, it consists of a Head of School, a Deputy Head/Trust Director of Achievement, 2 Acting Deputy Heads, 1 Assistant Head and 2 Associate Assistant Heads. William Byrd has a Head of School, a Deputy Head, an acting Deputy Head and 2 Assistant Heads. The teams control each Academy at an executive level implementing policies and reporting to the LGBs. The Heads report to and are monitored by the CEO.

The Leadership Group is responsible for the day to day operation of each Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

There are two Trust Senior Leadership roles, the Chief Executive Officer who leads the Trust and the Chief Financial Officer. On the 1 September 2018, the Operations Director role was replaced with a financially qualified Chief Financial Officer. The CEO is the Principal Accounting Officer and the CFO reports to the CEO.

Related Parties

Owing to the nature of the Trust's operations and the composition of the Board being drawn from local public and private organisations, it is possible that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required. Any resulting commercial transactions are reported separately in the financial statements.

There were no related party transactions during the reporting period.

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

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

The Trustees have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the current coronavirus outbreak the Trust has followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment of their suppliers.

The Trustees consider pupils and parents to be their “customers”. Whilst pupils encounter engagement on a daily basis, engagement with parents is carried out through regular newsletters and face to face meetings.

OBJECTIVES AND ACTIVITIES

Objects and aims

As set out in its Articles, the Trust’s objectives are: to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the London Borough of Hillingdon and the surrounding area; the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason for their youth, age, infirmity or disablement, financial hardship or social and economic circumstances; or for the public at large in the interests of social welfare and with the objective of improving the condition of life of the said inhabitants.

The Trustees confirm they have referred to the Charity Commission’s guidance on public benefit. The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

Covid-19 has meant that progress has been judged differently from the usual external examinations.

Primary schools were not expected to report or examine at any key stage.

Belmore has recruited a new Head Teacher due to the early retirement of Paul Bateman. Lawrence Hyatt has made a strong start and has focused the school upon Quality First Teaching following the pandemic.

William Byrd was sponsored by the Trust in September 2017 when it became an enforced academy with an Ofsted inadequate (special measures) judgement. It had an Ofsted Inspection in November 2019 and was judged to require improvement, a step up from the special measures category. William Byrd is making progress towards good and is now making use of it’s 5 days dfe support as an RI school. The School is working with John Camp NLE and CEO of Compass partnership in Greenwich.

Both primary schools are working together through the Director of Primary Achievement to put in place a comprehensive plan for catch up and forensically filling the gaps post lockdown.

Barnhill Community High School’s Key Stage 4 results in 2019 and now teacher assessed results in 2020 and 2021 are among the highest in the Borough and the country. Performance Measure indicated by the Progress 8 Score of +0.86 place the School in at least top 5% of Schools nationally. The gap between both the attainment and progress of disadvantaged and other students has closed dramatically as a result of the work undertaken initially through the interventions programme and now through quality first teaching and an additional Saturday morning school for all students and an extended day for all Key stage 4 and 5 pupils.

Teacher Assessed Key Stage 5 progress has improved substantially to an overall grade of 2/3 on the ALPs scale. This is welcome after a focussed improvement plan was put in place to achieve better outcomes.

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All Academies are fully staffed and the improved reputation of the Trust has resulted in a good quality of candidates applying for roles, particularly in leadership positions.

Challenge Partner reviews have placed all three Schools in strong categories. In particular Barnhill has been assessed as a 'Leading' School under leadership of John Jones and under the new EIF is considered by SIPs to be very close to outstanding.

Governance reviews

TA skills audit recognised a deficit in HR expertise. A campaign with Academy Ambassadors resulted in the appointment of a very experienced Senior HR Director from Sky joining the Board.

A new easily accessible electronic governance tool has been populated with new skills audits and governance information. This is called The Trust Governor.

Going Concern

After making appropriate enquiries, the Trustees have 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, note 1.6.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Promoting the Success of the Charitable Company

The Trustees have an obligation to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Trustees balance the needs of current and future cohorts.

The Trustees have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal risks and uncertainties later within this Strategic Report.

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it received from the Education and Skills Funding Agency (ESFA). For the period ending 31 August 2021, the Trust received £18,291,823 in GAG and other funding (excluding capital grants). A high percentage of this funding is spent on salaries and support costs to deliver the Trust's primary objective of the provision of education.

The Trust received over £833,630 for Pupil Premium funding during the year. This allows for targeted extra funding to support disadvantaged pupils across the Schools.

