

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 – 13
Governance Statement	14 – 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 – 24
Independent Reporting Accountant's Report on Regularity	25 – 26
Statement of Financial Activities Incorporating Income and Expenditure Account	27
Balance Sheet	28 – 29
Statement of Cash Flows	30
Notes to the Financial Statements	31 – 60

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022

Members

Janet Price-Jones
Stephen Bettles
Richard Holding
Philippa Clare
Joanne Holyland (Resigned as a member 4 October 2022)
Penny Walker Barber (Appointed 4 October 2022)

Trustees

Janet Price-Jones	(Chair of Trustees)
Stephen Bettles	
Julian Kirby	(Headteacher & Accounting Officer)
Richard Holding	(Vice Chair of Trustees)
Penny Walker Barber	(Resigned 8 July 2022)
Joanne Holyland	
Duncan Haworth	(Resigned 25 May 2022)
Carmella Hunt	
Susan Campbell	
Malcolm Maguire	
Tom Campbell	
Kirsty Cutri	
Natalie Thompson	(Appointed 6 May 2022)
Paula Henegan	(Appointed 4 October 2022)

Company Secretary

H Chadwick

Senior Leadership Team

J Kirby	(Headteacher)
A Hunter	(Deputy Headteacher)
R Salter	(Assistant Headteacher)
N Tebbatt	(Assistant Headteacher)
A Mehta	(Assistant Headteacher)
C Creed	(Operations Manager – Support Staff)
H Chadwick	(Chief Financial Officer)

Company Name

Lutterworth High School Academy Trust

Principal and Registered Office

Woodway Road
Lutterworth
Leicestershire
LE17 4QH

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Company Registered Number

07687235 (England & Wales)

Independent Auditor

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

Bankers

Lloyds Banking Group
4 Bell Street
Lutterworth
Leicestershire
LE17 4DW

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2021 to 3 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report and Strategic Report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area covering Lutterworth Town and the outlying villages, including borders of Warwickshire and Northamptonshire. It has a pupil capacity of 771 and had a roll of 840 in the school census on 1 October 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Lutterworth High School Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Lutterworth High School Academy.

On 16 February 2022 the Trustees signed a deed of variation to adopt the most up to date funding agreement, the agreement was dated 16 February 2022. Prior to this, the original funding agreement was dated 1 August 2011.

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 Academy Trust. The cost of this insurance is included within the RPA policy.

Method of Recruitment and Appointment or Election of Trustees

Members may agree unanimously to appoint additional members as they see fit and they may unanimously in writing agree to remove members other than a member appointed by the secretary of state.

In line with the Academy Trust Handbook, the Trust are working towards ensuring that the majority of Members are independent of the Board of Trustees. They aim to do this by retaining Trustees who have resigned to stay on as members, providing knowledge without reducing objectivity.

Recruitment of Trustees is outlined in the Memorandum of Articles.

Members may appoint up to 6 Trustees.

Trustees may Co-opt up to 3 Trustees.

The appointment of Staff Trustees is via a process of a staff ballot/election.

Appointment of Parent Trustees is made via parent election.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction of Trustees will depend on the skills and experience of each individual Trustee. The Academy purchases support from Governor Support and Development Service provided by Leicestershire County Council in the form of a Service Level Agreement (SLA). The SLA provides individual and FGB training through an annual course Directory which is reviewed each year to reflect any changes in practice and legislation. They also offer bespoke onsite training to suit the needs of Trustees. Trustees also have access to an information resource – The Key, in addition to the weekly updates from GSD. The Academy has delegated the responsibility for Trustee training to a nominated Trustee (Janet Price-Jones). A full log of Trustee training is maintained by the Clerk and feedback on training is shared with the Board of Trustees.

Organisational Structure

The Board meet at least annually to appoint new Members and to receive the annual accounts. The Board of Trustees (FGB) meet at least 3 times per year and at each meeting they receive the minutes and reports of the following sub-committees:

1. Personnel and Finance Committee – which meets at least 3 times per year;
2. Audit Committee – created with effect from June 2020 (originally part of P&F Committee);
3. Operations and Estates Committee – which meets at least 3 times per year;
4. Achievement and Attainment Committee – which meets 3 times per year; and
5. Pay Committee – meets once per year to discuss Teachers' progression and Headteacher's pay.

The day-to-day management of the school is delegated to the Headteacher who has appointed a Senior Leadership Team who meet weekly to discuss both strategic and day-to-day responsibilities.

The Senior Leadership Team (SLT) comprises the Headteacher (Accounting Officer), Deputy Headteacher, 3 Assistant Headteachers and the Operations Manager. The Chief Financial Controller works 3.5 days a week and supports the SLT, meeting both with the Headteacher and Deputy on a monthly basis to discuss the financial affairs of the Academy. The Senior Leadership Team direct the Academy at an executive level implementing policies agreed by the Trustees and reporting back to them.

Heads of Department are responsible for the day-to-day operation of curriculum subject areas and organisation of their teaching staff, capitation resources, facilities and students.

All staff within the SLT have delegated responsibility for line managing budget holders and their area spending.

A scheme of delegation has been approved which provides a clear line of delegation at all levels.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust recognises its responsibility to:

- Adopt a Pay Policy to provide a clear framework for the management of pay and grading issues for all staff employed in the school.
- Ensure a fair and transparent policy to determine the pay and grading for all staff employed in the school, which takes account of the conditions of service under which staff are employed.
- Comply with relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

- Adopt a whole school approach to pay issues. Pay decisions will take account of the resources available to the school. The school staffing structure will support the school improvement plan. The Board of Trustees will exercise its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in school pay decisions.
- Ensure that all pay progression decisions for all teaching staff are linked to annual appraisal of performance and to ensure that this is achieved in a fair equitable and transparent way following consultation with staff and recognised trade unions.
- Ensure that every teacher's salary (including the salary of the Headteacher) is reviewed on an annual basis with effect from 1 September. The review will be completed no later than 31 October each academic year.

A Pay Committee, supported by an external School Improvement Partner, review the pay and remuneration of key personnel. This exercise is reviewed on an annual basis.

The school Pay policy sets a clear framework for pay and remuneration and is reviewed annually.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	-
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
--	---

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

Related Parties and other Connected Charities and Organisations

The Academy Trust continues to operate as a standalone Academy. The Trust is a member of the South Leicestershire Inclusion Partnership and with effect from 1 September 2020 has acted as the Lead School. The partnership exists to deliver local strategy to meet the learning needs of vulnerable and challenging young people.

