

Registered number: 08071851 (England & Wales)

OPEN THINKING PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

Open Thinking Partnership
(A Company Limited by Guarantee)

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**OPEN THINKING PARTNERSHIP
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

Members

Anthony Carr
Jonathan Lees
Diane Rochford
Claire Shardlow
Christopher White (resigned 7 December 2020)
Simon Love (appointed 7 December 2020, resigned 26 April 2021)
Tim Green (appointed 26 April 2021)

Trustees

Christopher White (Chair of Trustees)
Caroline Henton
Simon Love
Anthony Carr
Laura Jeffs
Peter Thomas (appointed 14 November 2020)
Huw Williams
Lisa Bengi (appointed 25 January 2021)
Janet Thompson (resigned 31 July 2020)

Ex officio

Janet Thompson (Chief Executive Officer and Accounting Officer)
Alison King (Business Manager - Chief Finance and Operations Officer)

Company Secretary

Kerry-Ann Smith (appointed 18 December 2020)
Caroline Lakin (resigned 18 December 2020)

Senior Management Team - Dorothy Goodman School

Headteacher Janet Thompson
(Chief Executive Officer and Accounting Officer of MAT from 1 August 2020)
Deputy Headteacher Kelly Dryden
Assistant Headteacher Luke Pegley
Assistant Headteacher Julie Rawlings (Part time, full time from 1 June 2021)
Assistant Headteacher Kate Wood (Part time, maternity leave from 11 July 2021)
Assistant Headteacher Katie Noon
Assistant Headteacher Louise Leeson
Business Manager Alison King
(Chief Finance and Operations Officer of MAT from 1 August 2020)

Senior Management Team - The Fusion Academy

Headteacher Sarah Peck
Pastoral lead and family liaison Elyssa Castleford

Company Name

Open Thinking Partnership

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Principal and Registered Office

Stoke Road
Hinckley
Leicestershire
LE10 0EA

Company Registered Number

08071851 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Lloyds Bank Plc
Hinckley Branch
PO Box 1000
BX1 1LT

Solicitors

Flint Bishop
St Michael's Court
St Michael's Lane
Derby
DE1 3HQ

**Open Thinking Partnership
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. The Open Thinking Partnership (OTP) is a multi-academy trust (MAT) which operates two specialist Academies in Leicestershire. Its Schools had a combined roll of 352 in the school census October 2020. Dorothy Goodman School (DGS) is a specialist Academy for pupils aged 3 to 19, serving a catchment area primarily in the Hinckley and Bosworth Area. DGS meets the needs of pupils with cognition and learning difficulties, as well as providing a base for secondary school age young people with autism located at Hinckley Academy. The second academy, The Fusion Academy, opened to pupils on 7 September 2020 and caters for pupils aged between 7 and 19 who have communication and interaction as their primary need. All pupils have EHC plans.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The MAT 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 MAT. The Trustees of the MAT are also the directors of the charitable company for the purposes of company law. The charitable company operates as Open Thinking Partnership.

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 pages 1 and 2.

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the MAT. The cost of this insurance in the year was £17.

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Trustees is outlined in the Articles of Association. There are no persons or bodies not mentioned in the articles entitled to appoint Trustees. Members may appoint up to two Trustees. Trustees may co-opt up to four Trustees. All Trustees are asked to seek suitable persons and make appropriate nominations. The Chair of Trustees and Chief Executive Officer meet and interview prospective nominees before bringing a nomination to the Trustees. The appointment of staff Trustees to the Local Governing Committees of schools in the MAT is via a process of a staff ballot and the appointment of parent Trustees is made via parent ballot. Nominated members of the Board of Trustees are also present at meetings of the Local Governing Committees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. Trustee induction training, alongside a menu of extensive specialised training is available through the local network of schools to support all new Trustees. The MAT also subscribes to the Confederation of Schools Trust and Local Authority Governor Development Service which offers further Trustee training. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

**Open Thinking Partnership
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Organisational Structure

The members meet at least annually to appoint new members and to receive the annual accounts. In 2020-2021 the members met twice.

The Open Thinking Partnership board meets at least four times each year and considers the minutes from the two subcommittees:

1. Finance and HR (including Audit) - which meets at least five times per year. In addition the monthly Finance Report is shared electronically with the members of this committee.
2. Quality of Education - which meets at least three times per year.

Open Thinking Partnership also consider any previously identified issues from the Local Governing Committee minutes, if required.

The Local Governing Committee of each of the schools in the MAT meets at least three times per year and reports to the Board of Trustees.

From 14 September 2021 Open Thinking Partnership established an additional subcommittee and now operates with three:

1. Finance and Staffing - which usually meets at least five times per year. In addition the monthly Finance Report is shared electronically beyond the five meetings.
2. Audit committee - which usually meets at least five times each year.
3. Quality of Education - which meets at least three times per year.

The day-to-day management of the MAT is delegated to the Chief Executive Officer, who has appointed a leadership team, who meet weekly to discuss both strategic and day to day responsibilities.

A scheme of delegation has been approved which provides clear lines of responsibilities at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the MAT by the use of budgets and making major decisions about the direction of the MAT, capital expenditure and as appropriate the appointment of the Chief Executive Officer and the Chief Finance and Operations Officer.

The management structure consists of four levels: the Trustees, the Local Governing Committees, the MAT Senior Leadership Team and School Leadership Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels and maximise opportunities for succession planning.

Arrangements for setting pay and remuneration of key management personnel

The MAT continues to set its own pay and remuneration policies with reference to the DfE School Teachers' Pay and Conditions and relevant guidance for teachers' pay. For other staff who are not teachers, remuneration is set with reference to the National Joint Council recommendations for local government and relevant job families. No Trustees receive any remuneration other than reimbursement of expenses incurred.

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

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication requirements) Regulations 2017, Open Thinking Partnership has to report information included in Schedule 2 of the Regulations, as an employer with more than 49 full time equivalent employees.

There were no employees who were relevant union officials during the period, no time was spent on facility time by employees, no pay bill was spent on facility time and no time was spent on paid trade union facilities.

Related Parties and other Connected Charities and Organisations

Dorothy Goodman School is located across a number of bases. There are two main sites, one catering for 3 to 11 year olds and one catering for 11 to 19 year olds and a further vocational learning site for post 16 students. The school has three satellite bases which are located within mainstream schools. These satellite bases offer pupils opportunities to access a range of mainstream lessons and social activities based upon their individual needs while still receiving the personalised support available from a special school. One satellite is based on the site of Richmond Primary School and has three classes for pupils in Key Stages 1 and 2. Two classes for Key Stage 3 pupils are based within Redmoor Academy and two classes for Key Stage 3, 4 and 5 pupils are based at Hinckley Academy and John Cleveland Sixth Form Centre (now part of The Futures Trust). In addition, we have a discrete base for pupils with autism, Cleveland House. This is also located on the site of Hinckley Academy and John Cleveland Sixth Form Centre. The pupils at this base work towards accessing 60% - 80% of mainstream lessons - this access is commissioned from Hinckley Academy and John Cleveland Sixth Form Centre.

Dorothy Goodman was an active member of the Forest Way Teaching School Alliance during 2020-21. Open Thinking Partnership is a member of the Confederation of Schools Trusts (from April 2021). Open Thinking Partnership joined the Leicestershire and Rutland Teaching school from August 2021. This is a formal membership adhering to the terms of reference and the shared moral purpose towards improved attainment for all pupils across the Alliance. This involves working collectively with the other schools involved to offer continuing professional development for our own staff and those who work in other schools within the Alliance. This includes providing initial Teacher Training for Schools Direct in conjunction with Derby University. Dorothy Goodman School and The Fusion Academy are also members of the Leicestershire Special School Group and Local Inclusion group. These are both organisations with informal terms of reference to cooperate in pursuit of providing the best education for children and young people in the areas they serve.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the MAT is 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 schools specially organised to make special educational provision for pupils with a wide range of needs.

