

Registration number: 09362004

Initio Learning Trust (formerly Wimborne Academy Trust)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2023

SATURDAY



ACIHT7AI

A19

16/12/2023

#302

COMPANIES HOUSE

INITIO LEARNING TRUST
CONTENTS

| | |
|--|----------|
| Reference and administrative details | 1 to 2 |
| Trustees' report | 3 to 18 |
| Governance statement | 19 to 23 |
| Statement of regularity, propriety and compliance | 24 |
| Statement of Trustees' Responsibilities | 25 |
| Independent Auditor's Report on the Financial Statements | 26 to 29 |
| Independent Reporting Accountant's Report on Regularity | 30 to 31 |
| Statement of Financial Activities | 32 to 33 |
| Balance Sheet | 34 |
| Statement of Cash Flows | 35 |
| Notes to the Financial Statements | 36 to 63 |

INITIO LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | N Brown (resigned 16 October 2023) D Fleming OBE (resigned 15 December 2022) E Boger (appointed 14 November 2022) The Salisbury Diocesan Board of Education J Mallace (appointed 18 July 2023) |
| Trustees (Directors) | C Bath (appointed 1 February 2023) J Dickson (resigned 13 July 2023) H Evans N Harrison J Kingston OBE, Chair of Trust Board MP Mackenzie (appointed 3 February 2023) R Purchase (appointed 3 February 2023) P Taylor P Breckwoldt D Fleming OBE (appointed 28 November 2022) E West (resigned 7 December 2022) G Bates (appointed 27 September 2023) E Boger (resigned 28 September 2022) |
| Chief Executive Officer | E West |
| Company Secretary | R Howell |
| Senior Management Team | E West - Chief Executive Officer, (Accounting Officer) R Howell - Director of Resources, (Chief Financial Officer) B Boyes - Director of Education L Thomas - Director of Education (appointed 1 February 2023) |
| Principal and Registered Office | Allenbourn Middle School East Borough Wimbome Dorset BH21 1PL |
| Company Registration Number | 09362004 |
| Auditors | Albert Goodman Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX |

INITIO LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Bankers Lloyds Bank
84 Victoria Road
Ferndown
Dorset
BH22 9JB

Solicitors Browne Jacobson LLP
1st Floor
The Mt
72 Paris St
Exeter
EX1 2JY

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The trust board presents its annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Initio Learning Trust ("the trust") operates eight first schools, four primary schools, four middle schools, one secondary school and an upper school. 16 of the schools are in Dorset, one is in Bournemouth, Christchurch and Poole. Nine schools are operated by the trust with the consent of the Salisbury Diocesan Board of Education as the appropriate diocesan authority. The 17 trust schools have a notional combined pupil capacity of 7,036 and had a roll of 6,359 in year R to year 13 in October 2023.

Structure, governance and management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust.

The trustees of Initio Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

The charitable company trades as: Initio Learning Trust; Allenbourn Middle School; Bridport Primary School; Bridport St Mary's CE Primary School; Burton Bradstock CE Primary School; Colehill First School; Emmanuel CE Middle School; Hayeswood First School; Hillside First School; Lockyer's Middle School; Merley First School; Pamphill CE First School; Queen Elizabeth's School, Wimborne; St John's CE First School, Wimborne; St Michael's CE Middle School, Colehill; The Sir John Colfox Academy; Verwood CE First School; and Witchampton CE First School.

Initio Learning Trust (registered company 09362004) is the new name for the company previously known as Wimborne Academy Trust, with the new name being recognised by Companies House on 23 January 2023. The name change reflected the geographical broadening of the trust's operation across Dorset, with the four schools previously in The Minerva Learning Trust (Dorset) (registered company 08561222) joining the trust on 1 February 2023.

The trust has undertaken a full review of its scheme of delegation and governance structure during the year, and this has been implemented in September 2023. This has clarified committee structures and responsibilities at trust and local levels, with the formation of local school committees (LSCs) for all schools, replacing legacy arrangements.

Members' liability

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

Trustees' indemnities

From 1 March 2019, the trust has been a member of the Department for Education's Risk Protection Arrangement (RPA) which provides liability cover similar to insurance to protect trustees and officers from claims arising from negligent acts, errors, or omissions whilst on academy trust business. The cost of this liability insurance is not separable from the overall cost of RPA membership.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Method of recruitment and appointment or election of Trustees

The trust board composition is reviewed at the termly members' meetings. Trustees are recruited to meet skills and experience needs identified by members and the trust board. The trust engaged Nurole, a specialist non-executive recruitment company, to assist in the identification and appointment of trustees during the year, which resulted in the successful recruitment of two new trustees.

Members appoint trustees in accordance with the provisions of the trust's Articles of Association. The members appoint at least three trustees by ordinary resolution and the trust's diocesan corporate member appoints at least three foundation members and trustees and may appoint more provided that the number of foundation trustees does not exceed 50% of the total number of trustees.

The chief executive officer can be appointed as a trustee by special resolution of the members. The chief executive officer is not currently a trustee, having resigned from the trust board in December 2022.

Policies and procedures adopted for the induction and training of Trustees

New trustees receive a tailored induction package provided by the chief executive officer and trust clerk, and overseen by the chair of the trust board. Further training is provided to trustees individually and collectively to address identified needs.

The trust holds Confederation of School Trust (CST) and National Governance Association (NGA) subscriptions to provide information and training to trustees and local school committee members.

Organisational structure

The trust's organisational structure is set out in the scheme of delegation which is reviewed regularly. This is available on the trust's website. Governance arrangements are set out in the governance statement on page 19.

The chief executive officer is the accounting officer and heads the executive leadership team.

The two directors of education and the director of resources are the other members of the executive leadership team and are directly accountable to the chief executive officer. The director of resources is the trust's chief financial officer.

The director of education (secondary) line manages the headteachers of the trust's upper, secondary and middle schools. The director of education (primary) line manages the headteachers of the trust's primary and first schools, either directly or indirectly through the line management of an associate director.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration is set under the trust's pay policies which are reviewed annually and are determined by the trust board.

All teachers (including the chief executive officer and the directors of education) are offered access to the Teachers' Pension Scheme; and all staff who do not qualify for the Teachers' Pension Scheme, including the director of Resources, are offered access to the Local Government Pension Scheme.

The trustees are satisfied that executive leadership performance management and pay reviews are robust, and that pay is reflective of the roles and responsibilities undertaken.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Trade union facility time

Initio Learning Trust is part of the pooled arrangement co-ordinated by Dorset Council - the majority of schools and academies in Dorset are in this arrangement to share trade union representatives. The cost of the representatives is shared by the participants in the arrangement. Each party puts money into a shared fund. The trust's contribution for the year was £7,451.

Related parties and other connected charities and organisations

The trust is linked to the Diocese of Salisbury through the Salisbury Diocesan Board of Education which is a member of the trust. The trust's diocesan corporate member appoints at least three foundation trustees and may appoint more provided that the number of foundation trustees does not exceed 50% of the total number of trustees. The trust occupies the land and buildings of seven schools under a Church Supplemental Agreement with the Salisbury Diocesan Board of Education and no rent or notional rent has been applied in respect of this occupation.

From 1 September 2019, the trust is linked to Queen Elizabeth's School Trust (registered charity 306213) which is the landowner of the majority of the estate at Queen Elizabeth's School, Wimborne: under a Memorandum of Understanding with the Salisbury Diocesan Board of Education has the right of nomination of a foundation Trustee. The trust occupies the land and buildings of Queen Elizabeth School under a Church Supplemental Agreement with Queen Elizabeth's School Trust and no rent or notional rent has been applied in respect of this occupation.

From 1 October 2020, the trust is linked to Gillingham's School foundation (registered charity 306271) which is the landowner of the majority of the estate at Pamphill CE First School. The trust occupies the land and buildings of Pamphill CE First School under a Church Supplemental Agreement with Gillingham's School foundation and no rent or notional rent has been applied in respect of this occupation.

The trust is a beneficiary of the Friends/PTA charities which are linked to Trust schools but which are managed and operate independently of the trust.

From 1 September 2022, the trust is partner of the South Central Teaching School Hub, with an active role in the delivery of initial teacher training and early career teaching support, as well as contributing to the Church of England's delivery of National Professional qualifications.

From October 2023, the trust is a delivery partner of Teach First for initial teacher training.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Engagement with employees (including disabled persons)

Each school's local school committee has employee representation.

The trust recognises and seeks to work constructively with trade unions in all matters of employee relations, including consultation on policies as carried out in the year. From September 2017, the trust has subscribed to the Dorset Council facilities time arrangement.

The chief executive officer issues a weekly e-briefing in term-time to all employees in the trust and meets regularly with the trust's senior leadership team (which consists of the executive leadership team, headteachers and some central managers) to discuss important and urgent issues and to pass on key messages for cascading to employees.