Capital grants of £410,839 were received in the year and there were unspent grants of £131,165 brought forward. £196,795 was spent on capital assets in the year, leaving £345,209 of capital grants unspent at year end. Depreciation of fixed assets amounted to £277,241. Total restricted fixed asset funds carried forward were £25,536,795.

In addition, the Trust also incurs the cost of the PFI agreement which at present is in the region of £2.1 million per annum at the Barnhill Academy.

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The Trust brought forward from 2019/20 £581,147 restricted funds (excluding pension and fixed assets) and £141,405 unrestricted funds. There is an in-year surplus of £265,022 on unrestricted funds and a surplus of £394,377 on restricted funds. The carry forward for 2020/21 is £406,427 unrestricted and £975,524 restricted (excluding pension and fixed assets).

Principal Risks and uncertainty

The Trust maintains a Risk Register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. This Register is approved and was monitored by the Operations Committee (now the Finance, Audit and Risk Committee). The principal risks facing the Trust at a contextual level are outlined below in the Principal Risks and Uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The Trustees have assessed the principal risks and uncertainties to the Trust as follows:

- Continuing reduction in real term income impacts on provision.
- Statutory pay increases for staff are out of line with real term income movements.
- PFI contract and its excessive costs having an adverse impact upon the budget of Barnhill
- Teachers and LGPS Pension scheme contribution increases are also out of line with real term income movements (overall pension contributions are forecast to be c. 25% of salary).
- Future salary increases to be funded from DSG
- Gaps in learning and well-being of staff and students following lockdowns and pandemic.
- Falling roll – the two primary academies, Belmore and William Byrd, have experienced falling rolls due to local demographics.

Reserves policy

The Trustees regularly review the cash reserves of the Trust. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees had previously approved a reserves policy which gave a requirement to hold at least one month's salary costs for the Trust as a cash surplus. This equates to around £1,000,000 and was met in the current year. This year current level of reserves (total funds less the amount held in fixed asset funds and pension fund deficit) is £1,381,951

Due to the accounting rules for Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £11,880,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employee contributions over a number of years. The Trust is currently making payments towards the deficit and it is envisaged that should the deficit increase it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Trust.

Investment policy

The Trust's investment policy will continue to be reviewed during 2021/22.

Fundraising

The Trust only very few fundraising events during the year due to the closure of Schools during lockdown. These small events in each of the Schools mainly were raising money for third party charities such as Children in Need. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

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TRUSTEES' REPORT (CONTINUED)
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Streamlined Energy and Carbon Reporting

Energy consumption used to calculate emissions (kWh) - 3,366,405

Energy consumption break down (kWh)

Gas - 2,369,461

Electricity - 933,360

Transport fuel - 3,584

Scope 1 emissions in metric tonnes CO₂e

Gas consumption - 436

Owned transport - 0.7

Scope 2 emissions in metric tonnes CO₂e

Electricity - 232

Total gross emissions in metric tonnes CO₂e - 668.7

Intensity ratio

Number of pupils at the balance sheet date - 2,664

Tonnes CO₂e per pupil - 0.25

Quantification and Reporting Methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

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

Plans for future periods

The Trust has progressed in terms of school improvement in all its Schools. Although they are at different points of their journeys there is considerable cross-Trust collaboration. Processes have been implemented for this to become more systematic and for all staff to feel part of the Trust as well as their individual Schools. Trust communication has been improved and events and opportunities to share practice and work across the Schools are built into development plans eg poetry slam for years 5-7.

The aspirational aim for the Trust is that all its Schools become Outstanding in Ofsted grading. This powers the Trust's relentless drive for school improvement and all Schools have achieved progress measures which are fall into the well above average category of national performance.

The Trust has a policy of measured and sustainable growth for the future and would hope to add two Schools per year and would welcome Schools that have a good Ofsted rating. The Trust recognises that the likelihood of good or better Schools becoming academies has increased with the DfE announcement for all Schools to become part of a group of schools, and is positioning itself to encourage growth.

The Trust has a well-considered growth plan which outlines the opportunities and risks involved in expansion. Many of the key ingredients for successful growth including strong leadership and governance have been put in place over the last three years. The offer from the Trust is well defined and effective, particularly for the school improvement strategies leading to rapidly improved outcomes.