Objectives, Strategies and Activities

The MAT aims to provide safe, stimulating and caring educational environments, in which all children are able to learn and develop their social, creative and academic skills. Our school communities are forward looking and self-critical to ensure we develop provision to the next levels of success and excellence. An aspirational culture and ethos informs all aspects of the MAT's work so that pupils develop excellent personal qualities and have a wide range of experiences and opportunities including academic success.

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

OTP aims to make a positive and long-lasting difference to the lives of all its children and young people. We are...

- Children focused educators – No matter what, it all comes back to our children and young people and what is best for them. We regularly review to ensure our curricula and all teaching principles are centred around the best possible outcomes for each child and young person
- Passionate and visionary leaders – Ensuring efficiency and continuous improvement in everything we do. We are change makers – making a difference for all, in all our schools
- Inclusive team-workers – Ensuring that everyone is an important part of our thriving and positive culture. We are all empowered, and all our voices are heard and valued. We support each other to succeed and make our schools great places to work and thrive
- Creative developers of knowledge – Ensuring all our staff have opportunities to develop their skills, expertise and knowledge. Throughout our schools we support and empower staff to be their best, so they can be at their best for others
- Practical advocates of dynamic structures and central support systems - Regularly reviewing and adapting our approaches to enable efficient and effective teaching and learning for all, enabling us all to do our best work
- Pragmatic supporters of external guidance and legislation - Valuing external expertise and ensuring compliance. Adapting and flexing our approaches to make guidance work for us, and provide meaningful solutions for our children

Within our current schools

Work at Dorothy Goodman School is made relevant and interesting for pupils through careful planning and a programme of thematic work, which links the subjects together and makes them meaningful to the pupils. All classes study a range of curriculum subjects relevant to their age within which we can teach communication, logic, inquiry, personal and social skills, as well as creative and physical development. At Cleveland House pupils are taught a curriculum which is in line with mainstream expectations but using an autism specific approach. The Vocational sixth form focuses on developing skills which will help our young people to be independent, resourceful young people who are ready for their next stage in education, training or employment as well as being prepared in basic life skills. Some students undertake long term work experience with local companies.

We measure success by analysing the progress our pupils make across the curriculum in academic subjects as well as communication, logic, inquiry, physical, creative and personal and social development. We analyse how able they are to apply their knowledge and skills in a range of different settings and how able they are to communicate with and work with different people. We consider destinations as a key indicator for our older students and strive to ensure they can sustain and succeed in further education, training or employment according to their needs. We also measure the breadth of experiences our children and young people have during their school years. We believe by broadening their horizons we equip them for their adult lives more effectively. The school council was instrumental in developing our scheme at Dorothy Goodman School which tracks this, known as '50 Things to do before you leave Dorothy Goodman School' and at Cleveland House a similar approach which works hand in hand with Hinckley Academy.

The Fusion Academy merges the skills, expertise and understanding of a highly specialist provision with the breadth and opportunities available in a mainstream school. This union allows our students to have the best possible chance at reaching their academic goals in an environment where they feel safe, understood and listened to, in addition to having their wider needs met. Class sizes are small. This allows students to get the focussed attention they need. Student wellbeing is of paramount importance at The Fusion Academy. Our school environment is supportive for young people with communication and interaction needs or autism and/or sensory needs. A multi-disciplinary team, including a range of therapy professionals, work together to support all areas of student need. Young people are taught strategies to help manage their emotions (such as anxiety and anger) and develop their independence skills. Everyone around each young person works collaboratively to ensure they have every opportunity to meet their full potential.

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

Throughout our schools, bases and across the different curricula, students are encouraged to have an understanding of themselves and the world about them as well as how they can interrelate with their communities, enabling them to become self-confident young people and to develop skills in a setting which is both structured and caring.

Our schools provide access to a broad, balanced and relevant curriculum, with a wide range of learning experiences available. The MAT recognises the need to offer specialised educational work, depending on the identified needs of our pupils. This includes commissioning other therapists to work within the schools. Occupational therapy, speech and language therapy and education psychology are part of our provision and we use additional intervention where required for example art, music or play therapy. As students move up through the secondary phase of their school, they undertake a range of accredited work and choose from a range of vocational pathways. The MAT also provides some full-time internships with local employers for some of our older students.

Public Benefit

The Trustees of the MAT have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the MAT's purpose for the Public Benefit include encouraging public use of the MAT's buildings, which includes use of the halls, classrooms and hydrotherapy pool. Due to COVID guidelines the use of the school buildings was paused. The hire of external spaces restarted in July 2021 for community sports at Dorothy Goodman School. Public use by others with disabilities is particularly encouraged.

STRATEGIC REPORT

Achievements and Performance

The OTP has ensured high quality learning opportunities have continued throughout the pandemic, lockdowns and isolations. The school has been open to pupils all the time including some holiday provision. If some children and young people were unable to attend due to Covid or isolation a remote learning offer has been put in place straightaway.

Differentiated approaches were used to ensure all the varying needs our pupils have were met and supported to continue with their learning.

The Trustees and members have successfully recruited so that the members group has a balance of education, special educational needs and disability (SEND) experience and business experience and the Board of Trustees also has a range of skills in education, SEND, finance, business, legal, compliance and HR. Open Thinking Partnership had a very successful strategic planning day which, although virtual, enabled all members of the Local Governing Committees and the Trust Board to contribute to the overall trust plan and the development plans of each school.

We have been working successfully in partnership with The Futures Trust who are now the multi-academy trust leading Hinckley Academy. This has enabled us to progress the development of more suitable accommodation for our pupils at Hinckley Academy, meeting our goals for better accessibility and suitability of learning environments.

There has been limited on-site Outreach provided by the Open Thinking Partnership over the last year due to the restrictions of the pandemic. However, we have successfully offered some well received face to face support in local schools and a range of virtual training sessions, accessed by learning support staff and teachers in the locality. This has contributed to supporting the inclusion of children and young people within mainstream providers locally.

Our performance indicators over the academic year 2020-21 have been considerably influenced by the pandemic as they have been nationally.

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

Dorothy Goodman - Pupil Progress and Outcomes

91% of pupils have achieved in line with their trajectory ambitions and consequently are well prepared for their next steps, being able to:

- advocate their own choices;
- know how and when to use strategies to help maintain their own engagement; and
- apply skills learnt; in a variety of situations, in their communities - independently or co-dependently.

The 9% of pupils continue to work towards their priorities with additional input. The main contributing factors to them not achieving in line or above expected trajectories have been low attendance and mental health needs.

At Cleveland House the young people have been able to work alongside the students from Hinckley Academy within online learning, as well as when all returned to face to face teaching. Nearly all those accessing accreditation have been successful within expectations, taking into account their later starting points within the school. Their progress with self awareness and meeting their personalised targets has been positive.

The teachers peer triad work started well but was somewhat hampered by the pandemic and the need to keep staff separate; however virtual meetings enabled progress to continue. We will use the development of coaching to enhance teachers' skills and therefore in turn the progress made by pupils within a peer review system for joint development of skills and expertise and to evaluate impact.

The outside environment at Barwell Lane has been developed to provide horticulture opportunities with allotment and growing areas as well as large sports and play spaces. The next stage will be to plant a large number of trees to create a natural hedgerow and small woodland environment.

At the primary site the outside play area has been developed so that there are improved opportunities for play and a canopy has been installed to enable the school to maintain a separate EYFS/KS1 entrance.

Parent Engagement

Once again due to the pandemic, parental engagement has been sustained in ways other than face to face meetings, although these did occur latterly in the school year. Phone calls, sharing work, photos or video of learning did take place regularly. The focus will continue post pandemic, using learning from the pandemic about the benefits of virtual contact as well as face to face. At all times the aim is to work with families to promote and develop aspirations for their child, within the school and wider community. Working towards greater independence, resilience and relationships based on the values of the school will be central to this work.