The trust conducted a fourth annual staff survey during the year which addressed general employment and workplace satisfaction questions. The trust has introduced a range of wellbeing initiatives that are publicised through the intranet and weekly trust newsletter.

Improved induction procedures have been introduced including an intranet based trust wide induction as a core entitlement for all staff to supplement existing school arrangements, a two day face-to-face induction process for incoming headteachers, and a briefing from the executive and central teams for new joiners in September.

The trust has invested in professional development for staff as we recognise that teacher quality is the biggest determinant of educational outcomes in schools. For two years from 1 September 2022, the trust is trialling an increase in INSET days from 5 to 8 days per school year.

The trust's recruitment policy is that no candidate is discriminated against or unfairly treated because of a protected characteristic as defined in the Equality Act 2010.

Reasonable adjustments and support, including specialist occupational health support where appropriate, are made for disabled staff in their employment with the trust and its schools.

The trust engaged external accessibility specialists to complete audits across all schools in 2023, resulting in updated accessibility plans which address access to information and education as well as physical accessibility.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

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

The trustees consider the schools' pupils and their parents and carers to be the main stakeholders of the trust and the main focus of the trust during the year is to continue to provide the best education and schooling experience possible.

The trust has maintained digital engagement with parents and carers using websites, social media platforms, externally facilitated surveys and other communication platforms which were significantly expanded during COVID.

The trust uses purchasing consortium and public sector framework arrangements wherever possible for transactional supplier arrangements and focuses on developing the value for money outcomes from the core high value / high impact arrangements which impact directly on the education of our pupils and our school environments.

The trust continues to engage actively and positively with other key stakeholders such as the Department for Education and its agencies, Dorset and BCP Councils and other local schools and academies. In doing so the trust discharges its statutory and contractual obligations and also contributes to the self-improving school system in our local communities and the region.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Objectives and activities

Objects and aims

The trust's Objects were updated in the Articles of Association adopted by Special Resolution of the members on 14 August 2019. They are:

1. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which:

(i) shall include Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and

(ii) may include other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

2. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Vision statement

Enabling everyone to flourish in our communities and beyond.

Values

Initio Learning Trust was one of the first multi-academy trusts to include both Church of England and community schools and the trust cherishes and celebrates the unique histories and characteristics of each of our schools.

Our schools also share three core values which inform all aspects of educational provision and school life in Initio Learning Trust. The values are:

COLLABORATION

We are a family of schools working closely together, supported by an experienced team.

AMBITION

We are ambitious in our drive for educational excellence, offering outstanding opportunities for our pupils and our staff.

RESPECT

We respect all of our pupils and staff and invest in every member of our community.

Public benefit

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

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Objectives, strategies and activities

Objective

Our legal and moral purpose is to advance education for public benefit. The aim is to facilitate knowledge building through professional development, with a view to improving curriculum, pedagogy and the quality of teaching. We bring professionals together in ways that are supported by strategic oversight and accountability.

Strategies

Our big moves are our strategic priorities for Initio Learning Trust. Our big moves are to:

- create a sense of belonging so that Initio Learning Trust has a shared culture where our values of Ambition, Respect and Collaboration are lived
- build school improvement capacity so that Initio Learning Trust
 - o has a shared understanding of quality education which delivers excellent outcomes
 - o has a culture of inclusion, delivering excellent outcomes for all children and young people
 - o is a self improving system
 - o colleagues are skilled practitioners
- develop our shared services so that Initio Learning Trust operates high quality, efficient service functions which support schools effectively, as a trust dividend
- strengthen governance and leadership so that Initio Learning Trust
 - o has a strong financial backbone
 - o has strong governance to hold executive leaders to account for delivery of the vision, ethos and strategic plans
 - o has strong executive leaders to deliver the vision, ethos and strategic plans
- grow our community partnerships so that Initio Learning Trust
 - o works in partnership with stakeholders locally, regionally and globally to advance education for the common good
 - o has capacity, and where it contributes to the core purpose of advancing education, there is an articulation of its aspirations for growth over time.

Activities

In addition to the day-to-day business of operating and supporting Initio schools, a new three-year strategic plan has been developed and will be launched before the end of 2023.

This plan will set out the high leverage activities to be undertaken by the trust to achieve Initio's objective.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Strategic Report

Achievements and performance

Information on schools and trusts is available from: <https://www.gov.uk/school-performance-tables>

There have been 10 finalised OFSTED inspections of trust schools since May 2022, all of which were graded Good.

Two of these inspections were of Emmanuel CE Middle School and Pamphill CE First School which were sponsored schools, previously rated Inadequate by OFSTED at their previous inspection.

There have been two Statutory Inspection of Anglican Methodist Schools (SIAMS) inspections of trust church schools this year: Bridport St Mary's CE Primary School was judged Excellent and Pamphill CE First School was judged Good.

Key performance indicators - Educational

Key stage 2

| | Expected standard (Re. WJ Ma) [National 59%] | Higher standard (Re. WJ Ma) [National 8%] |
|--------------------|---|--|
| Initio All Schools | 57% | 9% |
| Primary | | |
| BPS | 58% | 13% |
| BSMPS | 61% | 3% |
| BBPS | 44% | 11% |
| Middle | | |
| AMS | 37% | 2% |
| EMS | 70% | 13% |
| LMS | 63% | 13% |
| SMMS | 63% | 9% |

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Key stage 4

| | 4+ Eng & Ma [National 64%] | 5+ Eng & Ma [National 44%] | A8 [National 4.6] | P8 overall |
|--------------------|-------------------------------|-------------------------------|----------------------|------------|
| Initio All Schools | 63% | 39% | 4.4 | -0.14 |
| QE | 66% | 43% | 4.5 | -0.06 |
| SJCA | 56% | 28% | 4.1 | -0.33 |

Key stage 5

| | APS [National 31.3] | %A-C [National 74%] |
|--------------------|------------------------|------------------------|
| Initio All Schools | 30.9 | 66% |
| QE | 31.3 | 66% |
| SJCA | 29.6 | 64% |

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Key performance indicators - Financial

- In-year revenue surplus: £1,030,526 (2022: £407,472)
- Reserves (excluding fixed asset and pension funds): £2,184,524 (2022: £1,153,998).
- Funds excluding fixed asset and pension funds, as a % of total revenue income: 6% (2022: 4%).
- Cash ratio (cash to current liabilities) of 1.2 (2022: 1.2).
- Cash held at the year-end: £7,413,826 (2022: £3,269,774).
- Current ratio (current assets to current liabilities) of 1.5 (2022: 1.5).

Going concern

After considering the challenging public finances which is placing pressure on school funding, pupil number trends, medium term budgets and cash flow forecasts, the reliability of income streams, the growth of the trust and the impact of new schools joining the trust, the trust board has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the trust board continues to adopt the going concern basis in preparing the accounts.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Promoting the success of the academy

In line with guidance from the Charities Commission, the trustees define success for the trust as meeting the objects of the charity and delivering the strategic outcomes set out above. The trustees are satisfied that the governance and management arrangements in place are designed to promote the success of the trust and allow trustees and management to have due regard in their actions to:

- the likely consequences of decisions in the long term
- the interests of the trust's employees
- the need to foster the trust's business relationships with suppliers, customers and others
- the impact of the trust's operations on the community and the environment
- the desirability of the trust maintaining a reputation for high standards of business conduct
- the need to act fairly

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Financial review

The overall in-year revenue surplus was £1,030,526 (2022: £407,472) This includes a gain of £894,847 on the acquisition of the assets and liabilities of The Minerva Trust (Dorset) on 1 February 2023.

The detailed accounts are set out at pages 37 to 42 and includes the following statements:

- Statement of Financial Activities (SoFA) for the year to 31 August 2023
- Balance sheet as at 31 August 2023
- Cash flow statement for the year to 31 August 2023

Notes to accounts are set out at pages 43 onwards.

The trust is publicly funded, receiving most of its funding from the Education and Skills Funding Agency under contract to operate the trust schools. Additional funding is received from local authorities for provision to some high need students. The grants received from the ESFA during the year ended 31 August 2023 and associated expenditure are shown as restricted funds in the statement of activities.

£33,850,100 (2022: £26,267,628) of ESFA grants was received in year.

As at 31 August 2023, the cash at bank and in hand was £7,431,826 (2022: £3,269,774). Within Initio Learning Trust cash balances are usually significantly higher than reserves due to the timing of revenue and capital grant inflows in advance of associated pay and non-pay outflows.

Whilst monitoring the performance of each school, the trust board assesses financial performance and going concern on a Trust-wide basis reflecting the trust's status as a single organisation, and for this reason the trust has formally pooled reserves from 2022/23.

The trust will continue to develop and implement arrangements to improve the economy and efficiency of the operations of the trust and its schools in order to support improvement in outcomes by providing headroom for investment in educational resources and continuing professional development and learning for employees.