Provision of Information to Auditors

Each of the persons who are Trustees at the time when this Trustee's Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the Trust's Auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Trust's Auditors in connection with preparing their Report and to establish that the Trust's Auditors are aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, on 21 December 2021 and signed on its behalf by:

I Comfort
Chair of Trustees

MIDDLESEX LEARNING PARTNERSHIP
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance. We have also undertaken external training on the changes in the new Handbook.

The Board of Trustees has delegated the day-to-day responsibility to the CEO as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Middlesex Learning Partnership 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 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
T Hemming, CEO	8	8
S Arnold, Vice Chair	6	8
A Akintola	8	8
I Comfort, Chair of Trustees	7	8
A Singer	6	8
R Middleton	6	8
J Wallis	8	8
J Lewis	5	5

Review of year:

This year has been an interesting year for Trustees. There have been many more one item agenda meetings due to the vital importance of Risk Assessments for re-opening and closing the Schools in line with Government instructions. The Board have been kept fully informed of the proposed changes to School operations and of the difficulties encountered by leadership teams in keeping Schools fully functioning despite high staff absences and student bubble closures.

Student staff and parental surveys have been shared with the Trustees and Governors, showing that there has been much appreciation for the work of the Schools and that students, staff and the communities have felt safe with the actions that have been put in place.

The Board have been kept fully apprised of the actions taken by Schools to minimise lost learning time. They have examined the quality of the remote learning for secondary and primary schools. They have also scrutinised the work of the Trust to ensure that inclusion continues and that the vulnerable and SEND students have been fully supported during this time.

Recovery plans for each School have been presented to the Board upon their request. Outcomes will continue to be tracked termly, monitoring particularly to closure of gaps in students' progress.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board have been actively involved in the recruitment and monitoring of project direction partners for the nearing end of term PFI contract. Work has been done with both the DfE and the IPA to attempt to create an agreed benchmark for handover condition and agreement around standards of service and resources required from the SPV/Soft Services contractor.

Governance reviews:

A skills audit recognised the need for an HR specialist on the Board of Trustees. A campaign with Academy Ambassadors resulted in the appointment of Joanna Wharton-Lewis, a highly experienced HR professional with a blue chip background.

The Finance, Audit and Risk Committee is a sub-committee of the Board of Trustees. Its purpose is to address financial and other matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Arnold	1	6
A Singer	7	7
A Akintola	7	7
T Hemming	7	7
R Middleton	4	7

Review of value for money

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

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

- Appointing a new project direction team to ensure best value from the PFI contract
- Conducting 8 tender processes to ensure best value for resources and services across the Trust eg cleaning; catering; HR services and resources
- Streamlining of Information Management systems to pay for only 'utilised' modules.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Middlesex Learning Partnership for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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, Audit and Risk 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 Buzzacott

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

- Internal core procedures
- Academies Handbook compliance
- Risk register

In normal circumstances the internal audits would be done on a termly basis. Covid implications meant that the internal audits were completed in one term and then the Internal Auditor reported to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. They annually prepare 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.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees and signed on their behalf by:

I Comfort
Chair of Trustees
Date: 21 December 2021

Tracey Hemming
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Middlesex Learning Partnership I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

T Hemming
Accounting Officer
Date: 22 December 2021

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

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

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

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

I Comfort
Chair of Trustees

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MIDDLESEX LEARNING PARTNERSHIP**

Opinion

We have audited the financial statements of Middlesex Learning Partnership (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MIDDLESEX LEARNING PARTNERSHIP (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MIDDLESEX LEARNING PARTNERSHIP (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting which could have a material impact on the financial statements. In relation to the operations of the Charitable Company this included compliance with the Charities Act and SORP 2019, GDPR, employment law and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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

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 Auditors' Report.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
MIDDLESEX LEARNING PARTNERSHIP (CONTINUED)**

Use of our report

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

22 December 2021

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 31 January 2019 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 Middlesex Learning Partnership during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Middlesex Learning Partnership's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Middlesex Learning Partnership's funding agreement with the Secretary of State for Education dated March 2018 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP

Date: 22 December 2021

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	2	11,860	123,654	410,839	546,353	359,368
Charitable activities	3	53,202	17,884,895	-	17,938,097	16,229,283
Other trading activities	4	76,163	141,906	-	218,069	252,168
Investments	5	143	-	-	143	569
Total income		141,368	18,150,455	410,839	18,702,662	16,841,388
Expenditure on:						
Charitable activities	6	-	18,285,428	277,241	18,562,669	17,200,760
Total expenditure		-	18,285,428	277,241	18,562,669	17,200,760
Net income /(expenditure)		141,368	(134,973)	133,598	139,993	(359,372)
Transfers between funds	16	-	(25,996)	25,996	-	-
Net movement in funds before other recognised gains/(losses)		141,368	(160,969)	159,594	139,993	(359,372)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(2,407,000)	-	(2,407,000)	(947,000)
Net movement in funds		141,368	(2,567,969)	159,594	(2,267,007)	(1,306,372)
Reconciliation of funds:						
Total funds brought forward		141,405	(8,212,853)	25,377,201	17,305,753	18,612,125
Net movement in funds		141,368	(2,567,969)	159,594	(2,267,007)	(1,306,372)
Total funds carried forward		282,773	(10,780,822)	25,536,795	15,038,746	17,305,753

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 52 form part of these financial statements.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07719016

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	25,191,586	25,246,036
		25,191,586	25,246,036
Current assets			
Debtors	14	579,846	566,272
Cash at bank and in hand		1,998,182	1,196,928
		2,578,028	1,763,200
Creditors: amounts falling due within one year	15	(850,868)	(909,483)
Net current assets		1,727,160	853,717
Total assets less current liabilities		26,918,746	26,099,753
Net assets excluding pension liability		26,918,746	26,099,753
Defined benefit pension scheme liability	23	(11,880,000)	(8,794,000)
Total net assets		15,038,746	17,305,753
Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	25,536,795	25,377,201
Restricted income funds	16	1,099,178	581,147
		26,635,973	25,958,348
Restricted funds excluding pension liability	16	26,635,973	25,958,348
Pension reserve	16	(11,880,000)	(8,794,000)
Total restricted funds	16	14,755,973	17,164,348
Unrestricted income funds	16	282,773	141,405
Total funds		15,038,746	17,305,753

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue on 21 December 2021 and are signed on their behalf, by:

I Comfort
Chair of Trustees

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	613,063	451,119
Cash flows from investing activities	19	188,191	(168,624)
Change in cash and cash equivalents in the year		801,254	282,495
Cash and cash equivalents at the beginning of the year		1,196,928	914,433
Cash and cash equivalents at the end of the year	20, 21	<u>1,998,182</u>	<u>1,196,928</u>

The notes on pages 25 to 52 form part of these financial statements

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Middlesex Learning Partnership meets the definition of a public benefit entity under FRS 102.

The Trust's presentational and functional currency is Pound Sterling.

1.2 Company Status

The Trust is a company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Trust's registered office is Yeading Lane, Hayes, Middlesex, UB4 9LE.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

1.5 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.

• **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

The Trust derives the majority of its income from local and national Government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this Report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 125 years straight line
Leasehold Property	- 125 years straight line
Furniture and equipment	- 4 years straight line
Computer equipment	- 4 years straight line

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

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Taxation

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

1.9 Operating leases

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

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

1.12 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

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

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

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

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

1.15 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The funds received and paid and any any balances held are disclosed in note 26.

MIDDLESEX LEARNING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019. 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. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	11,860	-	-	11,860	10,051
Other grants	-	123,654	-	123,654	99,815
Capital grants	-	-	410,839	410,839	249,502
Total 2021	<u>11,860</u>	<u>123,654</u>	<u>410,839</u>	<u>546,353</u>	<u>359,368</u>
Total 2020	<u>40</u>	<u>109,826</u>	<u>249,502</u>	<u>359,368</u>	

In 2020, income from donations was £10,051 of which £40 was unrestricted and £10,011 restricted.

In 2020, income from other grants was £99,815 of which all was restricted.

In 2020, capital grants receivable of £249,502 were in relation to restricted fixed assets.

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FOR THE YEAR ENDED 31 AUGUST 2021

3. Funding for the Trust's provision of education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,820,526	14,820,526	13,544,618
Other DfE/ESFA grants				
Pupil Premium	-	833,630	833,630	803,175
UIFSM	-	159,871	159,871	201,119
Teachers Pay Grant	-	177,768	177,768	208,305
Teachers Pension Grant	-	571,220	571,220	521,878
Other	-	421,610	421,610	156,036
	-	16,984,625	16,984,625	15,435,131
Other Government grants				
Local Authority grants	-	826,386	826,386	706,744
	-	826,386	826,386	706,744
COVID-19 additional funding (DfE/ESFA)				
Covid Catch-Up Premium	-	36,084	36,084	-
	-	36,084	36,084	-
Other Funding				
Catering income	53,202	-	53,202	54,738
Other grants	-	37,800	37,800	32,670
	53,202	37,800	91,002	87,408
Total 2021	53,202	17,884,895	17,938,097	16,229,283
Total 2020	54,738	16,174,545	16,229,283	

In 2020, income from DfE/ESFA grants was £15,435,131 of which all was restricted.