Dorothy Goodman - Leadership

The values of the school i.e. respect, nurture and independence are explicit and implicit across the work of DGS. All staff are committed to ensuring children and young people can learn how to make informed choices and decisions and this is reflected in their assessment and learning stories. The process of enabling them to learn how to engage with learning and how to self regulate when their feelings and emotions take over is also evident in the progress the young people make in social skills and personal development. Progress across the curriculum is very good and it is evident from the tracking of assessments how many pupils are in line or above the expected trajectory of progress.

The Vocational sixth form has been very successful in developing a post 16 curriculum which focuses on real preparation for independence and work / supported work and has established a self-sustaining work base in which this can be carried out. The students have had many successes, not least in achieving food hygiene accreditation and catering skills so that they can cater for each other at lunch times or make their own meals. They have also undertaken vocational courses in sports leadership, horticulture, sewing and multi-skills DIY.

Dorothy Goodman School

Attendance:

Attendance for 2020-2021 was 85% and while this is low it is higher than the national average for special schools during the pandemic.

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

Pupil Progress:

At the end of Key Stage 1: seven pupils were assessed using the engagement scale (pre subject-specific learning) and all of the pupils made progress within their priority targets. All pupils who were assessed against the pre Key Stage standards in Year 2 made progress in line with expectations

At the end of Key Stage 2: four pupils were assessed using the engagement scale. All of the pupils made good progress. One pupil had significantly low attendance due to being clinically extremely vulnerable. This pupil made good progress in the autumn term but no further progress was made in the remainder of the academic year.

17 pupils made progress in line with their individual trajectories.

One pupil achieved standard 1 but this was below expected progress. Their attendance was 65% and although remote home education and work packs were sent home he struggled with transitions and changes to school during Covid. Any pupils where there has been a similar impact have been identified for additional support during the current academic year and were prioritised for 'summer school' during the holidays.

Accreditation:

Key Stage 4 and 5: a mixture of Entry level, GCSE and other awards are available for pupils at Dorothy Goodman School. All but one pupil achieved accredited qualifications in line or in excess of their trajectories (these are based on considering progress and outcomes of pupils who had similar starting points at the same age).

Maths: 25 pupils attained awards between Entry level 1, level 2 and Grade 3 GCSE (level 1) qualifications. All but one attained the accredited award in line with their trajectory.

English: 29 pupils attained awards between Entry level 1 and level 2 GCSE qualifications and again all but one achieved in line with their expected trajectory.

Double science: three pupils gained combined science, working during inclusive links with Hinckley Academy.

Arts Award: 11 pupils gained the Explore level of this award which establishes a foundation for higher work.

BTEC (work skills): five pupils achieved either Entry level 3 or a level 1 qualification.

Sports leadership: two pupils achieved a level 1 qualification.

Duke of Edinburgh: three pupils achieved a Bronze award and nine achieved a Silver award.

The Fusion Academy

The Fusion Academy - Pupil Progress and Outcomes

Over the last year the Fusion Academy has successfully provided education for 26 children and young people. The school opened on 7 September in temporary accommodation and moved to purpose built premises in October 2020. The pupils settled well after the move and there were great strides in their personal development and social skills. For many pupils our main criteria for success in the first year of attending the Fusion Academy were to settle into life at their new school, start to feel safe at school, interact with their peers in a positive way and to enjoy learning again. Nearly all the pupils achieved the agreed short term targets in Social & Communication Skills, Emotional Understanding & Self Awareness. Every student achieved their social targets, working towards outcomes within their EHC plan and there has been some good progress in children and young people being able to formulate their own realistic but challenging aspirations.

Attendance:

Attendance was 79% which was slightly below the national percentage for special schools during the pandemic but the cohort is very small and therefore four pupils with low attendance had a considerable impact on the whole school statistic. When considering pupils' attendance from their previous starting points, all pupils with previously low attendance or who were being educated at home, have made significant progress in increasing their attendance at school since starting at The Fusion Academy.

Pupil Progress:

In this first year of opening, all pupils demonstrated improved engagement in the curriculum and have worked up to a full curriculum timetable. The pupils have made good progress in Social & Communication Skills, Emotional Understanding & Self Awareness. Pupils have also made good progress in achieving targets within their own EHC plans.

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

Accreditation:

This was not applicable in this first year of the school being open.

Engagement with families has been extremely positive within this first year of opening and in a recent questionnaire nearly all answered that their child's needs were met all the time and that their child was making good progress.

Key Performance Indicators

Key Performance Indicators within our schools monitored by the Central Team and Board of Trustees on a regular basis are as follows:

- To ensure there is high quality provision which enables all children and young people to achieve the outcomes including those identified within their EHC plans;
- To ensure safeguarding is effective;
- To improve upon all school OFSTED ratings (or maintain if outstanding) and ensure all students go to outstanding schools;
- Children and young people are confident, can communicate effectively and have a clear and strong purpose in life;
- Children and young people make outstanding progress academically, personally and socially in relation to their expected trajectories;
- Children and young people have a wide breadth of experiences during their school career which enhance their understanding of possibilities in the future;
- All staff are clear about their roles and responsibilities, they are motivated to do their best for the children and young people. They are recognised and rewarded appropriately;
- Schools engage positively with families via a well thought through engagement and reciprocal sharing of information and ambition; and
- Invest in buildings and resources which enable equality of access to a rich curriculum and ensure the provision of outstanding learning environments.

The key financial performance indicators monitored by the Central Team and Board of Trustees on a regular basis are as follows:

- Employee costs as a percentage of income;
- Pupil numbers versus capacity;
- Quarterly management accounts versus budget;
- Forecast management accounts up to period end versus budget;
- GAG and high needs funding income versus expenditure;
- Days lost due to employee absence and percentage of funding spent on supply staff;
- Employee and other costs per student benchmarked against similar schools nationally;
- Average teacher cost benchmarked against similar schools nationally;
- Average support staff cost benchmarked against similar schools nationally; and
- Monthly cash flow forecasts for the trust.

Going Concern

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

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

FINANCIAL REVIEW

The majority of the MAT's income is obtained from the Education and Skills Funding Agency (ESFA) and Leicestershire County Council (LCC), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and LCC during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In addition, funds are received from various activities carried out to generate funds, such as any running costs of the MAT not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the Balance Sheet.

Reserves Policy

The trusts' policy is to generate reserves in order to fund future projects which will improve the educational experiences and outcomes for children and young people at any of the schools within OTP. The level and use of reserves are reviewed at least annually by the Board of Trustees.

At 31 August 2021, the trust's reserves totalled £14,750,000 the majority of which are held as restricted £14,392,000 with unrestricted of £358,000. The Trustees will review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The level of reserves will be kept under review by the Trustees taking into account the long-term plans outlined within the MAT or any school.

At 31 August 2021 the total funds comprised:

Unrestricted		£358,000
Restricted:	Fixed asset funds	£21,592,000
	Pension reserve	(£7,969,000)
	Other - GAG	£769,000

		£14,750,000
		=====

The deficit on the pension reserve relates to the Local Government Pension Scheme for non-teaching staff where, unlike the teachers scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from improved performance of the fund assets, reductions in the liabilities of the scheme, additional payments by the employer, increased Government funding or a combination thereof, among fluctuations in the valuation assumptions from time to time. The deficit is recognised in the financial statements in accordance with Financial Reporting Standards but there is no short-term requirement for the Multi-Academy Trust to settle this liability. Further details of the scheme are included in note 27 to the financial statements.

Investment Policy

Open Thinking Partnership and its schools aim to manage cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, Open Thinking Partnership aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is minimal risk of loss of these cash funds.