The introduction of the minimum per pupil funding rates in 2020/21 and the increase in those rates for 2021/22 and 2022/23 has been a net positive for the trust's core finances. Looking to 2023/24 and beyond, this funding is expected to increase more slowly than headline school funding, which is itself expected to increase at a very significantly slower rate than inflation, amounting to a real terms reduction in funding.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Reserves

At 31 August 2023, the balances in the trust's revenue funds were £2,184,524, an in-year increase of £1,030,526:

Restricted general funds (excluding pension reserve) £1,401,033

Unrestricted funds: £783,491

Total: £2,184,524

At 31 August 2022, the balances in the trust's revenue funds were:

Restricted general funds (excluding pension reserve) £273,190

Unrestricted funds: £880,808

Total: £1,153,998

Within revenue funds is a balance of £65,814 for sports premium funding. £317,490 of unrestricted funds are committed to the depreciation of fixed assets.

The trust had an FRS102 pension deficit of £4,842,000 (2022: £5,690,000) which reflects the trust's share of the assets and liabilities of the Dorset Local Government Pension Scheme (LGPS). The continued provision of access to the LGPS is a contractual requirement for the trust in its funding agreements with the Department for Education.

The Department for Education has issued a guarantee that it will meet any pension liabilities should an academy close. There is no obligation for the trust to make additional payments to reduce the deficit over and above the employer contribution for each employee who is a member of the LGPS, nor is there an expectation that the trust will make such payments. As such, potential increases in employer pension contribution rates rather than the size of the reported pension deficit represents the financial risk for the trust which is managed in the normal course of financial management in the trust. The trust's contribution rate was 22% on 1 April 2022, 23.6% on 1 April 2023 and will be 23.6% to 31 March 2026

The fixed asset fund was £35,022,502 (2022: £28,381,562) the large majority of which relates to the school land and buildings and which cannot be used as funding to support school operation. £999,192 of the fund is unspent capital grant which will be used to fund capital projects in 2023/24 and beyond. The land and buildings of nine of the trust's 17 schools are not included in the trust's balance sheet as they are owned by church trustees, and the land and buildings of The Sir John Colfox Academy are not included in the trust's balance sheet as it is currently occupied by the Trust under a Private Finance Initiative (PFI) 30 year arrangement dating from 1999.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Reserves policy

The trust does not specifically designate unrestricted funds. The trust aims to retain a level of reserves across restricted general funds and unrestricted funds that is sufficient to enable the trust to:

- meet the three-year operational financial plan
- provide reasonable flexibility to respond to unexpected financial events or pressures without risking the trust's position as a going concern
- invest in school buildings in accordance with due regard to the property condition survey
- invest in equipment and infrastructure to meet the evolving needs of trust schools.

Investment policy

Under the trust's articles of association, that trust may deposit or invest any funds of the company not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the trustees consider necessary and having regard to the suitability of investments and the need for diversification).

The trust currently has deposit accounts with Nationwide and Santander as well as with its main banker, Lloyds. All investments are made in line with the investment policy as reviewed from time-to-time.

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Principal risks and uncertainties

A review of strategic risk identification, appetite and management in Initio is currently being conducted to complement the updated strategic plan, and this will inform future reporting.

The current Trust risk map identifies the principal risks and uncertainties to the organisation as:

Safeguarding

The continuing success of the trust is founded on safeguarding pupils.

Educational risk

The continuing success of the trust depends on maintaining the highest educational standards in order to continue to attract pupils and to maintain regulatory approval.

Staff recruitment and wellbeing

The continuing success of the trust depends on recruiting and retaining high quality colleagues, and providing a productive and healthy working environment in which colleagues can achieve and develop.

Financial viability

The continuing success of the trust depends on maintaining high quality educational provision in an environment of sustained, long-term reductions in core funding.

Governance

The continuing success of the trust depends on clear and effective governance arrangements, with high quality people at all levels of governance.

Senior management capacity

The continuing success of the trust depends on senior management having the skills and capacity to deliver the trust executive action plan in support of the strategy and objectives agreed by the trust board.

Technology for learning

The continuing success of the trust depends on staff and pupils having adequate access to, and skills in, using technology in order that high quality teaching and learning can be provided remotely if necessary.

Information capacity

The continuing success of the trust depends on trustees and management having adequate access to high quality and timely management information across the trust to inform strategic planning and operational action.

Cyber security

The continuing success of the trust depends on the ability to secure and reliably access our ICT networks and information

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Fundraising

Trust schools raise money for local and national charities with charities decided by each school's headteacher, and this may be informed by pupils, staff and academy committees.

Income from fundraising projects and requests run by the schools are used to benefit students directly and support the costs of resources, educational visits, activities, and improvements to educational facilities at individual schools. The majority of fundraising projects for Trust schools are carried out by PTAs and school associations.

The trust does not work with any third party commercial participators or professional fundraisers to raise funds. There have been no fundraising complaints during 2022/23. The trustees are satisfied that the public, including vulnerable people, are not subject to unreasonably intrusive or persistent fundraising approaches, nor put undue pressure to donate to the trust.

Streamlined Energy and Carbon Reporting

| UK Greenhouse gas emissions and energy use data for the period | 1 September 2022 to 31 August 2023 | 1 September 2021 to 31 August 2022 |
|---|---|---|
| Energy consumption break down (kWh) | | |
| Gas | 2,407,130 | 2,784,303 |
| Electricity | 2,175,247 | 2,111,942 |
| Transport fuel | 34,408 | 34,408 |
| Scope 1 emissions in metric tonnes CO2e | | |
| Gas consumption | 446.00 | 514.00 |
| Scope 2 emissions in metric tonnes CO2e | | |
| Purchased electricity | 450.00 | 408.00 |
| Scope 3 emissions in metric tonnes CO2e | | |
| Business travel in employee-owned vehicles | 11.00 | 3.00 |
| Total gross emissions in metric tonnes CO2e | 907.00 | 925.00 |
| Intensity ratio | | |
| Tonnes CO2e per pupil | 0.15 | 0.18 |

INITIO LEARNING TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023 (CONTINUED)

Quantification and Reporting Methodology:

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have:

- continued to use video conferencing for staff meetings to reduce the need for travel between sites
- leased an electric vehicle as our first fleet van
- installed a large 270Kw solar array at Queen Elizabeth's School funded by the Public Sector Decarbonisation Fund through Dorset Council
- installed half hourly metering across the estate for gas and electricity to track and reduce usage.

Plans for future periods

The trustees continue to work to fulfil the trust's charitable objects, vision and values in all of the trust schools.

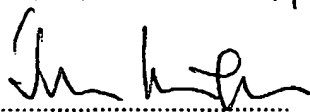
Additional schools will be brought in to the trust on a sponsored or converter basis where in the view of the trustees such growth enhances educational provision and is consistent with long-term educational, financial and operational sustainability of the trust.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 7/12/23 and signed on its behalf by:



J Kingston OBE
Chair of Trust Board

INITIO LEARNING TRUST GOVERNANCE STATEMENT

Scope of responsibility

The trust board has reviewed and taken account of the guidance in the Department for Education's Governance Handbook and competency framework for governance and accepts overall responsibility for ensuring that Initio Learning Trust has an effective and appropriate system of control, financial and otherwise.

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The trust board has delegated the day-to-day responsibility to the chief executive officer as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Initio Learning Trust and the Secretary of State for Education.

The accounting officer is also responsible for reporting to the trust board 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 trust board met nine times during the year:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| C Bath | 6 | 6 |
| E Boger | 1 | 1 |
| P Breckwoidt | 7 | 9 |
| J Dickson | 4 | 8 |
| H Evans | 8 | 9 |
| D Fleming OBE | 6 | 8 |
| N Harrison | 7 | 9 |
| J Kingston OBE | 9 | 9 |
| MP Mackenzie | 5 | 6 |
| R Purchase | 5 | 6 |
| P Taylor | 7 | 9 |
| E West | 2 | 2 |

The resources committee is a committee of the trust board. Its purpose is to oversee the trust functions of finance, people, estates and health & safety, ICT, cyber & data protection. The committee also acts as the trust's audit and risk committee in accordance with the requirements of the Academy Trust Handbook

The committee met five times during the year (once as the finance, assets and audit committee):

| Trustee | Meetings attended | Out of a possible |
|--------------|-------------------|-------------------|
| P Breckwoidt | 3 | 5 |
| H Evans | 3 | 4 |
| N Harrison | 4 | 5 |
| MP Mackenzie | 2 | 2 |
| P Taylor | 5 | 5 |

INITIO LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)

The performance and standards committee is a committee of the trust board. Its purpose is to hold the CEO to account for the overall effectiveness of education and outcomes for children and young people.