In 2020, income from Other Government grants was £706,744 of which all was restricted.

In 2020, income from catering was £54,738 of which all was unrestricted.

In 2020, income from other grants was £32,670 of which all was restricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the 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.

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

4. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	11,035	-	11,035	11,650
Other income	65,128	141,906	207,034	240,518
Total 2021	<u>76,163</u>	<u>141,906</u>	<u>218,069</u>	<u>252,168</u>
Total 2020	<u>102,762</u>	<u>149,406</u>	<u>252,168</u>	

In 2020, rental income was £11,650 of which all was unrestricted.

In 2020, other income was £240,518 of which £91,112 was unrestricted and £149,406 restricted.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	143	143	569
Total 2021	<u>143</u>	<u>143</u>	<u>569</u>
Total 2020	<u>569</u>	<u>569</u>	

In 2020, all investment income was in relation to unrestricted funds.

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision of Education:					
Direct costs	12,199,281	-	565,005	12,764,286	12,173,636
Support costs	1,536,689	2,960,334	1,301,360	5,798,383	5,027,124
Total 2021	<u>13,735,970</u>	<u>2,960,334</u>	<u>1,866,365</u>	<u>18,562,669</u>	<u>17,200,760</u>
Total 2020	<u>12,764,789</u>	<u>2,349,195</u>	<u>2,086,776</u>	<u>17,200,760</u>	

In 2021, of the total expenditure, £nil (2020 - £433,716) was from unrestricted funds, £18,285,428 (2020 - £16,481,491) was from restricted funds and £277,241 (2020 - £285,553) was from restricted fixed asset funds.

In 2020, direct costs consisted of £11,360,089 staff costs and £813,547 other costs.

In 2020, support costs consisted of £1,404,700 staff costs, £2,349,195 premises costs and £1,273,229 other costs.

7. Charitable Activities

	2021 £	2020 £
Direct costs	12,764,286	12,173,636
Support costs	5,798,383	5,027,124
Total	<u>18,562,669</u>	<u>17,200,760</u>

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Analysis of support costs:		
Depreciation	277,241	218,095
Staff costs	1,536,689	1,404,700
Technology	233,922	153,971
Premises	2,683,093	2,131,100
Governance	33,243	23,245
Other	1,015,680	1,084,013
Legal	18,515	12,000
Total	5,798,383	5,027,124
8. Net income/(expenditure)		
Net income/(expenditure) for the year includes:		
	2021 £	2020 £
Operating lease rentals	2,169,454	1,930,801
Depreciation of tangible fixed assets	277,241	218,095
Auditors remuneration - audit	13,750	13,500
Auditors remuneration - other services	7,070	6,885
	2,467,515	2,179,281
9. Staff		
a. Staff costs		
Staff costs during the year were as follows:		
	2021 £	2020 £
Wages and salaries	9,673,284	9,032,620
Social security costs	1,029,742	982,458
Pension costs	2,641,446	2,331,423
	13,344,472	12,346,501
Agency staff costs	367,729	408,288
Staff restructuring costs	23,769	10,000
	13,735,970	12,764,789

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

9. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2021	2020
	£	£
Redundancy payments	23,769	10,000
	23,769	10,000
	23,769	10,000

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,769 (2020 - £10,000). This was in relation to one payment to one individual.

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	134	128
Administration and support	168	174
Management	18	6
	320	308
	320	308

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	10	2
In the band £70,001 - £80,000	-	3
In the band £80,001 - £90,000	3	1
In the band £90,001 - £100,000	-	1
In the band £120,001 - £130,000	1	1
In the band £140,001 - £150,000	1	1
	1	1
	1	1

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

9. Staff (continued)

e. Key management personnel

The key management personnel of the 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 Trust was £573,501 (2020 - £733,274).