Our aim is to spend the public monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. Open Thinking Partnership and its schools do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. Adequate cash balances must be maintained to ensure that there are always sufficient funds in each school's current account to cover financial commitments such as payroll and day-to-day expenses. The MAT monitors cash flow on a regular basis and ensures that surplus funds are deposited so as to maximise interest, subject to only investing in almost risk free and immediately accessible deposit accounts.

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

Principal Risks and Uncertainties

The principal risks facing the MAT are included in the Risk Register and Management Plan and there is a risk based programme of audits throughout the year to include:

- Strategic and Reputational Risks – mitigated by robust ongoing self-evaluation, forward planning and risk management procedures.
- Operational Risks - mitigated by well documented controls and regular risk assessments, formal written policies and procedures reviewed on a regular basis.
- Operational risks during the pandemic - mitigated by regular risk assessments which have led to enhanced cleaning, additional hygiene resources and procedures, as well as robust use of PPE.
- Compliance Risk - mitigated by tiered accountability and regular assessment of compliance requirements.
- Financial Risks - the principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by strategic planning, where staffing to pupil ratio is led by the numbers on roll and the level of their needs.
- Other Financial Risks - mitigated by budget planning, monitoring and review, clear financial delegation levels and School Development Plans for each school within the trust which identify key strategic planning objectives and the resources required to achieve them. In addition, the trust holds a contingency reserve of £100,000. However, it should be noted that this is less than one month's salary bill.
- Capital Financial Risk - mitigated by close scrutiny of all capital project costs and adherence to the terms of any Condition Improvement Funding.
- Pupils - mitigated by strong safeguarding arrangements and health and wellbeing monitoring, tight evaluation and monitoring of progress made and destinations of pupils.
- Staffing - mitigated by clear safeguarding and vetting procedures as required by law to protect children and young people, a detailed induction programme and continuing professional development, including training teachers within school and working with local special schools on similar programmes.
- Physical - mitigated by management of premises including regular servicing, adherence to the Workplace (Health, Safety & Welfare) Regulations 1992 and Health and Safety at Work Act 1974. Also, there are regular condition surveys of premises leading to ongoing maintenance and the Trustees agreement to hold a contingency of at least £100,000 year on year for unforeseen capital costs.
- Governance - mitigated by strict adherence to the due diligence process for selection of new members and Trustees, formal agendas for trust and committee meetings, a detailed Scheme of Delegation and detailed terms of reference for all committees

FUNDRAISING

The MAT does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

'Friends of Dorothy Goodman School' involves staff, members of the local community and parents supporting the school. In previous years they have undertaken fund-raising events as well as 'come and help' events but these have been somewhat curtailed due to Covid arrangements and restrictions. The Friends of Dorothy Goodman School have their own accounts separate from that of the school. The fundraising events have been far fewer due to the pandemic. However, we have been lucky enough to be supported by many local charities, for example, we have been supported by the local Asda and a local Disney store providing additional resources and food for our holiday school programme.

Dorothy Goodman School also undertakes structured bids to charities whose mission is in line with our own philosophy and aims and we have been successful with a few. The Chief Finance and Operations Officer ensures the receipt of income and expenditure is in line with the charity's expectations. This is reported to the Finance and HR Committee and is in line with statutory accounting and reporting requirements.

The complaints policy is the same for fundraising as other aspects of the school and complies with recommended

**Open Thinking Partnership
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

guidance.

The name of Dorothy Goodman is protected by our processes of overseeing any charitable event which is being held by a third party. We seek agreement for the publicity and the Chief Finance and Operations Officer checks any materials before they are released and reports to other senior team members.

We use social media to seek donations to support our fundraising but do not make any direct approaches to private individuals thus ensuring vulnerable people are not subject to intrusive requests.

In this first year of opening The Fusion Academy, a charitable group has not been established. This is planned for future years when the capacity of families and staff is greater and more links with the community can be developed. During the last year The Fusion Academy has benefitted from donations in kind for support to the school, undertaking grounds work maintenance and providing books to support the library.

PLANS FOR FUTURE PERIODS

Open Thinking Partnership

Key priorities include:

- To ensure the schools within our multi-academy trust provide high quality education for all the children and young people on roll.
- Over the next three years to increase pupils on roll at The Fusion Academy using a phased approach until the school is up to capacity of 80 pupils.
- To develop the Board of Trustees so that succession planning is in place and membership ensures all roles are filled, providing a good relevant spread of expertise.
- To grow Open Thinking Partnership (subject to the pandemic) over the next three to five years, to include increasing the schools in the partnership initially up to five and to put plans in place for ten over the longer term.
- To ensure Outreach provided by the Open Thinking Partnership supports the inclusion of children and young people within mainstream providers locally as well as providing specialist support within the schools of the Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Open Thinking Partnership (a multi-academy trust) was registered from 1 August 2020 and is currently responsible for two schools: Dorothy Goodman School and The Fusion Academy.

**Open Thinking Partnership
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on Dec 8, 2021.....2021 and signed on the Board's behalf by:

.....
Christopher White
Chair of Trustees

Date: Dec 8, 2021

**OPEN THINKING PARTNERSHIP
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between the MAT and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

MAT Board of Trustees

Trustee	Meetings Attended	Out of a Possible
Christopher White	7	7
Anthony Carr	6	7
Simon Love	7	7
Caroline Henton	5	6
Laura Jeffs	6	6
Huw Williams	4	6
Peter Thomas	3	4
Lisa Bengi	3	3
Janet Thompson (by invitation)	7	7
Alison King (by invitation)	6	6

Despite the challenges of the pandemic the Trustees have continued to actively support and challenge the senior leadership team using virtual means for meetings.

**OPEN THINKING PARTNERSHIP
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**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Open Thinking Partnership has five members and eight Trustees, having recruited one new member and two new Trustees during the current financial year, after consideration of the additional skills that were required.

The Chief Executive Officer and Chief Finance and Operations Officer attend Trustee meetings and support Local Governing Committees at each school when required.

The Trustees have ensured all necessary roles and responsibilities have been delegated to ensure effective monitoring and evaluation of the trust and schools' work.

The Board of Trustees has commissioned an independent external review of governance at the MAT, which will take place early in 2022.

Each school has a Local Governing Committee. The committees are provided with detailed reports, by the Senior Leadership Team, on all aspects of their school's operations and outcomes for young people, and these reports are carefully considered. The Trustees are given overview reports about each school and detailed reports about the MAT as a whole.

The Finance and HR Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- undertake the initial review and authorisation of the annual budgets prior to final approval by the Board of Trustees;
- regularly monitor actual expenditure and income against budgets;
- ensure the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the ESFA guidance issued to Academies;
- review the reports of the Responsible Officers on the effectiveness of the financial procedures and controls;
- ensure compliance with legislation and guidance for financial and staffing issues throughout the MAT;
- undertake the responsibilities of the Audit Committee. (A separate Audit Committee was established in September 2021);
- review expenditure in line with the MAT's strategic plans;
- review the effectiveness of staffing structures on the performance and wellbeing of staff and pupils; and
- evaluate and support recruitment to ensure the necessary expertise is available across the MAT within the parameters of the budget.

**OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

MAT Finance and HR Committee

Trustee	Meetings Attended	Out of a Possible
Christopher White	7	7
Simon Love	7	7
Anthony Carr	7	7
Caroline Henton	5	6
Janet Thompson (by invitation)	7	7
Alison King (by invitation)	7	7

In accordance with the Open Thinking Partnership's strategic vision the Quality of Education Committee holds the Trust accountable for:

- ensuring the schools within our trust provide high quality education for all the children and young people on roll by challenging and supporting matters related to student achievement and attainment, curriculum, teaching and learning, attendance and behaviour/engagement.
- ensuring safeguarding is effective within all our schools
- providing education and support (via outreach) to ensure high quality SEND provision locally.
- To support, challenge, decide and determine matters related to student achievement and attainment, curriculum, teaching and learning, attendance and behaviour/engagement.