The committee met five times during the year:

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| J Dickson | 2 | 5 |
| H Evans | 5 | 5 |
| D Fleming OBE | 3 | 4 |
| R Purchase | 2 | 3 |
| E West | 1 | 1 |

The growth committee is a committee of the trust board. Its purpose is to review and consider potential new schools joining Initio Learning Trust and make recommendations to the trust board; and undertake any other work as delegated by the trust board from time to time.

Additionally, each school has a local school committee which is a committee of the trust board. Committee membership is in accordance with the trust's Articles of Association. Local school committee membership details and meeting attendance records are available on each school's website.

LSCs are established to support and challenge the headteachers (and the trust) in 5 critical and specific areas -

- by being advocates for, and guardians of, the ethos and distinctiveness (church or otherwise) of the school;
- by monitoring safeguarding, ensuring that there is a strong culture of safeguarding within a school, that school and trust safeguarding policies are being effectively implemented, and that children and young people are safe;
- by monitoring inclusion and SEND, ensuring that the school meets its statutory duties, that school and trust policies are being effectively implemented, and that the needs of disadvantaged children and young people are being effectively met;
- by monitoring, supporting and challenging where necessary the educational standards and performance of the school (to include attendance, behaviour, attainment and progress), ensuring that the head maintains a focus on the school improvement plan, as well as any actions arising from trust or external partner meetings with the schools;
- by supporting communication with local stakeholders between the school and the trust to advance the school to the benefit of children and young people and all community stakeholders.

INITIO LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the trust board where value for money can be improved.

Bringing the four schools from west Dorset into the trust provides Initio with greater scale and the opportunity to achieve greater efficiency from economies of scale. The trust has begun to achieve these in areas such as finance where audit fees are reducing due to the consolidation from two audits into one, and with the procurement of a modern cloud-based Xero finance system with integrated requisition to pay functionality to replace two legacy systems.

In terms of operating economically, in year the trust has continued to follow best practice by continuing and expanding its use of public sector frameworks such as those provided by the Crown Commercial Service (CCS), Yorkshire Purchasing Organisation (YPO) and Eastern Shires Purchasing Organisation (ESPO) for goods and services.

The trust actively managed gas and electricity contracts in year, switching Crown Commercial Service baskets and thereby realising a £300,000 plus saving against the status quo. Several schools used the additional devolved formula capital funding allocated in year to invest substantially in LED lighting which has a short payback due to reduced energy usage but also often improves the effectiveness of the learning environment considerably.

The trust has also commissioned condition surveys and accessibility surveys to provide the trust with high quality information to target the investment of school condition allowance funding.

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 Initio Learning Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The trust board 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 trust board is of the view that there is an ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the trust board.

INITIO LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trust board;
- regular reviews by the resources 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 trust board has not appointed a single auditor for the purpose of reviewing the overall risk and control framework but has engaged a range of specialist support and assurance services to assist in the management of the trust's principal risks. The oversight of financial risks and controls has been informed by employing SLL Accounting Limited as internal auditor. The internal auditor's role includes giving advice on the academy trust's financial and other systems. In particular, the checks carried out in the current period included testing of cash and bank, month-end review, census procedures and follow-up to the previous year reviews of payroll and requisition to pay processes.

The internal auditor has delivered the schedule of work as planned and control issues identified are being addressed through remedial management action. The oversight of wider operational risks and controls has been informed by reports of external specialists in educational performance, health and safety and data protection and an internal officer for safeguarding.

On an annual basis, the director of resources reports to the trust board through the resources committee on the operation of the systems of control and on the discharge of the board's financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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

**INITIO LEARNING TRUST
GOVERNANCE STATEMENT (CONTINUED)**

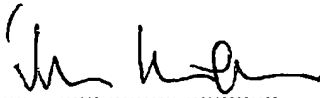
Review of effectiveness

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

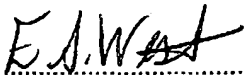
- the work of the internal auditor
- the work of the external auditor
- the work of external specialists in educational performance, health and safety and cyber security
- the work of the internal safeguarding officer
- the financial management and governance self-assessment process
- the work of the 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 trust board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the trust board on 7/12/23 and signed on its behalf by:



.....
J Kingston OBE
Trustee



.....
E West
Chief Executive Officer

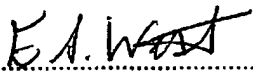
INITIO LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Initio Learning Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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



.....
E West, Chief Executive Officer
Accounting Officer

Date: 7/12/23.....

INITIO LEARNING TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

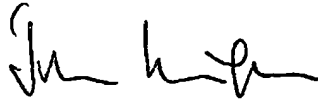
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

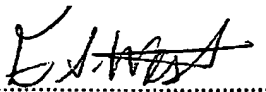
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

Approved by order of the members of the Board on 7/12/23 and signed on its behalf by:



.....
J Kingston OBE
Trustee



.....
E West
Chief Executive Officer

INITIO LEARNING TRUST

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

Opinion

We have audited the financial statements of Initio Learning Trust (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

INITIO LEARNING TRUST

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 25], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

INITIO LEARNING TRUST

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including the Companies Act 2006, Academies Accounts Direction 2022 to 2023, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

INITIO LEARNING TRUST

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

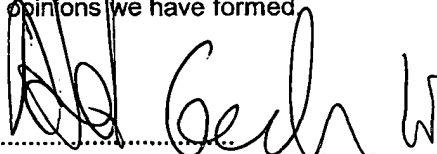
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

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

Use of our report

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



.....
Joseph Doggrell BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Albert Goodman, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 11/12/23

INITIO LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Initio Learning Trust during the year to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INITIO LEARNING TRUST

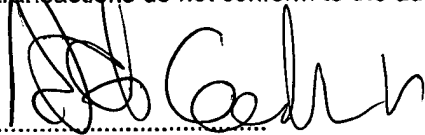
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academy Trust Handbook (September 2022);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

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



Joseph Doggrell BSc (Hons) FCA
For and on behalf of Albert Goodman , Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 11/12/23

INITIO LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2022/23 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | | | | | |
| | 2 | 78,608 | 11,087 | 1,168,601 | 1,258,296 |
| | | 490,010 | (1,875,165) | 6,696,513 | 5,311,358 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | | | | | |
| | 3 | - | 35,088,028 | - | 35,088,028 |
| | 4 | 1,389,960 | - | - | 1,389,960 |
| | 5 | 17,753 | - | - | 17,753 |
| | | <u>1,976,331</u> | <u>33,223,950</u> | <u>7,865,114</u> | <u>43,065,395</u> |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | | | | | |
| | 7 | <u>2,073,648</u> | <u>34,934,906</u> | <u>1,240,375</u> | <u>38,248,929</u> |
| | | (97,317) | (1,710,956) | 6,624,739 | 4,816,466 |
| | | - | (16,201) | 16,201 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gain/(losses) on defined benefit pension scheme | | | | | |
| | 26 | <u>-</u> | <u>3,703,000</u> | <u>-</u> | <u>3,703,000</u> |
| | | (97,317) | 1,975,843 | 6,640,940 | 8,519,466 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2022 | | | | | |
| | | <u>880,808</u> | <u>(5,416,810)</u> | <u>28,381,562</u> | <u>23,845,560</u> |
| Total funds/(deficit) carried forward at 31 August 2023 | | | | | |
| | | <u>783,491</u> | <u>(3,440,967)</u> | <u>35,022,502</u> | <u>32,365,026</u> |

INITIO LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

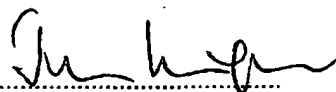
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2021/22 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | - | 124,336 | 885,798 | 1,010,134 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | - | 26,756,217 | - | 26,756,217 |
| Other trading activities | 4 | 1,474,397 | 61,805 | - | 1,536,202 |
| Investments | 5 | 377 | - | - | 377 |
| Total | | 1,474,774 | 26,942,358 | 885,798 | 29,302,930 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 1,542,362 | 29,121,168 | 637,580 | 31,301,110 |
| Net (expenditure)/income | | (67,588) | (2,178,810) | 248,218 | (1,998,180) |
| Transfers between funds | | - | 474,870 | (474,870) | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | 15,405,000 | - | 15,405,000 |
| Net movement in (deficit)/funds | | (67,588) | 13,701,060 | (226,652) | 13,406,820 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | 948,396 | (19,117,870) | 28,608,214 | 10,438,740 |
| Total funds/(deficit) carried forward at 31 August 2022 | | 880,808 | (5,416,810) | 28,381,562 | 23,845,560 |