OBJECTIVES AND ACTIVITIES

The Academy mission statement “Where learning comes first” encapsulates the ethos of the school and they do everything in their power to ensure the best learning experience for all students, regardless of age, gender or ability, both inside and outside of the classroom.

Objects and Aims

The key priorities for Lutterworth high School in 21/22 were:

- Lutterworth High School's curriculum intent is embedded securely and consistently across the school;
- Established teaching strategies are revisited and quickly re-established;
- Coaching and observation are re-established and developed;
- Teachers take a lead on developing pedagogy and teaching priorities;
- The quality assurance cycle and documentation is developed to reflect departmental intent and implementation;
- All staff use scaffolding strategies to ensure students can access the curriculum;
- In school variation is reduced so that all students have positive outcomes in all subjects;
- Students impacted by the pandemic make good progress;
- Interventions are evaluated to ensure positive impact;
- KS3 Assessment - Clarity of purpose related to curriculum intent;
- D4L - Lower level achievements are refined to increase impact;
- SEMH - A stepped approach to re-integration into school is adopted to increase attendance and improve well-being;
- PASS - All staff know which students are disengaged and strategies are employed to re-engage these students and increase self-esteem;
- Pastoral Support - The pastoral system effectively supports students and deals with poor behaviour;
- Sex and relationships education - Students understand healthy relationships and societal expectations;
- The Emerald Way - The co-curriculum is developed and embedded in the curriculum intent;
- MAT Development - MAT opportunities are developed, and structures established;
- Staff Development - The Early Career Framework is established and staff are encouraged to develop their leadership skills through the reformed national qualifications;
- Performance Management - Performance management processes are developed to introduce greater rigour and focus on school priorities; and
- Integrated Curriculum Financial Planning - The impact of the reduction in student numbers to 150PAN is managed.

These priorities were achieved through a clear School Improvement Plan with carefully considered success criteria, monitoring and evaluation.

Objectives, Strategies and Activities

The school development plan for 2022/2023 outlines the following objectives:

- Curriculum threads are embedded through departmental intent;

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

- The KS4 curriculum model is developed to increase students' aspirations, indicated through increased EBacc uptake;
- Curriculum Leaders further develop ambitious curricula which support students understanding of the modern world;
- Students are able to confidently express themselves orally and in writing using a well-developed vocabulary;
- Our teaching and learning ethos is embraced by staff, forming the heart of lesson delivery;
- Ignite strategies make students think harder and deeper;
- Regular well thought out homework deepens and broadens student learning, developing students' quality of writing;
- Assessment for learning and in class assessments identify learning gaps at cohort, class and student level. Carefully planned FAR supports student progress;
- New pastoral system delivers highly effective student support and tracking;
- Attendance returns to 96% and PA is <12%;
- All students feel safe in an environment free of prejudice;
- Students identified through PASS improve their attitudes to school and their own self-worth;
- Careful planning and knowledgeable teaching ensure a consistent student learning experience where discussion is actively promoted;
- Embed and develop opportunities, particularly related to the curriculum areas and charity;
- Staff have identified routes of support; and
- The school has a NOR of 875 students to meet the local needs.

Public Benefit

The Trustees confirm that they have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims in planning future activities for the year. The Trustees consider that the Academy's aims are demonstrably for the public benefit.

STRATEGIC REPORT

Achievements and Performance

Students at Lutterworth High School consistently develop knowledge and skills across the curriculum and in all years. This is reflected in outcomes at the end of KS4. Students at Lutterworth High School make positive progress compared with other similar schools. Attainment is consistently above the national average.

Key Performance Indicators

Key Stage 4 Academic Outcomes 2022

GCSE examinations returned in 2022 following the two years of Teacher Assessed Grades and Centre Assessed Grades.

Average GCSE grade	5.4
English and maths grade 5 and above	52%
English and maths grade 4 and above	75%
Achieving the baccalaureate grade 5 and above	23%
Entries achieving grades 9-7	30%

Unvalidated progress data released from the DfE in October 2022 indicates that students at all levels of ability (High, Middle, Low) made excellent progress. SEN students also made excellent progress. In 2022 there was no progress gap between boys and girls.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Attendance

Students have high attendance and are punctual with attendance and persistent absence that is far better than the national average. Overall attendance was 92.7% compared to a national average of 90.6% (FFT). Persistent absence was 19.3% of the 7.3% recorded as absent.

Financial KPI's are as follows for 21/22

• Total Staff Costs (£)	4,189,312
• Total Staff Costs to EFA Revenue Income (%)	90%
• Total Staff Costs to Total Income (%)	84%
• Total Staff Costs as Proportion of Total Expense (%)	78%
• FTE Teaching Staff	45.5
• FTE Support Staff	46.9
• Total FTE	92.4
• Total Pupil Numbers by Lagged Pupil Numbers	833
• Pupil Teacher Ratio as per Lagged Pupil Numbers	18.31
• Average Teacher Cost (£)	60,231
• Proportion of budget spent on the Leadership team (%)	13%
• Spend per pupil for non-pay expenditure lines (£)	1,283

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, after making appropriate enquiries, have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future.

The Trust, through careful financial management, holds significant reserves to continue as a Going Concern. A significant proportion of the reserves are earmarked to support an expansion project to allow the school to increase its Pupil Admission Numbers to 175, having been instructed by the RSC and ESFA, to reduce it to 150 in September 2022.

There are significant financial challenges facing the Trust and all other Schools in the UK, in the coming years, these include the steep increase in the cost of energy due to the Ukraine conflict, inflation increase affecting all provisions and services supplied to the school, including food costs for the catering provision, and the proposed unfunded high staff pay awards agreed by Unions. Budgets will need to be monitored extremely carefully going forward in order to review costs and staffing accordingly.

A CIF expansion bid will be submitted in December 2022 with an anticipation that planned development will take place in summer 2023. A successful bid will allow the Trust the benefits of economies of scale and help supplement the funding to continue the school as a going concern.

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

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Department for Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the year ended 31 August 2022.

The Academy also receives grants for fixed assets from the DfE, and such grants are shown in the Statement of Financial Activities in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 27 to the financial statements. Due to changes in assumptions made by the actuaries in revaluing the LGPS there has been a significant reduction in the liability shown in the financial statements this year.