The Committee endeavours to ensure that all schools secure a Good or better Ofsted judgement within at least three years of opening or within two years of joining the OTP in accordance with the criteria in the Education Inspection Framework for:

- the quality of education
- behaviour and attitudes
- personal development
- leadership and management
- early years education
- the sixth form

**OPEN THINKING PARTNERSHIP
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**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

MAT Quality of Education Committee

Trustee	Meetings Attended	Out of a Possible
Laura Jeffs	2	2
Caroline Henton	2	2
Peter Thomas	2	2
Janet Thompson (by invitation)	2	2

Dorothy Goodman School Local Governing Committee

Governor	Meetings Attended	Out of a Possible
Anthony Carr	3	3
Kelly Dryden	3	3
Danielle Holder	3	3
Melissa Beacall	3	3
Wendy Jeffs	3	3
Michelle O'Brien	3	3
Ahsen Ather	1	2
Heather Reid	1	1
Janet Thompson (by invitation)	3	3

The Fusion Academy Local Governing Committee

Governor	Meetings Attended	Out of a Possible
Huw Williams	3	3
Sarah Peck	3	3
John Simpson	2	3
Donna Bowater	3	3
Laura Brookhouse	2	2
Adesola Adesokan	1	2
Janet Thompson (by invitation)	3	3
Laura Jeffs (by invitation)	1	1

**OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF VALUE FOR MONEY

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

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

- Enhancing staff capacity within the central trust team and in schools, which can in turn be shared across the trust to improve the outcomes for our children and young people, supporting sustainable growth.
- Continuous professional development across the trust, developing the skills and knowledge of personnel in all roles within the trust, enabling better succession planning for future leaders and teachers throughout the trust.
- Joint commissioning of shared services across the two schools, particularly in relation to therapy and IT support.
- Contract savings in the areas of waste management and collection; learning resources within the classroom, fleet leases, copier and equipment leases.
- Our response to the pandemic enabled trust resources and expertise to provide support across the schools and keep the quality of teaching and learning high, while also giving due regard to keeping our children, young people and staff safe.
- The trust maintains procedures and systems of financial control which meet the requirements of efficiency and financial regulation and in line with the funding agreement with the ESFA. The trust ensures that resources purchased are both appropriate and in line with the Academies Handbook.
- The trust has ensured a continual focus on best value and understands the value of our assets and how they can be used effectively to support pupils in its' schools. The trust robustly supports fair competition through quotations and tenders, which ensures that goods and services are secured in the most economic, efficient and effective way.
- The schools of the trust are members of the purchasing consortium Eastern Shires Purchasing Organisation, which is a non-profit making organisation providing an effective procurement service in a range of products and service.
- As a newly formed trust we are managing our Service Level Agreements and contracts for services and at the point of renewal seeking cost savings, efficiencies and value for money.
- The trust is responsive to national directives and policy changes and as a growing MAT we acknowledge that there will need to be a continuous review of our procedures and systems to

**OPEN THINKING PARTNERSHIP
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**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

ensure that value for money is at the heart of everything we do and to enhance the learning opportunities for our pupils.

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 Open Thinking Partnership for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The role of Internal Audit is to review the effectiveness of the internal control environment, and to make recommendations where it is felt necessary.

Internal Audit is not responsible for internal control within an organisation; it is responsible for reporting on the effectiveness of internal controls that management have put in place.

**OPEN THINKING PARTNERSHIP
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**GOVERNANCE STATEMENT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Audit Scope: In line with the Public Sector Internal Audit Standards 2017, this audit engagement has been completed using a risk based approach, which seeks to provide independent assurance that:-

- Key risks are identified and actively managed
- A sound framework of controls is in place that adequately and effectively reduces risks to an acceptable level

The management of risk (including internal control arrangements) was evaluated in the following areas:-

1. Governance - Policies and Procedures
2. Governance - "Second Line of Defence"
3. Risk Management
4. Budgetary Planning and Control
5. Budgetary Reporting
6. Payroll
7. Financial Efficiency
8. Bank And Cash
9. Making Supplier Payments by Payment Card
10. Making Supplier Payment by Bacs
11. Ordering & Payment Procedures - General
12. Income Generation – Invoicing Procedures
13. Payroll

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

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive 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 financial management and governance self-assessment process; and
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on Dec 8, 20212021 and signed on its behalf by:


Chris White (Dec 8, 2021 12:08 GMT)
.....
Christopher White
Chair of Trustees


Janet Thompson (Dec 8, 2021 12:40 GMT)
.....
Janet Thompson
Accounting Officer

**OPEN THINKING PARTNERSHIP
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2021**

As Accounting Officer of Open Thinking Partnership 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 funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

.....
Janet Thompson
Accounting officer

Dec 8, 2021
..... 2021

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 of Trustees and signed on its behalf by:

.....
Christopher White
Chair of Trustees

Date: Dec 8, 2021

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OPEN THINKING PARTNERSHIP

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

OPEN THINKING PARTNERSHIP
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OPEN THINKING PARTNERSHIP (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report, and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OPEN THINKING PARTNERSHIP (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Obtaining and understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the Academy Trust financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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

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

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

Use of our report

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

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson (Statutory Auditor)

Leicester, United Kingdom

Date: 15 December 2021

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OPEN
THINKING PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Open Thinking Partnership during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Open Thinking Partnership's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Open Thinking Partnership's funding agreement with the Secretary of State for Education dated 30 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

Conclusion

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

Reporting Accountant
MHA MacIntyre Hudson (Statutory Auditor)
Leicester, United Kingdom

Date: 15 December 2021

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants	3	2	28	6,752	6,782	158
Charitable activities:	4					
Funding for the Academy Trust's educational operations		-	8,000	-	8,000	6,474
Other trading activities	5	34	-	-	34	23
Total income		36	8,028	6,752	14,816	6,655
Expenditure on:						
Raising funds	6	28	-	-	28	24
Charitable activities:	7					
Academy Trust educational operations		-	8,167	508	8,675	7,178
Total expenditure	8	28	8,167	508	8,703	7,202
Net income/(expenditure)		8	(139)	6,244	6,113	(547)
Transfers between funds	19	-	(287)	287	-	-
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	27	-	(1,867)	-	(1,867)	(86)
Net movement in funds		8	(2,293)	6,531	4,246	(633)
Total funds brought forward		350	(4,907)	15,061	10,504	11,137
Net movement in funds		8	(2,293)	6,531	4,246	(633)
Total funds carried forward		358	(7,200)	21,592	14,750	10,504

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

The notes on pages 33 to 67 form part of these financial statements.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08071851

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	15	21,609	15,079
		<u>21,609</u>	<u>15,079</u>
Current assets			
Debtors	16	228	205
Cash at bank and in hand	24	2,193	1,285
		<u>2,421</u>	<u>1,490</u>
Creditors: amounts falling due within one year	17	(1,298)	(774)
Net current assets		<u>1,123</u>	<u>716</u>
Total assets less current liabilities		<u>22,732</u>	<u>15,795</u>
Creditors: amounts falling due after more than one year	18	(13)	(18)
Net assets excluding pension liability		<u>22,719</u>	<u>15,777</u>
Defined benefit pension scheme liability	27	(7,969)	(5,273)
Total net assets		<u><u>14,750</u></u>	<u><u>10,504</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	19	21,592	15,061
Restricted income funds	19	769	366
		<u>22,361</u>	<u>15,427</u>
Restricted funds excluding pension asset	19	22,361	15,427
Pension reserve	19	(7,969)	(5,273)
Total restricted funds	19	<u>14,392</u>	<u>10,154</u>
Unrestricted income funds	19	<u>358</u>	<u>350</u>
Total funds		<u><u>14,750</u></u>	<u><u>10,504</u></u>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08071851

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 29 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Christopher White
Chair of Trustees

.....
Janet Thompson
Accounting Officer

Date: Dec 8, 2021

The notes on pages 33 to 67 form part of these financial statements.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	<i>2020</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	21	1,199	842
Cash flows from investing activities	23	(286)	<i>(205)</i>
Cash flows from financing activities	22	(5)	<i>(4)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		908	633
Cash and cash equivalents at the beginning of the year		1,285	652
Cash and cash equivalents at the end of the year	24	2,193	<i>1,285</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 33 to 67 form part of these financial statements.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Open Thinking Partnership meets the definition of a public benefit entity under FRS 102.