Employer national insurance contributions included within key management personnel remuneration were £52,045 (2020 - £69,281)

Employer pension contributions included within key management personnel remuneration were £99,480 (2020 - £125,819)

10. Central services

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

- Finance
- Audit facilitation
- IT and Operational Support
- HR Management Information

The Trust charges for these services on an agreed charge, based upon the size of each individual Academy:

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Barnhill Community High School	378,000	383,000
Belmore Primary Academy	111,000	118,500
William Byrd Primary Academy	111,000	118,500
Total	<u>600,000</u>	<u>620,000</u>

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
T Hemming, Executive Head Teacher	Remuneration	140,000 - 145,000	140,000 - 145,000
	Pension contributions paid	30,000 - 35,000	30,000 - 35,000

During the year ended 31 August 2021, Trustees were reimbursed £37 for expenses (2020 - £NIL).

12. Trustees' and Officers' insurance

In respect of Barnhill Community High School, in accordance with normal commercial practice, the Trust 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 and the cost for the year ended 31 August 2021 is included in the total insurance cost.

In respect of Belmore Primary Academy and William Byrd School, the Academies have opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where the UK Government funds cover the losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000 (per School).

MIDDLESEX LEARNING PARTNERSHIP
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FOR THE YEAR ENDED 31 AUGUST 2021

13. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	25,874,144	172,781	1,121,541	27,168,466
Additions	12,063	4,717	206,011	222,791
At 31 August 2021	<u>25,886,207</u>	<u>177,498</u>	<u>1,327,552</u>	<u>27,391,257</u>
Depreciation				
At 1 September 2020	974,268	164,723	783,439	1,922,430
Charge for the year	137,491	6,505	133,245	277,241
At 31 August 2021	<u>1,111,759</u>	<u>171,228</u>	<u>916,684</u>	<u>2,199,671</u>
Net book value				
At 31 August 2021	<u>24,774,448</u>	<u>6,270</u>	<u>410,868</u>	<u>25,191,586</u>
At 31 August 2020	<u>24,899,876</u>	<u>8,058</u>	<u>338,102</u>	<u>25,246,036</u>

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	5,651	290
VAT repayable	80,756	51,727
Prepayments and accrued income	493,439	514,255
	<u>579,846</u>	<u>566,272</u>

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FOR THE YEAR ENDED 31 AUGUST 2021

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	229,562	90,147
Other taxation and social security	269,271	227,870
Other creditors	22,064	-
Accruals and deferred income	329,971	591,466
	850,868	909,483
	850,868	909,483
	2021 £	2020 £
Deferred income at the beginning of the period	129,812	119,523
Resources deferred during the year	455,948	129,812
Amounts released from previous periods	(129,812)	(119,523)
	455,948	129,812
Deferred income at the end of the period	455,948	129,812

Resources deferred in the year mainly relates to ESFA funding received in advance for the 2020/21 academic year.

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated School CIF contribution	-	-	-	27,745	-	27,745
Unrestricted funds	141,405	141,368	-	(27,745)	-	255,028
Total Unrestricted	141,405	141,368	-	-	-	282,773
Restricted general funds						
GAG	581,147	14,820,526	(14,645,751)	(25,996)	-	729,926
Other DfE/ESFA	-	1,376,441	(1,205,425)	-	-	171,016
16-19 Bursary	-	27,912	(5,848)	-	-	22,064
Pupil premium	-	833,630	(781,112)	-	-	52,518
Other Government	-	826,386	(826,386)	-	-	-
Other restricted	-	265,560	(141,906)	-	-	123,654
Pension reserve	(8,794,000)	-	(679,000)	-	(2,407,000)	(11,880,000)
	(8,212,853)	18,150,455	(18,285,428)	(25,996)	(2,407,000)	(10,780,822)
Restricted fixed asset funds						
DFC	-	51,538	-	(51,538)	-	-
CIF	131,165	253,062	-	(57,118)	-	327,109
Other capital	-	106,239	-	(88,139)	-	18,100
Restricted fixed asset fund	25,246,036	-	(277,241)	222,791	-	25,191,586
	25,377,201	410,839	(277,241)	25,996	-	25,536,795
Total Restricted	17,164,348	18,561,294	(18,562,669)	-	(2,407,000)	14,755,973
Total funds	17,305,753	18,702,662	(18,562,669)	-	(2,407,000)	15,038,746

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

16. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

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

Other DfE/ESFA grants

This represents various grants from the DfE and ESFA for the provision of specific services to pupils of the Schools.

16-19 Bursary

This represents funding for students in further education to subsidise items such as clothing, books and other course equipment.

Pupil Premium

This represents funding to help raise achievement and improve outcomes for high needs pupils.

Other Government grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the Schools.

Restricted donations

This represents funding received for a teacher placement.

Other restricted

This represents funding received via the South Hillingdon Sports in Schools Network for the provision of sports clubs.