Key financial policies adopted or reviewed during the year include the Finance Management Manual which includes all financial policies and lays out the framework for financial management, including financial responsibilities of the Board of Trustees, the Headteacher, the Operations Manager, the Chief Financial Officer, budget holders and staff, as well as delegated authority for spending.

Other policies include the Charges and Lettings, Asset Management, Whistle Blowing and Risk Management policies.

The Audit Committee plans and reviews internal scrutiny, Lutterworth High school has reviewed the options available and has chosen to use a blend of support:

- i. The appointment of a non-employed Trustee with Audit and Accountancy qualifications to review financial policies and the scheme of delegation;
- ii. Peer reviews twice in the year to undertake a thorough review of practices measured against a carefully planned schedule of areas;
- iii. Third party support provided by Secure Schools to conduct a comprehensive IT review; and
- iv. External Auditors, Macintyre Hudson, who undertake assessments of the financial system controls annually.

The Annual Report on internal scrutiny reviews during 21/22 has been prepared in readiness for submission to the ESFA with the year-end accounts and has been ratified at the Audit Committee in Sept 2022.

During the year to 31 August 2022, total GAG income amounted to £4,511,000 plus a supplementary grant of £57,000. Expenditure during the year totalled £4,350,000 and was more than covered by grant funding, and additional income from other sources, together with reserves.

This set of accounts shows the financial performance of the Academy Trust for the year ended 31st August 2022.

The statement of financial activities shows that the Academy made an in-year deficit of £413,000 in this 12-month period after depreciation charges of £206,000 but before actuarial gains of £2,677,000.

The school will carry forward healthy balances on 31 August 2022. Part of the large balance relates to committed expenditure in 22/23, including the delayed purchase of a school minibus, the additional cost of installing the substation, with works delayed until Easter 2023 and an element for the support staff pay awards still not agreed but will be back dated to April 2022.

A further commitment of balances relates to a contribution towards an expansion bid to increase teaching capacity to take 175 pupils in 2023.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Reserves Policy

The Board of Directors is able to hold reserves to further the Trust's charitable aims. The ESFA Academies Trust Handbook notes that Trusts should use their allocated GAG funding for the full benefit of their current pupils. If a Trust has a substantial surplus they should have a clear plan for how it will be used to benefit pupils.

Directors are mindful of the Academies Handbook and requirement that GAG funding should be spent on current pupils. However, Directors are also aware of significant volatility in the funding of education. As a single Academy Trust, the Board of Directors is responsible for managing the fluctuations in financial fortunes.

The school is expected to set a budget each year using the GAG and other grants reasonably foreseen and matching expenditure to that income. Should the school go into a deficit (negative fund balance) at the end of a year, the Board of Trustees must enter into a recovery plan that repays the deficit over not more than 5 years. In the event that the recovery plan is not in place or is not kept to, Directors may suspend the Board and replace it with an External Assurance Board to return the school to financial stability.

Reserves at the end of the year are held in support of:

- Contribution to capital projects planned or in development;
- Financial commitments made but not yet come to fruition;
- To cushion the financial impact of a reduction in pupil numbers should an expansion bid be unsuccessful;
- Cash flow requirement; and
- Contingency against unforeseen events.

Directors wish to target a level of reserves that equates to the sum of:

- Planned or anticipated future commitments to capital projects;
- Financial commitments made but not yet entered into; and
- Salary and related costs for 1 month to cover cash flow and contingency requirements.

Trustees have agreed that an appropriate reserves balance would equate to 1 month salary and related costs. Free reserves at 31 August 2022 are reported at £737,000.

The deficit on the pension reserve relates to the non-teaching staff pension scheme, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 27. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding, changes to scheme benefits or improvements in performance of the investment portfolio.

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent 12 months' worth of Academy expenditure.

At 31 August 2022 the total funds comprised:

		£'000
Unrestricted		397
Restricted:	Fixed asset funds	7,001
	Pension reserve	(149)
	Other	340
		<hr/> 7,589 <hr/>

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

Investment Policy

The Board of Trustees are able to invest to further the Trust's charitable aims.

It is the Trustees' belief that it should be anticipated that the Trust will have surplus cash available, both as a result of cash flow planning and also the implementation of a reserves policy that maintains a suitable amount of reserves.

Such surplus cash should be invested to ensure that the Trust receives an acceptable income stream without putting at risk the funds that belong to the Trust.

Trustees believe that risk-free bank deposit accounts are the most appropriate place to invest surplus cashflow.

Advice should be taken from the Trust's bankers and funds invested as follows:

- Working capital to be invested in a Lloyds bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance, but that Lloyds also offer academies free banking which results in this lower interest rate.
- Surplus cash should be invested in a mixture of notice accounts of up to one year with Lloyds bank or a similar reputable UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cash flow requirements.
- Any interest earned should be paid into the school bank account. Balances invested should be reported to Directors on a termly basis. Trustees do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the Trust.

The purpose of the policy is to consider the management of the Academy's funds bearing in mind the responsibilities that come with the receipt of central government funding.

- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice a working balance of between £50,000 and £300,000 is likely to be maintained.
- To identify funds surplus to immediate cash requirements and transfer the funds to a Lutterworth High School Investment Account bearing a higher interest rate, dependant on the length of investment required (ie overnight, 6 week, 3 months, 6 months or longer).
- To review periodically and at least annually interest rates and compare with other investment opportunities.
- To review periodically and at least annually the Academy's current policies to only invest funds in risk free and immediately accessible deposit accounts.
- The Academy will ensure that its current account does not go overdrawn.

Principal Risks and Uncertainties

Risk is now managed via the Audit Committee. Risk is included as an agenda item at each Committee to capture any new risks to the school. The risk register is a live document and is reviewed termly via the Audit Committee. The risk register identifies risks, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, and putting in place controls to mitigate such risks. The risk register was updated to include all risks associated with the impact of Covid-19.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

There are currently two fundamental key risks for the Academy:-

1. Reduction of Pupil Numbers as a result of a declined Expansion Bid; and
2. The financial impact of the proposed unfunded staff pay awards for 22/23 and 23/24.

A complete record of all identified risks is held on the risk register and action plans implemented to manage these risks.

The Academy Trust practices, through its Board and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

FUNDRAISING

The Academy does not raise funds without specific purposes. Sponsored events have been organised to raise cash to support the development of PE resources and are aimed, in the main, at parental contributions and local company donations. Other fundraising takes place for specific charities, such as Twin Your Toilet and Children in Need. Donations are banked and recorded clearly to demonstrate that all monies collected are paid over in their entirety to the designated charity. Activity is included in the monthly management accounts to reflect income and expenditure relating to specific fund-raising activities.