Open Thinking Partnership is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operations and registered number are detailed on page 2. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency is rounded to the nearest £1,000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future 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.

This consideration has taken into account the expected impact of COVID-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

1.3 Income

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

- **Grants**

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

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) where 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 fixed assets (excluding transfers on conversion or into the Academy Trust)**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold land	- 0.8% straight-line per annum
Long leasehold buildings	- 2% straight-line per annum
Long leasehold property improvements	- 2% straight-line per annum
Furniture and equipment	- 10% straight-line per annum
Plant and machinery	- 15% straight-line per annum
Computer equipment	- 20% straight-line per annum
Motor vehicles	- 20% straight-line per annum

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.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Taxation

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

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Provisions

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

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 Pensions (continued)

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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1.14 Fund accounting

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

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

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

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

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

2. 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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The fair value of donated land on acquisition is estimated based on the most recent ESFA desktop valuation, at the time of donation, of other land within the Trust.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those covering the choice of depreciation policies and asset lives.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

3. Donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donated fixed assets	-	-	5,845	5,845
Donated land	-	-	887	887
Capital grants	-	-	20	20
Other donations	2	28	-	30
Total 2021	2	28	6,752	6,782
	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Donations	4	117	-	121
Capital grants	-	-	37	37
<i>Total 2020</i>	4	117	37	158

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants		
General Annual Grant (GAG)	3,580	3,580
Other DfE/ESFA grants		
Pupil Premium	121	121
Teachers' Pay and Pension Grant	241	241
Other DfE/ESFA grants	50	50
	3,992	3,992
Other Government grants		
Local Authority grants	3,823	3,823
Other grants	1	1
	3,824	3,824
Other income from the Academy Trust's educational operations	34	34
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	85	85
Other DfE/ESFA COVID-19 funding	65	65
	150	150
Total 2021	8,000	8,000

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

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

	<i>As restated restricted funds 2020 *</i>	<i>As restated total funds 2020 *</i>
	<i>£000</i>	<i>£000</i>
DfE/ESFA grants		
General Annual Grant (GAG)	3,055	3,055
Other DfE/ESFA grants		
Pupil Premium	112	112
Teachers' Pay and Pension Grant	198	198
Other DfE/ESFA grants	82	82
	3,447	3,447
Other Government grants		
Local Authority grants	2,775	2,775
Start up grants	162	162
Other grants	21	21
	2,958	2,958
Other income from the Academy Trust's educational operations	69	69
	6,474	6,474
<i>Total 2020</i>	<i>6,474</i>	<i>6,474</i>

*Following the reclassification in the Academies Accounts Direction 2020/2021 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Pupil Premium and Teacher's Pay and Pension Grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £85,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £85,000.

There are no unfulfilled conditions or other contingencies attached to the Government grants above.

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

5. Other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Catering income	26	26
Other income	8	8
Total 2021	<u>34</u>	<u>34</u>

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Hire of facilities	2	2
Catering income	20	20
Other income	1	1
<i>Total 2020</i>	<u>23</u>	<u>23</u>

6. Expenditure on raising funds

	Unrestricted funds 2021 £000	Total funds 2021 £000
Catering costs	26	26
Other expenditure	2	2
Total 2021	<u>28</u>	<u>28</u>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

6. Expenditure on raising funds (continued)

	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Catering costs	19	19
Other expenditure	5	5
<i>Total 2020</i>	<u>24</u>	<u>24</u>

7. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000
Educational Operations	<u>6,925</u>	<u>1,750</u>	<u>8,675</u>

	<i>Direct costs 2020 £000</i>	<i>Support costs 2020 £000</i>	<i>Total funds 2020 £000</i>
Educational Operations	<u>5,673</u>	<u>1,505</u>	<u>7,178</u>

OPEN THINKING PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2021 £000	Total funds 2021 £000
Staff costs	6,338	6,338
Educational supplies	29	29
Examination fees	6	6
Staff development	38	38
Other direct costs	6	6
Depreciation	508	508
Total 2021	6,925	6,925
	<i>Educational Operations 2020 £000</i>	<i>Total funds 2020 £000</i>
Staff costs	5,216	5,216
Educational supplies	15	15
Examination fees	5	5
Staff development	34	34
Other direct costs	34	34
Depreciation	369	369
<i>Total 2020</i>	<i>5,673</i>	<i>5,673</i>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2021 £000	Total funds 2021 £000
Pension finance cost (note 14)	95	95
Staff costs	612	612
Technology costs	49	49
Travel and subsistence	48	48
Recruitment and support	11	11
Maintenance of premises and equipment	190	190
Cleaning	65	65
Rates and water	68	68
Energy costs	66	66
Insurance	47	47
Catering	66	66
Professional fees	86	86
Other support costs	309	309
Governance costs	38	38
Total 2021	<u>1,750</u>	<u>1,750</u>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational Operations 2020 £000</i>	<i>Total funds 2020 £000</i>
Pension finance costs (note 14)	90	90
Staff costs	581	581
Technology costs	33	33
Travel and subsistence	32	32
Recruitment and support	10	10
Maintenance of premises and equipment	208	208
Cleaning	33	33
Rates and water	20	20
Energy costs	55	55
Insurance	46	46
Catering	56	56
Legal and professional	51	51
Other support costs	266	266
Governance costs	24	24
<i>Total 2020</i>	<u>1,505</u>	<u>1,505</u>

8. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on raising funds:				
Direct costs	-	-	28	28
Academy Trust's educational operations:				
Direct costs	6,338	443	144	6,925
Support costs	707	377	666	1,750
Total 2021	<u>7,045</u>	<u>820</u>	<u>838</u>	<u>8,703</u>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

8. Expenditure (continued)

	<i>Staff Costs</i> 2020 £000	<i>Premises</i> 2020 £000	<i>Other</i> 2020 £000	<i>Total</i> 2020 £000
Expenditure on raising funds:				
Direct costs	-	-	24	24
Academy Trust's educational operations:				
Direct costs	5,216	316	141	5,673
Support costs	671	316	518	1,505
<i>Total 2020</i>	<u>5,887</u>	<u>632</u>	<u>683</u>	<u>7,202</u>

9. Net income/(expenditure)

Net expenditure for the year includes:

	2021 £000	2020 £000
Operating lease rentals	23	18
Depreciation of tangible fixed assets	508	369
Fees paid to auditors for:		
- audit services	19	19
- other services	9	5
	<u>9</u>	<u>5</u>

OPEN THINKING PARTNERSHIP
(A Company Limited by Guarantee)

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	4,759	3,985
Social security costs	366	277
Pension costs	1,756	1,494
	6,881	5,756
Agency staff costs	69	41
Pension finance cost (note 14)	95	90
	7,045	5,887

b. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teaching	37	32
Management	8	7
Administration and support	211	189
	256	228

c. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £70,001 - £80,000	1	1
In the band £110,001 - £120,000	1	1

The above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these members of staff amounted to £44,824 (2020: £43,737).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

d. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership 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 £719,110 (2020: £651,084).

11. Central services

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

- Staffing
- Indirect Employee Expenses
- Other (non-educational)
- IT
- Legal services
- Financial Services
- Audit

The Academy Trust charges for these services on the following basis:

- Other basis - as costs arise.