INITIO LEARNING TRUST
(REGISTRATION NUMBER: 09362004)
BALANCE SHEET AS AT 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 34,447,673 | 28,336,245 |
| Current assets | | | |
| Debtors | 13 | 1,410,579 | 864,829 |
| Cash at bank and in hand | | <u>7,431,826</u> | <u>3,269,774</u> |
| | | 8,842,405 | 4,134,603 |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 14 | <u>(5,992,377)</u> | <u>(2,828,413)</u> |
| Net current assets | | <u>2,850,028</u> | <u>1,306,190</u> |
| Total assets less current liabilities | | 37,297,701 | 29,642,435 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(90,675)</u> | <u>(106,875)</u> |
| Net assets excluding pension liability | | 37,207,026 | 29,535,560 |
| Defined benefit pension scheme liability | 26 | <u>(4,842,000)</u> | <u>(5,690,000)</u> |
| Total net assets | | <u>32,365,026</u> | <u>23,845,560</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | 16 | 1,401,033 | 273,190 |
| Restricted fixed asset fund | 16 | 35,022,502 | 28,381,562 |
| Pension reserve | 16 | <u>(4,842,000)</u> | <u>(5,690,000)</u> |
| | | 31,581,535 | 22,964,752 |
| Unrestricted funds | | | |
| Unrestricted general fund | 16 | <u>783,491</u> | <u>880,808</u> |
| Total funds | | <u>32,365,026</u> | <u>23,845,560</u> |

The financial statements on pages 32 to 63 were approved by the Trustees, and authorised for issue on11/12/23..... and signed on their behalf by:



J Kingston OBE
Trustee

INITIO LEARNING TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | 2023 £ | 2022 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 10,063,683 | 1,225,747 |
| Cash flows from investing activities | 22 | (5,885,431) | (110,004) |
| Cash flows from financing activities | 21 | <u>(16,200)</u> | <u>(16,201)</u> |
| Change in cash and cash equivalents in the year | | 4,162,052 | 1,099,542 |
| Cash and cash equivalents at 1 September | | <u>3,269,774</u> | <u>2,170,232</u> |
| Cash and cash equivalents at 31 August | 23 | <u>7,431,826</u> | <u>3,269,774</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

Basis of preparation

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

Charitable activities

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

Tangible fixed assets

Assets costing £20,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. In accordance with the Academies Accounts Direction, assets bought together as a set will be capitalised as a group.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

| Asset class | Depreciation method and rate |
|------------------------------|-------------------------------------|
| Leasehold Land and Buildings | 50 years |
| Fixtures and Fittings | 10 years |
| Computer Equipment | 5 Years |

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Private Finance Initiative

The Academy Trust has in place an agreement with Dorset County Council (DCC) for the Sir John Colfox Academy concerning a Private Finance Initiative (PFI) Agreement dated 19 March 2015. The principal PFI Agreement which includes an annual charge for rent and services is between DCC and the PFI provider. The duration of the Agreement is 15 years. There is then a secondary Agreement to which the Trust is a party and this arrangement is treated in these accounts as an operating lease, charged to the Statement of Financial Activities on a straight-line basis over the lease term. The full liability over the life of the lease has been included in the operating lease commitment note 19, with the value based on the current annual charge without any inflationary adjustment

Taxation

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

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

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

1 Accounting policies (continued)

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

2 Donations and capital grants

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2022/23 Total £ | 2021/22 Total £ |
|-------------------------------|----------------------------|-------------------------------------|--|-----------------------|-----------------------|
| Other voluntary income | | | | | |
| Capital grants | | | | | |
| DfE/ESFA | - | - | 1,168,601 | 1,168,601 | 885,798 |
| Other donations | 78,608 | 11,087 | - | 89,695 | 124,336 |
| | <u>78,608</u> | <u>11,087</u> | <u>1,168,601</u> | <u>1,258,296</u> | <u>1,010,134</u> |

3 Funding for the Academy Trust's educational operations

| | Restricted funds £ | 2022/23 Total £ | 2021/22 Total £ |
|---|--------------------------|-----------------------|-----------------------|
| DfE/ESFA revenue grants | | | |
| General Annual Grant (GAG) | 30,501,196 | 30,501,196 | 24,501,260 |
| UIFSM | 242,628 | 242,628 | 228,233 |
| Pupil Premium | 1,143,235 | 1,143,235 | 752,739 |
| PE Grant | 281,337 | 281,337 | 146,883 |
| Teacher Pay Grant | 1,015 | 1,015 | 30,242 |
| Teacher Pension Grant | 79,950 | 79,950 | 85,455 |
| Others | 1,600,739 | 1,600,739 | 522,816 |
| | <u>33,850,100</u> | <u>33,850,100</u> | <u>26,267,628</u> |
| Other government grants | | | |
| Local authority grants | 773,895 | 773,895 | 437,097 |
| Other Government Grants | 416,238 | 416,238 | 45,492 |
| | <u>1,190,133</u> | <u>1,190,133</u> | <u>482,589</u> |
| Non-government grants and other income | | | |
| Teaching School Income | 47,795 | 47,795 | 6,000 |
| Total grants | <u>35,088,028</u> | <u>35,088,028</u> | <u>26,756,217</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

4 Other trading activities

| | Unrestricted Funds £ | 2022/23 Total £ | 2021/22 Total £ |
|--------------|-------------------------------------|--------------------------------|--------------------------------|
| Other income | <u>1,389,960</u> | <u>1,389,960</u> | <u>1,536,202</u> |

5 Investment income

| | Unrestricted Funds £ | 2022/23 Total £ | 2021/22 Total £ |
|---------------------|-------------------------------------|--------------------------------|--------------------------------|
| Short term deposits | <u>17,753</u> | <u>17,753</u> | <u>377</u> |

6 Expenditure

| | Non Pay Expenditure | | | 2022/23 Total £ | 2021/22 Total £ |
|---|----------------------------|-----------------------|------------------------------|--------------------------------|--------------------------------|
| | Staff costs £ | Premises £ | Other costs £ | | |
| Academy's educational operations | | | | | |
| Direct costs | 27,207,485 | - | 1,924,044 | 29,131,529 | 23,972,904 |
| Allocated support costs | <u>1,794,422</u> | <u>3,424,561</u> | <u>3,898,417</u> | <u>9,117,400</u> | <u>7,328,206</u> |
| | <u>29,001,907</u> | <u>3,424,561</u> | <u>5,822,461</u> | <u>38,248,929</u> | <u>31,301,110</u> |

Net income/(expenditure) for the year includes:

| | 2022/23 £ | 2021/22 £ |
|---------------------------------|----------------------|----------------------|
| Operating lease rentals | 16,551 | 15,096 |
| Depreciation | 979,037 | 734,188 |
| Fees payable to auditor - audit | 21,875 | 16,498 |
| - other audit services | <u>3,520</u> | <u>2,550</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

7 Charitable activities

| | 2022/23 | 2021/22 |
|--|-------------------------------|--------------------------|
| | £ | £ |
| Direct costs - educational operations | 29,131,529 | 23,972,904 |
| Support costs - educational operations | <u>9,117,400</u> | <u>7,328,206</u> |
| | <u>38,248,929</u> | <u>31,301,110</u> |
| | Educational operations | 2022/23 |
| | £ | Total |
| | | 2021/22 |
| | | Total |
| | | £ |
| Analysis of direct costs | | |
| Teaching and educational support staff costs | 27,207,485 | 22,902,771 |
| Other direct costs | <u>1,924,044</u> | <u>1,070,133</u> |
| Total direct costs | <u>29,131,529</u> | <u>23,972,904</u> |
| | Educational operations | 2022/23 |
| | £ | Total |
| | | 2021/22 |
| | | Total |
| | | £ |
| Analysis of support costs | | |
| Support staff costs | 1,794,422 | 1,309,905 |
| Depreciation | 960,357 | 705,168 |
| Recruitment and support | 34,820 | 21,841 |
| Rent, rates and utilities | 758,149 | 603,159 |
| Insurance | 138,686 | 113,041 |
| Catering | 542,827 | 840,407 |
| Maintenance of premises and equipment | 1,264,337 | 1,581,099 |
| Cleaning | 441,718 | 410,855 |
| Technology costs | 987,804 | 695,612 |
| Professional fees | 501,617 | 340,516 |
| Other support costs | 1,689,595 | 706,148 |
| Governance costs | <u>3,068</u> | <u>455</u> |
| Total support costs | <u>9,117,400</u> | <u>7,328,206</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

8 Staff

Staff costs

| | 2022/23 | 2021/22 |
|--|-------------------|-------------------|
| | £ | £ |
| Staff costs during the year were: | | |
| Wages and salaries | 21,537,992 | 16,620,629 |
| Social security costs | 1,992,586 | 1,564,954 |
| Operating costs of defined benefit pension schemes | 5,329,799 | 5,855,493 |
| | <u>28,860,377</u> | <u>24,041,076</u> |
| Supply staff costs | 141,530 | 155,494 |
| Staff restructuring costs | - | 16,106 |
| | <u>29,001,907</u> | <u>24,212,676</u> |
| | | 2021/22 |
| | | £ |

Staff restructuring costs comprise:

| | |
|---------------------------|---------------|
| Other restructuring costs | <u>16,106</u> |
|---------------------------|---------------|

Staff numbers

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

| | 2023 | 2022 |
|------------------------------|-------------|-------------|
| | No | No |
| Charitable Activities | | |
| Teachers | 336 | 263 |
| Administration and support | 454 | 354 |
| Management | 39 | 32 |
| | <u>829</u> | <u>649</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

8 Staff (continued)

Staff numbers (full time equivalent)

The average number of persons, expressed as a full time equivalent, employed by the academy trust during the year was as follows:

| | 2022/23 | 2021/22 |
|----------------------------|----------------|----------------|
| Teachers | 279 | 227 |
| Administration and support | 254 | 214 |
| Management | 38 | 32 |
| | <u>571</u> | <u>473</u> |

Higher paid staff

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

| | 2022/23 | 2021/22 |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 18 | 3 |
| £70,001 - £80,000 | 7 | 9 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 2 | 1 |
| £100,001 - £110,000 | 2 | 3 |
| £110,001 - £120,000 | 2 | - |
| | <u>2</u> | <u>-</u> |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £437,809 (2022: £402,358).