Educational Trips

This represents contributions made by parents to the running of educational visits for the pupils of the Trust, and the associated costs.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

Devolved Formula Capital (DFC)

This represents annual formula capital funding received during the year.

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

16. Statement of funds (continued)

Conditional Improvement Fund (CIF)

This represents funding received from the ESFA for a roof replacement and fire compliance works.

Other Capital Grants

This fund represents income from the Local Authority to cover the difference between the Trust's contribution to the PFI contract and the actual agreed indexed costs, as per the Principal Agreement.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer between funds represents additions purchased through capital funding.

Unrestricted funds

This represents income received that does not have restrictions.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds	417,012	158,109	(433,716)	-	-	141,405
Restricted general funds						
GAG	382,677	13,544,618	(12,978,332)	(367,816)	-	581,147
Other DfE/ESFA	-	1,060,335	(1,060,335)	-	-	-
16-19 Bursary	-	27,003	(27,003)	-	-	-
Pupil premium	-	803,175	(803,175)	-	-	-
Other Government	-	706,744	(706,744)	-	-	-
Restricted donations	-	99,815	(99,815)	-	-	-
Other restricted	-	182,076	(182,076)	-	-	-
Educational trips	-	10,011	(10,011)	-	-	-
Pension reserve	(7,233,000)	-	(614,000)	-	(947,000)	(8,794,000)
	<u>(6,850,323)</u>	<u>16,433,777</u>	<u>(16,481,491)</u>	<u>(367,816)</u>	<u>(947,000)</u>	<u>(8,212,853)</u>
Restricted fixed asset funds						
DFC	-	50,879	-	(50,879)	-	-
CIF	-	198,623	(67,458)	-	-	131,165
Restricted fixed asset fund	25,045,436	-	(218,095)	418,695	-	25,246,036
	<u>25,045,436</u>	<u>249,502</u>	<u>(285,553)</u>	<u>367,816</u>	<u>-</u>	<u>25,377,201</u>
Total Restricted	<u>18,195,113</u>	<u>16,683,279</u>	<u>(16,767,044)</u>	<u>-</u>	<u>(947,000)</u>	<u>17,164,348</u>
Total funds	<u><u>18,612,125</u></u>	<u><u>16,841,388</u></u>	<u><u>(17,200,760)</u></u>	<u><u>-</u></u>	<u><u>(947,000)</u></u>	<u><u>17,305,753</u></u>

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16. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Barnhill Community High School	511,654	346,937
Belmore Primary Academy	336,513	217,518
William Byrd Primary Academy	318,304	60,876
Middlesex Learning Partnership	215,480	97,221
	<u>1,381,951</u>	<u>722,552</u>
Total before fixed asset funds and pension reserve	1,381,951	722,552
Restricted fixed asset fund	25,536,795	25,377,201
Pension reserve	(11,880,000)	(8,794,000)
	<u>15,038,746</u>	<u>17,305,753</u>
Total	<u><u>15,038,746</u></u>	<u><u>17,305,753</u></u>

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 £	Total 2020 £
Barnhill Community High School	7,224,174	352,057	166,645	3,368,741	11,111,617	10,214,382
Belmore Primary Academy	2,524,391	552,371	38,274	393,047	3,508,083	3,327,764
William Byrd Primary Academy	2,240,074	446,547	71,506	425,758	3,183,885	3,019,042
Middlesex Learning Partnership	210,642	185,714	-	85,487	481,843	421,477
	<u>12,199,281</u>	<u>1,536,689</u>	<u>276,425</u>	<u>4,273,033</u>	<u>18,285,428</u>	<u>16,982,665</u>
Trust	<u><u>12,199,281</u></u>	<u><u>1,536,689</u></u>	<u><u>276,425</u></u>	<u><u>4,273,033</u></u>	<u><u>18,285,428</u></u>	<u><u>16,982,665</u></u>

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	25,191,586	25,191,586
Current assets	282,773	1,950,046	345,209	2,578,028
Creditors due within one year	-	(850,868)	-	(850,868)
Provisions for liabilities and charges	-	(11,880,000)	-	(11,880,000)
Total	<u>282,773</u>	<u>(10,780,822)</u>	<u>25,536,795</u>	<u>15,038,746</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,246,036	25,246,036
Current assets	141,405	1,430,422	191,373	1,763,200
Creditors due within one year	-	(849,275)	(60,208)	(909,483)
Provisions for liabilities and charges	-	(8,794,000)	-	(8,794,000)
Total	<u>141,405</u>	<u>(8,212,853)</u>	<u>25,377,201</u>	<u>17,305,753</u>