PLANS FOR FUTURE PERIODS

The Academy will strive to continue to provide outstanding education and improve the levels of performance of its students at all levels. The Academy will continue to aim to retain a stable staff and attract high quality teachers and support staff as necessary in order to deliver its objectives.

High quality training for staff will remain a priority and the sharing of best practice internally will continue to be developed through our focused internal training opportunities and coaching.

The Academy will continue to work in partnership with local schools to encourage a smooth transition for students through the key stages and improve the educational opportunities for students in the wider community.

The Academy is a member of the SCITT at the Rushey Mead Academy. The school continue to train teachers and provide high quality support and development to NQTs employed by the school.

Lutterworth High School will continue to work in partnership with other schools through the Excellence Group, the South Leicestershire Improvement Partnership and Learning South Leicestershire.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust acts as custodian for 2 separate funds:

- Learning South Leicester (LSL) – Funds held on behalf of LSL at 31 August 2022 is £11,045. This balance is made up of contributions from 8 Leicestershire secondary schools who pay on a per pupil basis to fund behaviour partnership costs across the group of schools and sports partnership costs across the group of schools.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

- South Leicestershire Improvement Partnership (SLIP) – With effect from 1 September 2020 Lutterworth High School took over the responsibility for managing the funding of the SLIP. However, Countesthorpe College, who is part of LIFE MAT, continues to pay the salaries of the staff employed for the SLIP and they continue to pay for any local spend such as specialist teaching services required. They invoice Lutterworth High School for reimbursement of the costs incurred locally. A grant from the local Authority is paid to Lutterworth High School termly for running the SLIP. Countesthorpe College invoice schools for pupil places within the SLIP.
- Finances are agreed between LIFE and Lutterworth as at 31 August 2022 and the balance in hand at 31 August 2022 on the balance sheet is £200,398. This includes a transfer of fixed assets of £6,503.

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.

In line with the Academy handbook, a through procurement exercise was undertaken with 4 other Single Academy Trusts in Spring 2022. The Board agreed that Macintyre Hudson would continue to Act on behalf of Lutterworth High School for the next 3 years.

The Trustees' Report, incorporating a Strategic Report, was approved via email on 13 October 2022 and formally by order of the Board of Trustees, as the company Directors, was ratified at the meeting of the Full Board of Trustees on 6 December 2022 and signed on the Board's behalf by:

.....
Janet Price-Jones
Chair of Trustees

Date: 6 December 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Lutterworth High School Academy 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 Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lutterworth High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year, was as follows:

Trustee	Meetings attended	Out of a possible
Julian Kirby (Headteacher and Accounting Officer)	4	4
Janet Price-Jones (Chair of Trustees)	4	4
Richard Holding (Vice-Chair of Trustees)	4	4
Stephen Bettles	4	4
Joanne Holyland	4	4
Penni Walker Barber (Resigned 8 July 2022)	3	4
Duncan Haworth (Resigned 25 May 2022)	2	3
Malcolm Maguire	4	4
Carmella Hunt	4	4
Susan Campbell	4	4
Tom Campbell	2	4
Kirsty Cutri	4	4
Natalie Thompson (Appointed 6 May 2022)	1	1

The Board of Trustees welcome a new Trustee to the Board during the year to 31 August 2022 and one post year end. This has provided additional skill sets in both finance and safeguarding.

The Personnel and Finance Committee is a sub-committee of the main Board of Trustees. This Committee met 3 times during the 2021/22 financial year. In order to ensure effective oversight of funds, the Chair of the Board meets weekly with the Accounting Officer to discuss financial matters occurring in between meetings and where applicable, Trustees are emailed any matters that need discussion or approval, if the following scheduled meeting is not imminent.

The main purpose of the Personnel and Finance Committee is to receive delegated authority from the Board of Trustees to:

- Support, decide and determine all matters concerning budgeting, finance, personnel and premises, including grounds and security, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity; and

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022

- To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.

Major issues are referred to the Full Board of Trustees for ratification.

Attendance at meetings of the Personnel and Finance Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
Janet Price Jones	2	3
Richard Holding	2	3
Julian Kirby (Headteacher and Accounting Officer)	3	3
Stephen Bettles	3	3
Joanne Holyland	2	3
Susan Campbell	2	3
Kirsty Cutri	3	3

The Audit Committee is a standalone committee with key responsibility for Internal Scrutiny and Risk Management. It reports back via Personnel and Finance into the Board of Trustees. Its purpose is:

1. To review the Academy's procedures for detecting fraud and whistle-blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
2. To review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
3. To monitor the integrity of the Academy's internal financial control;
4. To monitor compliance with the Academy's financial policies, regulations and procedures;
5. To review the statement in the Annual Report and accounts on the Academy's internal controls and risk management framework; and
6. To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.

Attendance at meetings of the Audit Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Holding	2	3
Malcolm Maguire	3	3
Carmella Hunt	3	3
Kirsty Cutri	3	3
Julian Kirby (Advisory only)	3	3
Helene Chadwick (Advisory only)	3	3

Conflicts of interest

A register of pecuniary interests is maintained and published on the school website. Trustees and Key Management Personnel with budget responsibility are required to provide an updated copy of the information annually and agree to inform the Clerk of any changes to this information during the year.

The Accounting Officer is fully aware of this information and will ensure that related party transactions are strongly discouraged.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

Governance reviews:

In April 2021 an external review of Governance took place as part of Internal Scrutiny. A further review is due to take place in 22/23 to ensure that the Governance structure is effective to meet the needs of the Academy.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year. In 21/22 examples of best value include:

- Mini bus procurement – The Trust have leased a mini bus over the past 6 years for transporting pupils to sporting fixtures and on school trips use. A review of lease payments compared to an outright purchase has indicated that purchasing of mini bus as an asset will be better value for the Trust long term. An order has been placed but delivery delayed due to world shortages of component parts.
- A further upgrade to LED lighting as part of the school staff room refurbishment.
- The use of peer reviews instead of costly fees for external consultants, to review internal processes. This has proved invaluable for sharing best practices and giving a fresh detailed oversight of the school processes using an experienced and knowledgeable CFO from a similar organisation.

The school continues to review solar solutions to maximise the south facing roof space to provide renewable energy for powering the school in the future.