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

9 Central services

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

For first and middle schools the Trust allocates funding at 4.5% of GAG incomes plus £10,000 per school to provide central services. For Queen Elizabeth's School, funding of 3.5% of GAG has been allocated to produce central services.

The actual amounts charged during the year were as follows:

| | 2022/23 | 2021/22 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Queen Elizabeth's School | 305,625 | 295,290 |
| Verwood CE First School | 60,916 | 58,529 |
| Hillside Community First School | 54,975 | 56,273 |
| Colehill First School | 41,355 | 38,272 |
| St Michael's CE Middle School | 142,877 | 137,466 |
| Allenbourn Middle School | 139,762 | 136,198 |
| Hayeswood First School | 40,338 | 38,779 |
| St John's CE First School | 42,784 | 39,131 |
| Merley First School | 69,175 | 66,994 |
| Witchampton CE First School | 28,356 | 27,435 |
| Emmanuel CE Middle School | 107,640 | 98,994 |
| Lockyer's Middle School | 113,964 | 107,661 |
| Pamphill CE First School | 28,593 | 24,076 |
| | <u>1,176,360</u> | <u>1,125,098</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

10 Related party transactions - trustees' remuneration and expenses

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

E West (Chief Executive Officer (resigned 7 December 2022)):

Remuneration: £25,000 - £30,000 (2022 - £105,000 - £110,000)

Employer's pension contributions: £5,000 - £10,000 (2022 - £25,000 - £30,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £792 (2022 - £6,684) were reimbursed or paid directly to 2 trustees (2022 - 1).

Other related party transactions involving the trustees are set out in note 27.

11 Trustees' and officers' insurance

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

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

12 Tangible fixed assets

| | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | 2022/23 Total £ |
|-----------------------|---|------------------------------------|----------------------------|-----------------------|
| Cost | | | | |
| At 1 September 2022 | 29,182,404 | 1,297,204 | 1,110,788 | 31,590,396 |
| Additions | <u>6,423,098</u> | <u>460,810</u> | <u>187,877</u> | <u>7,071,785</u> |
| At 31 August 2023 | <u>35,605,502</u> | <u>1,758,014</u> | <u>1,298,665</u> | <u>38,662,181</u> |
| Depreciation | | | | |
| At 1 September 2022 | 2,505,778 | 304,621 | 443,752 | 3,254,151 |
| Charge for the year | <u>475,834</u> | <u>208,700</u> | <u>275,823</u> | <u>960,357</u> |
| At 31 August 2023 | <u>2,981,612</u> | <u>513,321</u> | <u>719,575</u> | <u>4,214,508</u> |
| Net book value | | | | |
| At 31 August 2023 | <u>32,623,890</u> | <u>1,244,693</u> | <u>579,090</u> | <u>34,447,673</u> |
| At 31 August 2022 | <u>26,676,626</u> | <u>992,583</u> | <u>667,036</u> | <u>28,336,245</u> |

The Academy occupies land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreements) which contains a two year notice period. Having considered the fact that the academy trust occupies the land and buildings as may be, or may come to be, erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees of the academy trust have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

The Academy also occupies land and buildings provided to it by the Local Authority under a 125 year lease which is recognised under Leasehold Land and Buildings. This was valued on conversion based on the ESFA valuation.

The Land & Buildings occupied by 9 of the Trusts' 17 schools are not included on the Trust balance sheet as they are owned by the Church Trustees.

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

13 Debtors

| | 2023 | 2022 |
|--------------------------------|------------------|----------------|
| | £ | £ |
| Trade debtors | 112,829 | 15,792 |
| VAT recoverable | 677,500 | 333,643 |
| Other debtors | 5,403 | 5,489 |
| Prepayments and accrued income | 614,847 | 509,905 |
| | <u>1,410,579</u> | <u>864,829</u> |

14 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 1,445,634 | 634,619 |
| Other taxation and social security | 3,410,729 | 787,461 |
| Other creditors | 157,231 | 120,644 |
| Accruals and deferred income | 978,783 | 1,285,689 |
| | <u>5,992,377</u> | <u>2,828,413</u> |

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Deferred income | | |
| Deferred income at 1 September 2022 | 288,494 | 341,138 |
| Resources deferred in the period | 268,060 | 288,494 |
| Amounts released from previous periods | <u>(288,494)</u> | <u>(341,138)</u> |
| Deferred income at 31 August 2023 | <u>268,060</u> | <u>288,494</u> |

At the balance sheet date the academy trust was holding funds received in advance mainly for Universal free school meals, PE grant and NAT tuition.

15 Creditors: amounts falling due in greater than one year

| | 2023 | 2022 |
|-------|---------------|----------------|
| | £ | £ |
| Loans | <u>90,675</u> | <u>106,875</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

16 Funds

| | Balance at 1 September 2022 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2023 £ |
|---|---|----------------------------|----------------------------|---|---|
| Restricted funds | | | | | |
| <i>Restricted general funds</i> | | | | | |
| General Annual Grant (GAG) | 259,957 | 30,905,520 | (29,814,057) | (16,201) | 1,335,219 |
| Other restricted funds | - | 832,776 | (832,776) | - | - |
| UIFSM | - | 242,628 | (242,628) | - | - |
| Pupil Premium | - | 1,143,746 | (1,143,746) | - | - |
| Catch Up Premium | 13,233 | - | (13,233) | - | - |
| Other DfE/ESFA Grants | - | 2,008,053 | (1,942,239) | - | 65,814 |
| Other Government Grants | - | 371,227 | (371,227) | - | - |
| Pension reserve | <u>(5,690,000)</u> | <u>(2,280,000)</u> | <u>(575,000)</u> | <u>3,703,000</u> | <u>(4,842,000)</u> |
| Total restricted general funds | <u>(5,416,810)</u> | <u>33,223,950</u> | <u>(34,934,906)</u> | <u>3,686,799</u> | <u>(3,440,967)</u> |
| <i>Restricted fixed asset funds</i> | | | | | |
| Inherited Fixed Assets on Conversion | 25,265,568 | 6,696,513 | (446,083) | - | 31,515,998 |
| DfE/ESFA group capital grants | <u>3,115,994</u> | <u>1,168,601</u> | <u>(794,292)</u> | <u>16,201</u> | <u>3,506,504</u> |
| Total restricted fixed asset funds | <u>28,381,562</u> | <u>7,865,114</u> | <u>(1,240,375)</u> | <u>16,201</u> | <u>35,022,502</u> |
| Total restricted funds | <u>22,964,752</u> | <u>41,089,064</u> | <u>(36,175,281)</u> | <u>3,703,000</u> | <u>31,581,535</u> |
| <i>Unrestricted general funds</i> | | | | | |
| General | 492,220 | 1,976,331 | (1,976,331) | (26,219) | 466,001 |
| Capital expenditure | <u>388,588</u> | - | <u>(97,317)</u> | <u>26,219</u> | <u>317,490</u> |
| Total unrestricted funds | 880,808 | 1,976,331 | (2,073,648) | - | 783,491 |
| Total endowment funds | - | - | - | - | - |
| Total funds | <u>23,845,560</u> | <u>43,065,395</u> | <u>(38,248,929)</u> | <u>3,703,000</u> | <u>32,365,026</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