MIDDLESEX LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	139,993	(359,372)
Adjustments for:		
Depreciation	277,241	218,095
Capital grants from DfE and other capital income	(410,839)	(249,502)
Interest receivable	(143)	(569)
LGPS Pension adjustment	679,000	614,000
Increase in debtors	(13,574)	(16,592)
(Decrease)/increase in creditors	(58,615)	245,059
Net cash provided by operating activities	613,063	451,119

19. Cash flows from investing activities

	2021 £	2020 £
Interest	143	569
Purchase of tangible fixed assets	(222,791)	(418,695)
Capital grants from DfE/ESFA and other capital income	410,839	249,502
Net cash provided by/(used in) investing activities	188,191	(168,624)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,998,182	1,196,928
Total cash and cash equivalents	1,998,182	1,196,928

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,196,928	801,254	1,998,182
	<u>1,196,928</u>	<u>801,254</u>	<u>1,998,182</u>

22. Contingent liabilities

As at the date of signing of the financial statements, the Trust was subject to a legal claim against it. Whilst the Trustees are confident that the Trust can successfully defend this claim, should an adverse finding be reached, the Trust would be liable for up to £25,000, this being the excess of the Trust's insurance policy.

23. Pension commitments

The 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 London Borough of Hillingdon. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

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23. Pension commitments (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; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,166,334 (2020 - £1,033,494).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £817,000 (2020 - £738,000), of which employer's contributions totalled £660,000 (2020 - £593,000) and employees' contributions totalled £ 157,000 (2020 - £145,000). The agreed contribution rates for future years are 24.90 per cent for employers and 5.5-12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.2	2.5
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
Males	22.3	22.1
Females	23.3	24.3
Retiring in 20 years		
Males	24.7	22.8
Females	26.2	25.5

As at the 31 August 2021 the Trust had a pension liability of £11,880,000 (2020 - £8,794,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2021 £	2020 £
Discount rate +0.1%	(520,000)	(407,000)
Discount rate -0.1%	520,000	407,000
Mortality assumption - 1 year increase	835,000	126,000
Mortality assumption - 1 year decrease	(835,000)	(126,000)
CPI rate +0.1%	417,000	369,000
CPI rate -0.1%	(417,000)	(369,000)

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23. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	4,228,000	3,257,000
Bonds	2,698,000	2,148,000
Property	1,439,000	1,040,000
Cash and other liquid assets	630,000	485,000
Total market value of assets	<u>8,995,000</u>	<u>6,930,000</u>

The actual return on scheme assets was £1,324,000 (2020 - £(379,000)).

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

	2021 £	2020 £
Current service cost	1,185,000	(1,065,000)
Interest income	(124,000)	133,000
Interest cost	278,000	(275,000)
Total amount recognised in the Statement of Financial Activities	<u>1,339,000</u>	<u>(1,207,000)</u>

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

	2021 £	2020 £
At 1 September	15,724,000	13,892,000
Current service cost	1,185,000	1,065,000
Interest cost	278,000	275,000
Employee contributions	157,000	145,000
Actuarial losses/(gains)	3,607,000	435,000
Benefits paid	(78,000)	(88,000)
At 31 August	<u>20,873,000</u>	<u>15,724,000</u>

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23. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	6,930,000	6,659,000
Interest income	124,000	133,000
Actuarial gains/(losses)	1,200,000	(512,000)
Employer contributions	660,000	593,000
Employee contributions	157,000	145,000
Benefits paid	(78,000)	(88,000)
At 31 August	<u>8,993,000</u>	<u>6,930,000</u>

24. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	2,169,454	1,926,075
Later than 1 year and not later than 5 years	3,585,578	7,639,827
Later than 5 years	-	1,905,341
	<u>5,755,032</u>	<u>11,471,243</u>

The annual payments made for the PFI contract are not fixed, instead they are uplifted each year depending on inflation. For the purposes of disclosure, the agreed cost for 2020/21 has been taken as the annual cost to the Trust, as inflationary charges are unknown.

25. Members' liability

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

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26. Related party transactions

Owing to the nature of the 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. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions during the reporting period (2020: £ - NIL).

27. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £27,912 (2020 - £27,003) and disbursed £5,848 (2020 - £27,003) from the fund. At the year end a balance of £22,064 (2020: £nil) was carried forward.