Benchmarking continues to be undertaken with similar Single Academy Trusts, to demonstrate that school costs are comparable.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lutterworth High School Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Personnel and Finance Committee of the 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 decided that in order to deliver the internal scrutiny, they have reviewed the options available and have chosen to use a blend of support including:- :

- i. The appointment of a non-employed Trustee with Audit and Accountancy qualifications to review financial policies and the scheme of delegation;
- ii. A bought in service, Secure Schools Audit, to offer an in-depth review of IT; and
- iii. Peer review with an experienced CFO, Martin Towers, from Welland Park Academy, to perform a robust, comprehensive and impartial review, over 2 days, of all internal controls and procedures.

The school have chosen not to appoint an internal audit provider as it is felt that there is an element of duplication with the external auditors work when preparing the year end accounts. The school have therefore looked at a broader alternative for providing financial assurance, including specialist external providers to review key areas in depth.

The Internal Scrutiny Plan provides a clear programme of work to be undertaken over a three-year period.

The peer review role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of recruitment processes;
- Testing of compliance;
- Testing of control account/bank reconciliations/payroll reconciliations;
- Review of previous management reports and internal scrutiny reviews to confirm action from points raised;
- Testing of budgetary assumptions included in the five-year plan; and
- Quality of monthly Management Information.

A shift towards a more risk-led approach within the Academies Handbook reflects the way that Lutterworth High School has moved, with internal audits becoming more focused rather than a generic off the shelf package of tests and checks. This has helped to reduce the potential duplication of works with external audit and therefore reduced additional costs to the Academy.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

THE RISK AND CONTROL FRAMEWORK (continued)

On a termly basis, reports of any internal scrutiny checks are presented to the Board of Trustees, via the Audit Committee. The findings are consolidated in the year-end report submitted to the ESFA.

This report outlines 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 Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The risk register;
- The work of the external auditor;
- The report from the peer review;
- The findings from the IT review;
- The School Resource Management Self-Assessment tool; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the above reviews on the system of internal control, by the Audit Committee. Any recommended weaknesses have been addressed to ensure continuous improvement of the systems in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:

.....
Janet Price-Jones
Chair of Trustees

.....
Julian Kirby
Accounting Officer

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2022**

As Accounting Officer of Lutterworth High School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2021.

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 2021.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Non-financial issues

Matter one – Management accounts

During the year the Academy Trust failed to comply with Section 2.19 of the Academies Trust Handbook in sharing management accounts with Trustees other than the Chair six times a year, even when they do not have meetings in those months. The management accounts were prepared and shared monthly with the Chair of Trustees but were not shared monthly with the other Trustees.

.....
Julian Kirby
Accounting Officer

6 December 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the Governors of Lutterworth High School Academy Trust 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 2021 to 2022;
- 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:

.....
Janet Price-Jones
Chair of Trustees

Date: 6 December 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of Lutterworth High School Academy Trust (the 'Academy') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Trustees Report other than the financial statements and our Auditor's 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 Directors' Report has 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, 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.

Auditor's responsibilities for the audit of the financial statements

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

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 Auditor's Report.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST (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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and 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: 16 December 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST 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 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lutterworth High School Academy Trust during the year 1 September 2021 to 31 August 2022 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 Lutterworth High School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lutterworth High School Academy Trust 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 Lutterworth High School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lutterworth High School Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Lutterworth High School Academy Trust's funding agreement with the Secretary of State for Education dated 16 February 2022 (and prior to this date, the funding agreement dated 1 August 2011) and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

The work undertaken to draw our conclusions includes:

- 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.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter one – Management accounts

During the year the Academy Trust failed to comply with Section 2.19 of the Academies Trust Handbook in sharing management accounts with trustees other than the Chair six times a year, even when they do not have meetings in those months. The management accounts were prepared and shared monthly with the Chair of Trustees but were not shared monthly with the other trustees.

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

Date: 16 December 2022

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants	3	-	6	18	24	17
Other trading activities	4	321	-	-	321	249
Investments	5	1	-	-	1	2
Charitable activities:						
Funding for Academy Trust's educational operations	6	-	5,160	-	5,160	4,768
Total income		322	5,166	18	5,506	5,036
Expenditure on:						
Raising funds	7	326	-	-	326	224
Charitable activities:						
Academy Trust educational operations	8	-	5,387	206	5,593	4,967
Total expenditure		326	5,387	206	5,919	5,191
Net expenditure		(4)	(221)	(188)	(413)	(155)
Transfers between funds	20	-	(110)	110	-	-
Other recognised losses:						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	2,677	-	2,677	(404)
Net movement in funds		(4)	2,346	(78)	2,264	(559)
Reconciliation of funds:						
Total funds brought forward		401	(2,155)	7,079	5,325	5,884
Net movement in funds		(4)	2,346	(78)	2,264	(559)
Total funds carried forward		397	191	7,001	7,589	5,325

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

The notes on pages 31 to 60 form part of these financial statements.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07687235

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	7,001	7,079
		<u>7,001</u>	<u>7,079</u>
Current assets			
Stocks	16	9	5
Debtors	17	232	774
Investments	18	600	300
Cash at bank and in hand	24	685	50
		<u>1,526</u>	<u>1,129</u>
Current liabilities			
Creditors: amounts falling due within one year	19	(789)	(485)
		<u>737</u>	<u>644</u>
Net current assets			
		<u>7,738</u>	<u>7,723</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(149)	(2,398)
		<u>7,589</u>	<u>5,325</u>
Total net assets			
		<u><u>7,589</u></u>	<u><u>5,325</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	20	7,001	7,079
Restricted income funds	20	340	243
		<u>7,341</u>	<u>7,322</u>
Restricted funds excluding pension asset			
Pension reserve	20	(149)	(2,398)
		<u>7,192</u>	<u>4,924</u>
Total restricted funds	20	<u>7,192</u>	<u>4,924</u>
Unrestricted income funds	20	<u>397</u>	<u>401</u>
		<u>7,589</u>	<u>5,325</u>
Total funds		<u><u>7,589</u></u>	<u><u>5,325</u></u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07687235

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 27 to 60 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....
Janet Price-Jones
Chair of Trustees

Date: 6 December 2022

.....
Julian Kirby
Accounting Officer

Date: 6 December 2022

The notes on pages 31 to 60 form part of these financial statements.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	<i>2021</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	1,044	<i>(132)</i>
Cash flows from investing activities	23	(409)	<i>22</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		635	<i>(110)</i>
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		50	<i>160</i>
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	24	685	<i>50</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 31 to 60 form part of these financial statements

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lutterworth High School Academy Trust meets the definition of a public benefit entity under FRS 102.