16 Funds (continued)

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

| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|--------------------------------------|---|----------------------------|----------------------------|---|---|
| Restricted funds | | | | | |
| <i>Restricted general funds</i> | | | | | |
| General Annual Grant (GAG) | (484,006) | 24,501,260 | (24,232,167) | 474,870 | 259,957 |
| Other restricted funds | - | 561,432 | (561,432) | - | - |
| Start Up Grants | 75,947 | - | (75,947) | - | - |
| UIFSM | - | 228,233 | (228,233) | - | - |
| Pupil Premium | - | 752,738 | (752,738) | - | - |
| Catch Up Premium | 66,692 | - | (53,459) | - | 13,233 |
| Other DfE/ESFA Grants | 139,497 | 836,890 | (976,387) | - | - |
| Other Government Grants | - | 61,805 | (61,805) | - | - |
| Pension reserve | <u>(18,916,000)</u> | - | <u>(2,179,000)</u> | <u>15,405,000</u> | <u>(5,690,000)</u> |
| Total restricted general funds | <u>(19,117,870)</u> | <u>26,942,358</u> | <u>(29,121,168)</u> | <u>15,879,870</u> | <u>(5,416,810)</u> |
| <i>Restricted fixed asset funds</i> | | | | | |
| Inherited Fixed Assets on Conversion | 25,625,107 | - | (359,539) | - | 25,265,568 |
| DfE/ESFA group capital grants | <u>2,983,107</u> | <u>885,798</u> | <u>(278,041)</u> | <u>(474,870)</u> | <u>3,115,994</u> |
| Total restricted fixed asset funds | <u>28,608,214</u> | <u>885,798</u> | <u>(637,580)</u> | <u>(474,870)</u> | <u>28,381,562</u> |
| Total restricted funds | <u>9,490,344</u> | <u>27,828,156</u> | <u>(29,758,748)</u> | <u>15,405,000</u> | <u>22,964,752</u> |
| <i>Unrestricted general funds</i> | | | | | |
| General | 775,783 | 1,474,774 | (1,474,774) | (283,563) | 492,220 |
| Capital expenditure | <u>172,613</u> | - | <u>(67,588)</u> | <u>283,563</u> | <u>388,588</u> |
| Total unrestricted funds | 948,396 | 1,474,774 | (1,542,362) | - | 880,808 |
| Total endowment funds | - | - | - | - | - |
| Total funds | <u>10,438,740</u> | <u>29,302,930</u> | <u>(31,301,110)</u> | <u>15,405,000</u> | <u>23,845,560</u> |

INITIO LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****16 Funds (continued)****Analysis of academies by fund balance**

Fund balances at 31 August 2023 were allocated as follows:

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | £ | £ |
| Queen Elizabeth's School | - | 342,756 |
| Verwood CE First School | - | 176,879 |
| Hillside Community First School | - | (162,413) |
| Colehill First School | - | 50,188 |
| Wimbome Academy Trust | - | (486,344) |
| St Michael's CE Middle School | - | (75,070) |
| Allenbourn Middle School | - | 243,876 |
| Hayeswood First School | - | (69,032) |
| St John's CE First School | - | 24,212 |
| Merley First School | - | 405,900 |
| Witchampton CE First School | - | (84,224) |
| Emmanuel CE Middle School | - | (129,998) |
| Lockyer's Middle School | - | 575,663 |
| Pamphill CE First School | - | (46,983) |
| Initio Learning Trust | <u>1,867,034</u> | <u>-</u> |
| Total before fixed assets and pension reserve | 1,867,034 | 765,410 |
| Restricted fixed asset funds | 35,022,502 | 28,381,562 |
| Unrestricted capital funds | 317,490 | 388,588 |
| Pension reserve | <u>(4,842,000)</u> | <u>(5,690,000)</u> |
| Total | <u>32,365,026</u> | <u>23,845,560</u> |

Fund balances for each academy at 31 August 2023 and 31 August 2022 were zero, hence a breakdown by academy is not included in these accounts.

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

16 Funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs (excluding depreciation) £ | Total 2023 £ |
|---------------------------------|---|--|---------------------------------------|---|-----------------------------|
| Queen Elizabeth's School | 5,601,199 | 1,906,003 | 241,990 | 2,487,714 | 10,236,906 |
| Verwood CE First School | 777,616 | 281,238 | 8,408 | 470,106 | 1,537,368 |
| Hillside Community First School | 616,794 | 246,211 | 7,832 | 291,788 | 1,162,625 |
| Colehill First School | 381,042 | 193,211 | 5,503 | 223,899 | 803,655 |
| Wimbome Academy Trust | 189,195 | 1,718,333 | (1,500) | (21,581) | 1,884,447 |
| St Michael's CE Middle School | 2,090,628 | 629,463 | 101,599 | 637,829 | 3,459,519 |
| Allenbourn Middle School | 1,613,758 | 757,812 | 46,776 | 603,132 | 3,021,478 |
| Hayeswood First School | 338,247 | 237,879 | 4,861 | 205,680 | 786,667 |
| St John's CE First School | 382,318 | 276,750 | 4,074 | 258,834 | 921,976 |
| Merley First School | 751,131 | 362,628 | 23,030 | 327,044 | 1,463,833 |
| Witchampton CE First School | 224,846 | 122,241 | 1,919 | 133,140 | 482,146 |
| Emmanuel CE Middle School | 1,473,304 | 658,452 | 87,082 | 466,151 | 2,684,989 |
| Lockyer's Middle School | 1,260,924 | 523,386 | 27,193 | 458,252 | 2,269,755 |
| Pamphill CE First School | 197,267 | 128,325 | 2,156 | 142,388 | 470,136 |
| Burton Bradstock Primary | 196,451 | 42,052 | 4,390 | 37,502 | 280,395 |
| Bridport Primary School | 637,767 | 142,277 | 21,606 | 68,373 | 870,023 |
| St Mary's CE Primary School | 647,380 | 96,402 | 3,831 | 97,165 | 844,778 |
| The Sir John Colfox Academy | <u>1,914,539</u> | <u>382,106</u> | <u>77,849</u> | <u>1,551,652</u> | <u>3,926,146</u> |
| Academy Trust | <u>19,294,406</u> | <u>8,704,769</u> | <u>668,599</u> | <u>8,439,068</u> | <u>37,106,842</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

16 Funds (continued)

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs (excluding depreciation) £ | Total 2022 £ |
|---------------------------------|--|---|------------------------------|--|--------------------|
| Queen Elizabeth's School | 5,280,859 | 1,682,721 | 188,539 | 2,485,681 | 9,637,800 |
| Verwood CE First School | 786,075 | 311,789 | 28,817 | 311,686 | 1,438,367 |
| Hillside Community First School | 676,692 | 211,322 | 29,839 | 251,935 | 1,169,788 |
| Colehill First School | 334,217 | 199,507 | 13,391 | 165,223 | 712,338 |
| Wimbome Academy Trust | 202,240 | 3,354,361 | 254,151 | (619,932) | 3,190,820 |
| St Michael's CE Middle School | 1,911,287 | 584,155 | 75,130 | 622,516 | 3,193,088 |
| Allenbourn Middle School | 1,675,253 | 604,980 | 52,219 | 622,465 | 2,954,917 |
| Hayeswood First School | 315,247 | 217,180 | 14,472 | 184,566 | 731,465 |
| St John's CE First School | 368,902 | 204,870 | 14,441 | 173,656 | 761,869 |
| Merley First School | 702,977 | 340,572 | 23,930 | 272,558 | 1,340,037 |
| Witchampton CE First School | 205,318 | 131,042 | 10,505 | 117,391 | 464,256 |
| Emmanuel CE Middle School | 1,286,361 | 422,614 | 44,829 | 562,228 | 2,316,032 |
| Lockyer's Middle School | 1,263,697 | 471,834 | 63,485 | 470,266 | 2,269,282 |
| Pamphill CE First School | 186,513 | 108,488 | 16,026 | 103,819 | 414,846 |
| Academy Trust | <u>15,195,638</u> | <u>8,845,435</u> | <u>829,774</u> | <u>5,724,058</u> | <u>30,594,905</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

17 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|--------------------------|
| Tangible fixed assets | 317,490 | - | 34,130,183 | 34,447,673 |
| Current assets | 466,001 | 7,377,209 | 999,195 | 8,842,405 |
| Current liabilities | - | (5,976,176) | (16,201) | (5,992,377) |
| Creditors over 1 year | - | - | (90,675) | (90,675) |
| Pension scheme liability | - | (4,842,000) | - | (4,842,000) |
| Total net assets | <u>783,491</u> | <u>(3,440,967)</u> | <u>35,022,502</u> | <u>32,365,026</u> |

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|--------------------------|
| Tangible fixed assets | 388,588 | - | 27,947,657 | 28,336,245 |
| Current assets | 492,220 | 3,085,402 | 556,981 | 4,134,603 |
| Current liabilities | - | (2,812,212) | (16,201) | (2,828,413) |
| Creditors over 1 year | - | - | (106,875) | (106,875) |
| Pension scheme liability | - | (5,690,000) | - | (5,690,000) |
| Total net assets | <u>880,808</u> | <u>(5,416,810)</u> | <u>28,381,562</u> | <u>23,845,560</u> |