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Dorothy Goodman School	248	-
Fusion Academy	56	-
Total	304	-

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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an 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. The value of Trustees' remuneration and other benefits was as follows:

		2021	<i>2020</i>
		£000	<i>£000</i>
Janet Thompson, Headteacher and Accounting Officer (Resigned as Trustee 31 July 2020)	Remuneration	-	<i>110 - 115</i>
	Pension contributions paid	-	<i>25 - 30</i>
Ian Coe, Staff Trustee (Resigned 7 October 2019)	Remuneration	-	<i>0 - 5</i>
	Pension contributions paid	-	<i>0 - 5</i>
Danielle Holder, Staff Trustee (Resigned from MAT board 1 August 2020)	Remuneration	-	<i>35 - 40</i>
	Pension contributions paid	-	<i>5 - 10</i>
Melissa Beacall, Staff Trustee, (Appointed 1 June 2020, Resigned from MAT board 1 August 2020)	Remuneration	-	<i>0 - 5</i>
	Pension contributions paid	-	<i>0 - 5</i>

During the year ended 31 August 2021, no Trustees were reimbursed or paid directly expenses that have been incurred (*2020: £12 to 1 Trustee was reimbursed or paid directly expenses that have been incurred in respect of travel and subsistence*).

Other related party transactions involving the Trustees are set out in note 28.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2021 was £17 (*2020: £272*). The cost of this insurance is included in the total insurance cost.

14. Pension finance cost

	2021	<i>2020</i>
	£000	<i>£000</i>
Expected return on pension scheme assets	97	<i>98</i>
Interest on pension scheme liabilities	(192)	<i>(188)</i>
	(95)	<i>(90)</i>

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

	Long leasehold land and buildings £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 September 2020	16,603	171	23	255	45	17,097
Additions	6,904	48	-	86	-	7,038
At 31 August 2021	<u>23,507</u>	<u>219</u>	<u>23</u>	<u>341</u>	<u>45</u>	<u>24,135</u>
Depreciation						
At 1 September 2020	1,715	71	22	165	45	2,018
Charge for the year	443	19	1	45	-	508
At 31 August 2021	<u>2,158</u>	<u>90</u>	<u>23</u>	<u>210</u>	<u>45</u>	<u>2,526</u>
Net book value						
At 31 August 2021	<u><u>21,349</u></u>	<u><u>129</u></u>	<u><u>-</u></u>	<u><u>131</u></u>	<u><u>-</u></u>	<u><u>21,609</u></u>
At 31 August 2020	<u><u>14,888</u></u>	<u><u>100</u></u>	<u><u>1</u></u>	<u><u>90</u></u>	<u><u>-</u></u>	<u><u>15,079</u></u>

Included in the cost of long term leasehold property is long leasehold land valued at £1,261,900 (2020: £1,261,900) on conversion in 2013 by Andrea Hopkins MRICS, using the depreciated replacement cost method.

Additions of £6,731,000 to leasehold property in the year were in respect of the valuation of the land and buildings at Fusion Academy, this being the cost of the construction of the building and an estimate of the fair value of the land based on the most recent desktop valuation by the ESFA of other land within the Trust.

Additions of £173,000 to leasehold property improvements in the year were in respect of electrical works, kitchen works and replacement windows at the Academy Trust.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year leasehold over the land and buildings.

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

16. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	1	-
VAT recoverable	33	37
Prepayments and accrued income	194	168
	228	205
	228	205

17. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Other loans	5	5
Trade creditors	(2)	-
Other taxation and social security	90	74
Other creditors	113	238
Accruals and deferred income	1,092	457
	1,298	774
	1,298	774
	2021 £000	2020 £000
Deferred income at 1 September 2020	319	9
Resources deferred during the year	876	319
Amounts released from previous periods	(319)	(9)
Deferred income at 31 August 2021	876	319
	876	319

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals and SEN top-up funding for 2021/2022 Academic year.

Included within other loans is one loan totalling £4,673 (2020: £4,673) for Salix Finance in respect of Dorothy Goodman School. The loan is interest free and repayable at an amount of £4,673 annually. The loan will be fully repaid by September 2024. The loan was pre-approved by the Secretary of State, and provided by The Education and Skills Funding Agency through the Conditional Improvement Fund for the build of the new school site.

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

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	13	<i>18</i>

Included within other loans is one loan totalling £12,981 (2020: £17,654) for Salix Finance in respect of Dorothy Goodman School. The loan is interest free and repayable at an amount of £4,673 annually. The loan will be fully repaid by September 2024. The loan was pre-approved by the Secretary of State, and provided by The Education and Skills Funding Agency through the Conditional Improvement Fund for the build of the new school site.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General funds	350	36	(28)	-	-	358
Restricted general funds						
General Annual Grant (GAG)	268	3,580	(2,809)	(270)	-	769
Pupil Premium	-	121	(121)	-	-	-
Teachers' Pay and Pension Grant	-	241	(241)	-	-	-
Other DfE/ESFA grants	-	50	(50)	-	-	-
Local Authority grants	-	3,823	(3,823)	-	-	-
Local Authority start up grants	88	-	(72)	(16)	-	-
Other Government grants	-	1	(1)	-	-	-
Other income	10	34	(44)	-	-	-
Catch-up premium	-	85	(85)	-	-	-
Other DfE/ESFA COVID-19 funding	-	65	(65)	-	-	-
Donations	-	28	(27)	(1)	-	-
Pension reserve	(5,273)	-	(829)	-	(1,867)	(7,969)
	<u>(4,907)</u>	<u>8,028</u>	<u>(8,167)</u>	<u>(287)</u>	<u>(1,867)</u>	<u>(7,200)</u>
Restricted fixed asset funds						
Net book value of fixed assets	15,079	-	(508)	7,038	-	21,609
Capital grants (DFC)	5	20	-	(24)	-	1
Donations	-	6,732	-	(6,732)	-	-
Salix loan	(23)	-	-	5	-	(18)
	<u>15,061</u>	<u>6,752</u>	<u>(508)</u>	<u>287</u>	<u>-</u>	<u>21,592</u>
Total Restricted funds	<u>10,154</u>	<u>14,780</u>	<u>(8,675)</u>	<u>-</u>	<u>(1,867)</u>	<u>14,392</u>
Total funds	<u><u>10,504</u></u>	<u><u>14,816</u></u>	<u><u>(8,703)</u></u>	<u><u>-</u></u>	<u><u>(1,867)</u></u>	<u><u>14,750</u></u>

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

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust at the discretion of the Trustees.

General Annual Grant (GAG)

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

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

Transfers of £265,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets. Transfers of £5,000 from restricted funds to the restricted fixed asset fund represents the repayments on the Salix loan.

Pupil Premium

Additional funds from the Education and Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations.

Other Government grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects. Transfers of £16,000 from restricted funds to the restricted fixed asset fund represents allocations from start up grants towards fixed assets.

Other donations

This consists of donations from all other sources to be used primarily for Academy Trust's educational operations. Transfers of £1,000 from restricted funds to the restricted fixed asset fund represents allocations from donations towards fixed assets.

Other income

These consist of income from all other sources to be used primarily for the Academy Trust's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit but given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

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19. Statement of funds (continued)

Restricted fixed asset fund

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in long leasehold land and buildings, furniture and equipment, plant and machinery, computer equipment and motor vehicles. Also included in the funds is depreciation charged on fixed assets held. Transfers of £265,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets. Transfers of £16,000 from restricted funds to the restricted fixed asset fund represents allocations from start up grants towards fixed assets. Transfers of £1,000 from restricted funds to the restricted fixed asset fund represents allocations from donations towards fixed assets.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the ESFA, and capital grants from the LCC. The DFC is to be used for ICT items, improvements to buildings and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Salix loans

This fund includes a loan from the ESFA which were taken out to fund a new building. The fund is in deficit and the balance is being paid off through the GAG over the terms of the loan. Transfers of £5,000 from restricted funds to the restricted fixed asset fund represents the repayments on the Salix loan.