Lutterworth High School Academy Trust is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on pages 1 and 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 presentational and functional currency 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 as far as possible, the economic and political climate, and its impact 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 year 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.

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.

All resources expended are inclusive of irrecoverable VAT.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

Depreciation is provided on the following bases:

Long leasehold property	- 2% straight-line per annum
Long leasehold land	- Over the term of the lease
Long leasehold property improvements	- 2% straight-line per annum
Plant and machinery	- 10% straight line per annum
Computer equipment	- 33% 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.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Investments

Investments include cash and mid to long term investments with a maturity of more than three months from the date of acquisition or opening of the deposit or similar account and are stated at cost.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.12 Pensions (continued)

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

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

1.13 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 17. 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 note 19. 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.

1.14 Operating leases

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

1.15 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 2022. 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.

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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Donations and capital grants

	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Other donations	6	-	6
Capital grants	-	18	18
Total 2022	<u>6</u>	<u>18</u>	<u>24</u>

	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Capital grants	17	17
<i>Total 2021</i>	<u>17</u>	<u>17</u>

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

4. Other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000
Rental income	2	2
Catering income	290	290
Other income	29	29
Total 2022	<u>321</u>	<u>321</u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Other trading activities (continued)

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Rental income	2	2
Catering income	218	218
Other income	29	29
<i>Total 2021</i>	<u>249</u>	<u>249</u>

5. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Interest income	<u>1</u>	<u>1</u>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Interest income	<u>2</u>	<u>2</u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £000	Total funds 2022 £000
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	4,511	4,511
Other DfE/ESFA grants		
Pupil Premium	123	123
Other	122	122
	<hr/>	<hr/>
	4,756	4,756
Other Government grants		
Local Authority grants	196	196
	<hr/>	<hr/>
	196	196
Other income from the Academy Trust's educational operations	208	208
	<hr/>	<hr/>
	5,160	5,160
	<hr/> <hr/>	<hr/> <hr/>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	<i>Restricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational Operations		
DfE/ESFA grants		
General Annual Grant (GAG)	4,065	4,065
Other DfE/ESFA grants		
Pupil Premium	133	133
Teachers' Pay and Pension grant	217	217
Other	22	22
	4,437	4,437
Other Government grants		
Local Authority grants	161	161
Department for Work & Pensions	4	4
	165	165
Other income from the Academy Trust's educational operations	51	51
COVID-19 additional funding (DfE/ESFA)		
Catch-up Premium	67	67
Other DfE/ESFA Covid-19 funding	43	43
	110	110
COVID-19 additional funding (non-DfE/ESFA)		
Coronavirus Job Retention Scheme grant	5	5
	5	5
	4,768	4,768

The Academy Trust received £Nil (2021: £67k) of funding for Catch-up Premium and costs incurred in respect of this funding totalled £Nil (2021: £53k), with the remaining £Nil (2021: £14k) to be spent in the following Academic year.

The Academy Trust furloughed some of its catering staff in 2020/2021 under the Government's Coronavirus Job Retention Scheme. The funding received of £5k relates to staff costs in respect of 7 staff, which are included in note 7 below as appropriate.

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Expenditure on raising funds

	Unrestricted funds 2022 £000	Total funds 2022 £000
Uniform purchases	3	3
Fundraising	12	12
Catering expenditure	175	175
Catering staff wages and salaries	106	106
Catering staff national insurance	5	5
Catering staff pension costs	25	25
Total 2022	326	326

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Fundraising	6	6
Catering expenditure	87	87
Catering staff wages and salaries	104	104
Catering staff national insurance	5	5
Catering staff pension costs	22	22
<i>Total 2021</i>	<i>224</i>	<i>224</i>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Educational Operations	4,595	998	5,593

	<i>Activities undertaken directly 2021 £000</i>	<i>Support costs 2021 £000</i>	<i>Total funds 2021 £000</i>
Educational Operations	3,827	1,140	4,967

Analysis of direct costs

	Total funds 2022 £000	<i>As restated total funds 2021 *</i> £000
Staff costs	3,869	3,517
Depreciation	206	199
Direct technology costs	55	-
Examination fees	63	49
School trips and visits	203	22
Other direct costs	49	4
Direct learning resources	150	36
	4,595	3,827

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £000	<i>As restated total funds 2021 *</i> £000
Pension finance costs (note 14)	43	31
Staff costs	573	537
Support technology costs	51	65
Support premises costs	166	150
Legal costs - other	4	3
Other support costs	161	354
	998	1,140

*Following the reclassification in the Academies Accounts Direction 2021/2022 of expenses, the groupings of expenses in respect of direct and support costs have changed. The prior year numbers have been reclassified.

9. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000
Expenditure on raising funds				
Direct costs	136	-	190	326
Academy Trust's Educational Operations:				
Direct costs	3,869	149	577	4,595
Allocated support costs	616	166	216	998
Total 2022	4,621	315	983	5,919

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Expenditure (continued)

	<i>Staff Costs</i>	<i>As Restated Premises</i>	<i>As Restated Other</i>	<i>Total</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Expenditure on raising funds				
Direct costs	131	-	93	224
Academy Trust's Educational Operations:				
Direct costs	3,517	145	165	3,827
Allocated support costs	568	150	422	1,140
<i>Total 2021</i>	<u>4,216</u>	<u>295</u>	<u>680</u>	<u>5,191</u>

*Following the reclassification in the Academies Accounts Direction 2021/2022 of expenses, the groupings of expenses in respect of premises and other costs have changed. The prior year numbers have been reclassified.