18 Capital commitments

| | 2023 £ | 2022 £ |
|--|-----------------------|----------------------|
| Contracted for, but not provided in the financial statements | <u>328,057</u> | <u>66,444</u> |

INITIO LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****19 Long-term commitments, including operating leases****Operating leases**

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

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Amounts due within one year | 17,568 | 19,861 |
| Amounts due between one and five years | 31,569 | 49,138 |
| | <u>49,137</u> | <u>68,999</u> |

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

| | 2023 | 2022 |
|--|-------------------|------------------|
| | £ | £ |
| Net income/(expenditure) | 4,816,466 | (1,998,180) |
| Depreciation | 960,357 | 705,168 |
| Capital grants from DfE and other capital income | (1,168,601) | (885,798) |
| Interest receivable | (17,753) | (377) |
| Defined benefit pension scheme cost less contributions payable | 2,580,000 | 1,867,000 |
| Defined benefit pension scheme finance cost | 275,000 | 312,000 |
| (Increase)/decrease in debtors | (545,750) | 235,072 |
| Increase in creditors | 3,163,964 | 990,862 |
| Net cash provided by Operating Activities | <u>10,063,683</u> | <u>1,225,747</u> |

21 Cash flows from financing activities

| | 2023 | 2022 |
|---------------------------------------|-----------------|-----------------|
| | £ | £ |
| Repayments of borrowing | <u>(16,200)</u> | <u>(16,201)</u> |
| Net cash used in financing activities | <u>(16,200)</u> | <u>(16,201)</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

22 Cash flows from investing activities

| | 2023 £ | 2022 £ |
|---|---------------------------|-------------------------|
| Dividends, interest and rents from investments | 17,753 | 377 |
| Purchase of tangible fixed assets | (7,071,785) | (996,179) |
| Capital funding received from sponsors and others | 1,168,601 | 885,798 |
| Net cash used in investing activities | <u>(5,885,431)</u> | <u>(110,004)</u> |

23 Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|-------------------------|-------------------------|
| Cash in hand and at bank | <u>7,431,826</u> | <u>3,269,774</u> |
| Total cash and cash equivalents | <u>7,431,826</u> | <u>3,269,774</u> |

24 Analysis of changes in net debt

| | At 1 September 2022 £ | Cash flows £ | At 31 August 2023 £ |
|--|--------------------------------|-------------------------|------------------------------|
| Cash | 3,269,774 | 4,162,052 | 7,431,826 |
| Loans falling due within one year | (16,201) | - | (16,201) |
| Loans falling due after more than one year | (106,875) | 16,201 | (90,674) |
| | <u>(123,076)</u> | <u>16,201</u> | <u>(106,875)</u> |
| Total | <u>3,146,698</u> | <u>4,178,253</u> | <u>7,324,951</u> |

25 Member liability

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

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

26 Pension and similar obligations

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

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

Contributions amounting to £587,179 (2022: £413,150) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

INITIO LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****26 Pension and similar obligations (continued)**

The employer's pension costs paid to TPS in the period amounted to £2,848,273 (2022: £2,081,632). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,841,000 (2022 - £1,332,000), of which employer's contributions totalled £1,464,000 (2022 - £1,047,000) and employees' contributions totalled £377,000 (2022 - £285,000). The agreed contribution rates for future years are 23.7 per cent for employers and 5.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

| | 2023 | 2022 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.90 | 4.00 |
| Rate of increase for pensions in payment/inflation | 2.90 | 3.00 |
| Discount rate for scheme liabilities | 5.30 | 4.30 |
| Inflation assumptions (CPI) | <u>2.90</u> | <u>3.00</u> |

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

| | 2023 | 2022 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 21.80 | 22.10 |
| Females retiring today | 23.90 | 24.20 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 23.10 | 23.40 |
| Females retiring in 20 years | <u>25.30</u> | <u>25.60</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

26 Pension and similar obligations (continued)

Sensitivity analysis

| | 2023 | 2022 |
|--|--------------|--------------|
| | £ | £ |
| Discount rate +0.1% | 1,499 | 1,139 |
| Discount rate -0.1% | 1,596 | 1,221 |
| Mortality assumption – 1 year increase | 1,594 | 1,223 |
| Mortality assumption – 1 year decrease | 1,500 | 1,137 |
| CPI rate +0.1% | 1,596 | 1,221 |
| CPI rate -0.1% | <u>1,498</u> | <u>1,138</u> |

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

| | 2023 | 2022 |
|------------------------------|-------------------|-------------------|
| | £ | £ |
| Equities | 12,188,000 | 7,495,000 |
| Cash and other liquid assets | 292,000 | 213,000 |
| Other bonds | 1,295,000 | 639,000 |
| Property | 1,732,000 | 1,434,000 |
| Investment funds | - | 1,518,000 |
| Other | <u>4,237,000</u> | <u>2,594,000</u> |
| Total market value of assets | <u>19,744,000</u> | <u>13,893,000</u> |

The actual return on scheme assets was £333,674 (2022 - £576,000).

Amounts recognised in the statement of financial activities

| | 2023 | 2022 |
|-------------------------------------|-------------------|------------------|
| | £ | £ |
| Current service cost | 40,440,000 | 2,914,000 |
| Interest cost | 266,000 | 303,000 |
| Admin expenses | <u>9,000</u> | <u>9,000</u> |
| Total amount recognized in the SOFA | <u>40,715,000</u> | <u>3,226,000</u> |

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

| | 2023 | 2022 |
|------------------------|-------------------|-------------------|
| | £ | £ |
| At start of period | 19,583,000 | 32,265,000 |
| Current service cost | 8,213,000 | 2,914,000 |
| Interest cost | 991,000 | 533,000 |
| Employee contributions | 377,000 | 285,000 |
| Actuarial (gain)/loss | (4,272,000) | (16,211,000) |
| Benefits paid | <u>(306,000)</u> | <u>(203,000)</u> |
| At 31 August | <u>24,586,000</u> | <u>19,583,000</u> |

INITIO LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****26 Pension and similar obligations (continued)****Changes in the fair value of academy's share of scheme assets:**

| | 2023 | 2022 |
|-----------------------------------|-------------------|-------------------|
| | £ | £ |
| At start of period | 13,893,000 | 13,349,000 |
| Interest income | 725,000 | 230,000 |
| Actuarial gain/(loss) | (578,000) | (815,000) |
| Employer contributions | 1,464,000 | 1,047,000 |
| Employee contributions | 377,000 | 285,000 |
| Benefits paid | (306,000) | (203,000) |
| Effect of non-routine settlements | 4,169,000 | - |
| At 31 August | <u>19,744,000</u> | <u>13,893,000</u> |

Local government pension schemes**27 Related party transactions**

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

Trustees' remuneration and expenses have been disclosed in note 10.

Expenditure related party transactions

During the year the academy made the following related party transactions:

A West, spouse of E West, a former trustee and CEO, is employed by the academy trust as a teacher. K Boyes, spouse of B Boyes, a member of the key management personnel, was employed by the academy trust as a head teacher of Queen Elizabeth's School during the year (resigned 31 August 2023). J Hammond-Bowell, spouse of R Bowell, a member of the key management personnel, is employed by the academy trust as a teacher (appointed 1 September 2023).

Both employees are paid within the normal pay scales for their roles and they receive no special treatment as a result of their relationship to a trustee and key management.

In entering into these transactions, the Trust has complied with the requirements of the Academy Trust Handbook 2022/23.

INITIO LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023****(CONTINUED)****28 Transfer of existing academies into the academy trust**

On 1 February 2023, The Minerva Learning Trust (Dorset) joined the academy trust and all the operations, assets and liabilities were transferred to Initio Learning Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding amounts recognised as income in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

| | Value reported by transferring academy trust £ | Transfer in recognised £ |
|---------------------------------------|---|---|
| Tangible fixed assets | | |
| Leasehold land and buildings | 6,423,097 | 6,423,097 |
| Furniture and equipment | 49,442 | 49,442 |
| Computer equipment | 85,963 | 85,963 |
| | <u>6,558,502</u> | <u>6,558,502</u> |
| Other assets | | |
| Debtors due in less than one year | 349,288 | 349,288 |
| Cash in bank and in hand | 1,387,263 | 1,387,263 |
| | <u>1,736,551</u> | <u>1,736,551</u> |
| Liabilities | | |
| Creditors due in less than one year | (703,695) | (703,695) |
| Pensions | | |
| Pensions – pension scheme assets | 4,169,000 | 4,169,000 |
| Pensions – pension scheme liabilities | (6,449,000) | (6,449,000) |
| | <u>(2,280,000)</u> | <u>(2,280,000)</u> |
| Net assets | <u>5,311,358</u> | <u>5,311,358</u> |

INITIO LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

(CONTINUED)

29 Events after the end of the reporting period

Since the year end it has been confirmed that Corfe Hills School, a single academy trust, will be joining the trust in the 2023/24 financial year.