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

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

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
Unrestricted funds						
General funds	383	27	(24)	(36)	-	350
Restricted general funds						
General Annual Grant (GAG)	7	3,055	(2,724)	(70)	-	268
Pupil Premium	-	112	(112)	-	-	-
Teachers' Pay and Pension Grant	-	198	(198)	-	-	-
Other DfE/ESFA grants	48	68	(81)	(35)	-	-
Local Authority grants	-	2,796	(2,796)	-	-	-
Local Authority start up grants	-	162	(74)	-	-	88
Local Authority capital grants	-	-	(34)	34	-	-
Other income	-	186	(69)	(107)	-	10
Pension reserve	(4,466)	-	(721)	-	(86)	(5,273)
	<u>(4,411)</u>	<u>6,577</u>	<u>(6,809)</u>	<u>(178)</u>	<u>(86)</u>	<u>(4,907)</u>
Restricted fixed asset funds						
Net book value of fixed assets	15,192	-	(369)	256	-	15,079
Capital grants (DFC)	-	14	-	(9)	-	5
Capital grants (LCC)	-	37	-	(37)	-	-
Salix loan	(27)	-	-	4	-	(23)
	<u>15,165</u>	<u>51</u>	<u>(369)</u>	<u>214</u>	<u>-</u>	<u>15,061</u>
Total Restricted funds	<u>10,754</u>	<u>6,628</u>	<u>(7,178)</u>	<u>36</u>	<u>(86)</u>	<u>10,154</u>
Total funds	<u><u>11,137</u></u>	<u><u>6,655</u></u>	<u><u>(7,202)</u></u>	<u><u>-</u></u>	<u><u>(86)</u></u>	<u><u>10,504</u></u>

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

Total funds analysis by Academy Trust

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	<i>2020 £000</i>
Dorothy Goodman School	910	628
Fusion Academy	164	88
Central	53	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,127	716
Restricted fixed asset fund	21,592	15,061
Pension reserve	(7,969)	(5,273)
	<hr/>	<hr/>
Total	14,750	<i>10,504</i>
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by Academy Trust

Expenditure incurred by each Academy Trust during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Dorothy Goodman School	4,988	436	65	854	6,343
Fusion Academy	583	71	13	104	771
Central	33	105	1	113	252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	5,604	612	79	1,071	7,366
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

19. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2020 £000</i>
Dorothy Goodman School	4,534	576	85	831	6,026
Fusion Academy	51	5	2	28	86
Academy Trust	4,585	581	87	859	6,112

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	21,609	21,609
Current assets	358	2,062	1	2,421
Current liabilities	-	(1,293)	(5)	(1,298)
Non-current liabilities	-	-	(13)	(13)
Pension scheme liability	-	(7,969)	-	(7,969)
Total 2021	358	(7,200)	21,592	14,750

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	-	-	15,079	15,079
Current assets	350	1,135	5	1,490
Current liabilities	-	(769)	(5)	(774)
Non-current liabilities	-	-	(18)	(18)
Pension scheme liability	-	(5,273)	-	(5,273)
Total 2020	350	(4,907)	15,061	10,504

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

	2021 £000	2020 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	6,113	(547)
Adjustments for:		
Depreciation (note 15)	508	369
Capital grants from DfE and other capital income (note 3 and 4)	(20)	(51)
Non-cash donated fixed assets (note 15)	(6,732)	-
Defined benefit pension scheme cost less contributions payable (note 26)	734	631
Defined benefit pension scheme finance cost (note 14)	95	90
Increase in debtors (note 16)	(23)	(2)
Increase in creditors (note 17)	524	352
Net cash provided by operating activities	1,199	842

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22. Cash flows from financing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
Repayments of borrowing (note 18)	(5)	(4)
Net cash used in financing activities	(5)	<i>(4)</i>

23. Cash flows from investing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets (note 15)	(306)	(256)
Capital grants from DfE Group (note 3 and 4)	20	51
Net cash used in investing activities	(286)	<i>(205)</i>

24. Analysis of cash and cash equivalents

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash in hand and at bank	2,193	1,285
Total cash and cash equivalents	2,193	<i>1,285</i>

25. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£000	£000	£000
Cash at bank and in hand	1,285	908	2,193
Debt due within 1 year	(5)	-	(5)
Debt due after 1 year	(18)	5	(13)
	1,262	913	2,175

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NOTES TO THE FINANCIAL STATEMENTS
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26. Capital commitments

	2021	<i>2020</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	154	-

27. Pension commitments

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

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

Contributions amounting to £112,751 were payable to the schemes at 31 August 2021 (2021: £96,145) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £395,000 (2020: £303,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £784,000 (2020: £696,000), of which employer's contributions totalled £620,000 (2020: £561,000) and employees' contributions totalled £164,000 (2020: £135,000). The agreed contribution rates for future years are 22.2% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Principal actuarial assumptions

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

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

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

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	(457)	(332)
Discount rate -0.1%	457	332
Mortality assumption - 1 year increase	611	424
Mortality assumption - 1 year decrease	(611)	(424)
CPI rate +0.1%	418	300
CPI rate -0.1%	(418)	(300)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Share of scheme assets

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Equities	4,240	<i>3,140</i>
Bonds	2,120	<i>1,543</i>
Property	512	<i>426</i>
Cash	438	<i>213</i>
Total market value of assets	7,310	<i>5,322</i>

The actual return on scheme assets was £1,247,000 (2020: £98,000).

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Current service cost	(1,352)	<i>(1,154)</i>
Past service cost	-	<i>(38)</i>
Interest income	97	<i>98</i>
Interest cost	(192)	<i>(188)</i>
Total amount recognised in the Statement of Financial Activities	(1,447)	<i>(1,282)</i>

The Academy Trust expects to contribute £619,000 to its defined benefit pension scheme in 2022.

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	10,595	<i>9,274</i>
Current service cost	1,352	<i>1,154</i>
Past service cost	-	<i>38</i>
Interest cost	192	<i>188</i>
Employee contributions	164	<i>135</i>
Actuarial losses/(gains)	3,017	<i>(138)</i>
Benefits paid	(41)	<i>(56)</i>
At 31 August	15,279	<i>10,595</i>

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27. Pension commitments (continued)

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	5,322	<i>4,808</i>
Interest income	97	<i>98</i>
Actuarial gains/(losses)	1,150	<i>(224)</i>
Employer contributions	618	<i>561</i>
Employee contributions	164	<i>135</i>
Benefits paid	(41)	<i>(56)</i>
At 31 August	7,310	<i>5,322</i>

28. Operating lease commitments

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Within 1 year	10	<i>12</i>
Between 1 and 5 years	16	<i>-</i>
	26	<i>12</i>

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

During the year Open Thinking Partnership was invoiced £53,602 (2020: £Nil) by The Futures Trust, a Trust in which Trustee Peter Thomas is a Director. The invoices were for utilities and inclusion lessons at Hinckley Academy, by their Multi Academy Trust. At the year end Open Thinking Partnership owed £3,782 (2020: £0 from The Futures Trust as in the previous financial year 2019/2020 invoices were issued directly by Hinckley Academy to The Futures Trust).

No further related party transactions took place in the year ended 31 August 2021, other than certain Trustees' remuneration and expenses already disclosed in note 12.

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30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2021 the Academy Trust received £3,701 and disbursed £3,701 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA. Comparatives for the accounting year ending 31 August 2020 are £4,935 received, £4,935 disbursed and £Nil included in other creditors.

31. Company Limited by Guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

32. Members' liability

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