10. Net income/(expenditure)

Net expenditure for the year includes:

	2022	<i>2021</i>
	£000	<i>£000</i>
Operating lease rentals	6	<i>11</i>
Depreciation of tangible fixed assets	206	<i>199</i>
Clerk to Governor	1	<i>1</i>
Fees paid to auditor for:		
- audit	13	<i>12</i>
- other services	2	<i>3</i>
	<u>222</u>	<u><i>226</i></u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Wages and salaries	3,135	<i>2,988</i>
Social security costs	304	<i>274</i>
Pension costs	1,109	<i>911</i>
	4,548	<i>4,173</i>
Agency staff costs	30	<i>6</i>
Staff restructuring costs	-	<i>6</i>
Pension finance cost (note 14)	43	<i>31</i>
	4,621	<i>4,216</i>

Staff restructuring costs comprise:

	2022	<i>2021</i>
	£000	<i>£000</i>
Severance payments	-	<i>6</i>
	-	<i>6</i>

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual staff severance payments totalling £Nil (2021: £6,300). Individually, the payment was £Nil (2021: £6,300).

c. Staff numbers

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

	2022	<i>2021</i>
	No.	<i>No.</i>
Teachers	50	<i>49</i>
Administration and support	68	<i>69</i>
Management	6	<i>6</i>
	124	<i>124</i>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

d. Higher paid staff

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

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £100,001 - £110,000	1	<i>1</i>
	=====	<i>=====</i>

The above employees contributed to the Teachers' Pension Scheme. During the year ended 31 August 2022, pension contributions for these employees amounted to £40,742 (2021: £39,757).

e. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of Key Management Personnel benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £564,594 (2021: £524,571).

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:

		2022	<i>2021</i>
		£000	<i>£000</i>
Julian Kirby,	Remuneration	100 - 105	<i>100 - 105</i>
Headteacher and Accounting Officer	Pension contributions paid	20 - 25	<i>20 - 25</i>
Kay Cowling,	Remuneration	-	<i>50 - 55</i>
Staff Trustee (Resigned 31 August 2021)	Pension contributions paid	-	<i>10 - 15</i>

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021: £NIL).

Other related party transactions involving the trustees are set out in note 29.

13. Trustees' and Officers' insurance

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. Pension finance cost

	2022	<i>2021</i>
	£000	<i>£000</i>
Expected return on pension scheme assets	50	39
Interest on pension scheme liabilities	(93)	(70)
	(43)	(31)
	(43)	(31)

15. Tangible fixed assets

	Long leasehold property £000	Long leasehold property improvements £000	Plant and equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2021	5,849	2,382	289	484	9,004
Additions	-	100	4	24	128
Disposals	-	-	-	(7)	(7)
	5,849	2,482	293	501	9,125
	5,849	2,482	293	501	9,125
Depreciation					
At 1 September 2021	1,022	281	196	426	1,925
Charge for the year	101	48	21	36	206
On disposals	-	-	-	(7)	(7)
	1,123	329	217	455	2,124
	1,123	329	217	455	2,124
Net book value					
At 31 August 2022	4,726	2,153	76	46	7,001
<i>At 31 August 2021</i>	4,827	2,101	93	58	7,079

Included in Long leasehold property is long leasehold land valued at £1,349,539 (2021: £1,349,539) on conversion in 2012 by Drivers Jonas Deloitte using the depreciation replacement cost method.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2011.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Stocks

	2022	<i>2021</i>
	£000	<i>£000</i>
Catering stock	9	<i>5</i>

17. Debtors

	2022	<i>2021</i>
	£000	<i>£000</i>
Trade debtors	3	<i>7</i>
Other debtors	-	<i>650</i>
Prepayments and accrued income	193	<i>112</i>
VAT recoverable	36	<i>5</i>
	232	<i>774</i>

18. Current asset investments

	2022	<i>2021</i>
	£000	<i>£000</i>
Fixed term deposits	600	<i>300</i>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

19. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Trade creditors	125	<i>14</i>
Other taxation and social security	85	<i>71</i>
Other creditors	293	<i>262</i>
Accruals and deferred income	286	<i>138</i>
	<hr/> 789 <hr/>	<hr/> <i>485</i> <hr/>
	2022	<i>2021</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September 2021	34	<i>42</i>
Resources deferred during the year	106	<i>34</i>
Amounts released from previous periods	(34)	<i>(42)</i>
Deferred income at 31 August 2022	<hr/> 106 <hr/>	<hr/> <i>34</i> <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and catering income for the 2022/2023 Academic year.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General funds	401	322	(326)	-	-	397
Restricted general funds						
General Annual Grant (GAG)	171	4,511	(4,240)	(110)	-	332
Pupil Premium	48	123	(163)	-	-	8
Other DfE/ESFA grants	-	122	(122)	-	-	-
Local Authority grants	-	196	(196)	-	-	-
Other income	-	208	(208)	-	-	-
Other donations	-	6	(6)	-	-	-
Catch-up Premium	14	-	(14)	-	-	-
Other DfE/ESFA COVID-19 funding	10	-	(10)	-	-	-
Pension reserve	(2,398)	-	(428)	-	2,677	(149)
	<u>(2,155)</u>	<u>5,166</u>	<u>(5,387)</u>	<u>(110)</u>	<u>2,677</u>	<u>191</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,079	-	(206)	128	-	7,001
Devolved formula capital	-	18	-	(18)	-	-
	<u>7,079</u>	<u>18</u>	<u>(206)</u>	<u>110</u>	<u>-</u>	<u>7,001</u>
Total Restricted funds	<u>4,924</u>	<u>5,184</u>	<u>(5,593)</u>	<u>-</u>	<u>2,677</u>	<u>7,192</u>
Total funds	<u><u>5,325</u></u>	<u><u>5,506</u></u>	<u><u>(5,919)</u></u>	<u><u>-</u></u>	<u><u>2,677</u></u>	<u><u>7,589</u></u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. 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 2022. Transfers of £110,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets.

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.

Government grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

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.

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 included further amounts invested in fixed assets in property improvements, plant and equipment and computer equipment. Also included in the funds is depreciation charged on fixed assets held. Transfers of £110,000 from restricted funds to the restricted fixed asset fund represents allocations from GAG towards fixed assets.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the ESFA. 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £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 2021 £000</i>
Unrestricted funds						
General funds	374	251	(224)	-	-	401
Restricted general funds						
General Annual Grant (GAG)	106	4,065	(3,882)	(118)	-	171
Pupil Premium	-	133	(85)	-	-	48
Teachers' Pay and Pension grant	-	217	(217)	-	-	-
Other DfE/ESFA grants	-	22	(22)	-	-	-
Local Authority grants	-	161	(161)	-	-	-
Department for Work & Pensions	-	4	(4)	-	-	-
Other income	-	51	(51)	-	-	-
Catch-up Premium	-	67	(53)	-	-	14
Other DfE/ESFA COVID-19 funding	-	43	(33)	-	-	10
Coronavirus Job Retention Scheme grant	-	5	(5)	-	-	-
Pension reserve	(1,739)	-	(255)	-	(404)	(2,398)
	<u>(1,633)</u>	<u>4,768</u>	<u>(4,768)</u>	<u>(118)</u>	<u>(404)</u>	<u>(2,155)</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,081	-	(199)	197	-	7,079
CIF grant	62	-	-	(62)	-	-
Devolved formula capital	-	17	-	(17)	-	-
	<u>7,143</u>	<u>17</u>	<u>(199)</u>	<u>118</u>	<u>-</u>	<u>7,079</u>
Total Restricted funds	<u>5,510</u>	<u>4,785</u>	<u>(4,967)</u>	<u>-</u>	<u>(404)</u>	<u>4,924</u>
Total funds	<u><u>5,884</u></u>	<u><u>5,036</u></u>	<u><u>(5,191)</u></u>	<u><u>-</u></u>	<u><u>(404)</u></u>	<u><u>5,325</u></u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

21. Analysis of net assets between funds

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	7,001	7,001
Current assets	397	1,129	-	1,526
Current liabilities	-	(789)	-	(789)
Pension scheme liability	-	(149)	-	(149)
Total 2022	397	191	7,001	7,589

	<i>Unrestricted funds 2021 £000</i>	<i>Restricted funds 2021 £000</i>	<i>Restricted fixed asset funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Tangible fixed assets	-	-	7,079	7,079
Current assets	571	558	-	1,129
Current liabilities	(170)	(315)	-	(485)
Pension scheme liability	-	(2,398)	-	(2,398)
Total 2021	401	(2,155)	7,079	5,325

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

22. Reconciliation of net expenditure to net cash flow from operating activities

	2022	<i>2021</i>
	£000	<i>£000</i>
Net expenditure for the year (as per Statement of Financial Activities)	(413)	<i>(155)</i>
Adjustments for:		
Depreciation (note 15)	206	<i>199</i>
Capital grants from DfE and other capital income (note 3)	(18)	<i>(17)</i>
Interest receivable (note 5)	(1)	<i>(2)</i>
Defined benefit pension scheme cost less contributions payable (note 27)	385	<i>224</i>
Defined benefit pension scheme finance cost (note 14)	43	<i>31</i>
Increase in stocks (note 16)	(4)	<i>(1)</i>
Decrease in debtors (note 17)	542	<i>(478)</i>
Increase in creditors (note 19)	304	<i>67</i>
Net cash provided by/(used in) operating activities	1,044	<i>(132)</i>

23. Cash flows from investing activities

	2022	<i>2021</i>
	£000	<i>£000</i>
Interest from investments (note 5)	1	<i>2</i>
Purchase of tangible fixed assets (note 15)	(128)	<i>(197)</i>
Net movement on the term deposits (note 18)	(300)	<i>200</i>
Capital grants from DfE Group and other capital income (note 3)	18	<i>17</i>
Net cash (used in)/provided by investing activities	(409)	<i>22</i>

24. Analysis of cash and cash equivalents

	2022	<i>2021</i>
	£000	<i>£000</i>
Cash in hand	685	<i>50</i>
Total cash and cash equivalents	685	<i>50</i>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

25. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	50	635	685
Liquid investments	300	300	600
	350	935	1,285
	350	935	1,285

26. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	88	15
	88	15

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 £81,206 were payable to the schemes at 31 August 2022 (2021: £80,122) 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 2024.

The employer's pension costs paid to TPS in the year amounted to £486,000 (2021: £468,000).

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 2022 was £289,000 (2021: £274,000), of which employer's contributions totalled £231,000 (2021: £219,000) and employees' contributions totalled £58,000 (2021: £55,000). The agreed contribution rates for future years are 23.8% per cent for employers and 5.5% - 12.5% per cent for employees. The updated future rates are expected imminently following the completion of the Triennial review.

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.55	3.40
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.90
Commutation of pensions to lump sums (Pre- April 2008)	50	50
Commutation of pensions to lump sums (Post- April 2008)	75	75

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.7
Females	24.0	24.2
<i>Retiring in 20 years</i>		
Males	22.4	22.6
Females	25.7	25.9

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate +0.1%	(79)	(129)
Discount rate -0.1%	79	129
Mortality assumption - 1 year increase	132	212
Mortality assumption - 1 year decrease	(132)	(212)
CPI rate +0.1%	75	119
CPI rate -0.1%	(75)	(119)

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

Share of scheme assets

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Equities	1,929	1,688
Bonds	886	844
Property	285	204
Cash	63	175
Total market value of assets	3,163	<i>2,911</i>

The actual return on scheme assets was £50,000 (2021: £501,000).

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Current service cost	(616)	(443)
Interest income	50	39
Interest cost	(93)	(70)
Total amount recognised in the Statement of Financial Activities	(659)	<i>(474)</i>

The Academy Trust expects to contribute £238,000 to its defined benefit pension scheme in 2023.

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

	2022	<i>2021</i>
	£000	<i>£000</i>
At 1 September	5,309	<i>3,904</i>
Current service cost	616	443
Interest cost	93	70
Employee contributions	58	55
Actuarial (gains)/losses	(2,731)	866
Benefits paid	(33)	(29)
At 31 August	3,312	<i>5,309</i>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

27. Pension commitments (continued)

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

	2022	<i>2021</i>
	£000	<i>£000</i>
At 1 September	2,911	2,165
Interest income	50	39
Actuarial (losses)/gains	(54)	462
Employer contributions	231	219
Employee contributions	58	55
Benefits paid	(33)	(29)
At 31 August	3,163	2,911

28. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Not later than 1 year	6	6

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 Academy Trust 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.

P Walker-Barber, a Trustee, worked as an invigilator in the school during the previous year, amounts paid to her for invigilator fees totalled £1,007, no balance was outstanding at the year end.

No other related party transactions took place in the year ended 31 August 2022, other than certain Trustees' remuneration and expenses already disclosed in note 12.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

30. Agency arrangements

The Academy Trust is the Lead School for the South Leicestershire Inclusion Partnership (SLIP) and holds funds and distributes them on behalf of SLIP. In the year ended 31 August 2022 the Academy Trust received £873,437 (2021: £385,697) and disbursed £847,389 (2021: £827,681) on behalf of SLIP. £200,398. (2021: £174,350) is included in other creditors being the balance of undistributed funds held on behalf of the Partnership and due to Leicestershire County Council. At the end of the previous year £644,858 was included in other debtors, this related to the balance due to be transferred to the Academy Trust from the previous acting Lead School LIFE Multi Academy Trust, this has been received during the year.

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.