

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

CONTENTS

	Page
Reference and Administrative Details	1 – 2
Trustees' Report	3 - 12
Governance Statement	13 – 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20 – 22
Independent Reporting Accountant's Report on Regularity	23 – 24
Statement of Financial Activities incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 – 52

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Janet Jones
Stephen Bettles
Richard Holding
Phillipa Clare
Joanne Holyland

Trustees

Janet Jones (Chair)
Philippa Clare (Vice-Chair)
Stephen Bettles
Julian Kirby (Headteacher & Accounting Officer)
Richard Holding
Penny Walker-Barber
Joanne Holyland
Duncan Haworth
Carmella Hunt
Susan Campbell
Malcolm Maguire
Kay Cowling (Appointed 22 January 2018)
Claire Clarke (Resigned 21 August 2017)

Company Secretary

Shirley Thompson

Senior Management Team

Headteacher	Julian Kirby
Deputy Headteacher	Amy Hunter (Appointed 7 March 2018)
Assistant Headteacher	Amy Hunter (until 6 March 2018)
Assistant Headteacher	Richard Salter
Assistant Headteacher	Natalie Tebbatt
Assistant Headteacher	Nicole Ayres
Operations Manager	Shirley Thompson
School Business Manager (Finance)	Helene Chadwick

Company Name

Lutterworth High School Academy Trust

Principal and Registered Office

Woodway Road
Lutterworth
Leicestershire
LE17 4QH

Company Registered Number

07687235

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

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Lloyds Banking Group
4 Bell Street
Lutterworth
Leicestershire
LE17 4DW

Solicitors

Brown 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 2018**

The Trustees present their annual report together with the financial statements and Auditor's Report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy 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 registered on roll, 808 pupils on the school census October 2018. This temporary excess in pupil numbers is due to the tail end of the transition period of the school age range change. The current Year 11 is a larger year than anticipated for future year's intakes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Lutterworth High School 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 Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lutterworth High School.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

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 in the year was £729 (2017 - £1,097) and provides cover up to £3,000,000.

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. Recruitment of Trustees is outlined in the Articles of Association. 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.

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 has a contract with the LA Governor Development Service (GDS) which provides Trustee training including induction training for new Trustees. Governor Development Service also offer specific training to suit the needs of Trustees. Trustees also have access to an information resource – The Key, in addition to the weekly updates from GDS. The Academy has delegated the responsibility for Trustee training to a nominated Trustee (Janet Jones). A full log of Trustee training is maintained by the Clerk and feedback on training is shared with the Governing Body.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 – which meets at least 3 times per year
2. Health and Safety – which meets at least 3 times per year
3. Achievement and Attainment – which meets 3 times per year
4. 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 Leadership team who meet weekly to discuss both strategic and day-to-day responsibilities.

The Senior Leadership Team was restructured permanently in the summer term 2018 and now comprises the Headteacher, Deputy Headteacher, 3 Assistant Headteachers and the Operations Manager. The School Business Manager works 2 days a week and supports the Senior Leadership Team 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 management structure have delegated responsibility for line managing budget holders and their area spending.

The Academy is currently consulting on joining a Cross-Authority MAT. The finance structure will continue until such changes occur.

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

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Lutterworth High School Academy Trust has to report information included in Schedule 2 of the Regulations, as an employer with more than 49 full time employees.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	N/A
51% - 99%	N/A
100%	N/A

Percentage of pay bill spent on facility time

Total cost of facility time	N/A
Total pay bill	N/A
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	N/A

Paid trade union activities

Time spent on paid trade union activities such 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	N/A
---	-----

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Related Parties and other Connected Charities and Organisations

The Academy Trust continues to operate as a standalone Academy although consultation has taken place and work is underway to join a Cross-Authority MAT in the future. No time scale has yet been agreed.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy mission statement "Where learning comes first" encapsulates the ethos of the school and the school 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.

Objectives, Strategies and Activities

The key priority areas for Lutterworth High School in 2017/2018 were:

- Further develop innovative teaching and encourage staff to be creative and take risks;
- Teachers use questioning to promote higher order thinking and maintain challenge throughout the lesson;
- Feedback, Action and Response (FAR) is embedded with students demonstrating excellent progress;
- Assessment without levels provides students and parents with timely information on how to improve;
- Ensure excellent progress is made by all groups of students and is in line with or above national averages;
- Tracking and intervention is mapped, identifying the roles of teachers in raising attainment;
- Students are set challenging goals, given their starting points;
- Assessment focus data and predictions are quality assured, accurate and moderated;
- Students are proud of their achievements and of their school;
- Students are confident, self-assured and developing the behaviours and attitudes necessary for success in their adult life;
- Students know how to keep themselves safe and make informed choices about their health and emotional well-being;
- Teachers are deeply involved in their own professional development and reflect and debate how they teach;
- Middle leaders have a deep and accurate understanding of the effectiveness of their areas and use this to secure improvements; and
- A culture of staff well-being creates a positive climate for students and staff to excel.

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

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 and in planning future activities for the year. The Trustees consider that the Academy's aims are demonstrably for the public benefit.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and Performance

Key Stage 4 outcomes 2018 (Unvalidated data September 18)

Students make expected progress at Lutterworth High School. In 2017 the P8 score was +0.1. The A8 score was 51. In 2018 this is slightly lower at -0.06 but with a consistent attainment score of 51.

Results for English have been consistently good for two years. In 2017 79.3% of students achieved 5+ and progress was +0.52. In 2018, 75% achieved 5+ and progress was +0.21. Results were significantly above national and regional averages.

Attainment in Mathematics is strong at 4+ but progress at 5+ and 7+ needs to be accelerated. 2018 saw a drop in the proportion of students achieving 5+ from 59% in 2017 to 56% in 2018. The progress of students in Mathematics was -0.16 in 2018 compared to +0.22 in 2017. Mathematics results were significantly above national and regional averages.

The proportion of students achieving English and Mathematics at 5+ is high. Outcomes in English and Mathematics at 5+, decreased from 59% in 2017 to 52% in 2018. This is an area for improvement but compares favourably to the 2017 national figure of 39.1% for all schools.

Entry into and attainment in the Ebacc measure is a strength. In 2018 40% of students were entered for the Ebacc suite of subjects. The APS for all students in Ebacc was 4.6 with 24% achieving a strong pass in all subjects. In 2017 51% of students were entered with 32% achieving 5+. This compared to 2017 national data for all schools of 34.9% entered with 19.5% achieving 5+. The curriculum model going forward continues to support students to access the Ebacc with 47% of students entered in the 2019 cohort.

Students make expected progress in the Ebacc element. In 2017 and 2018 progress was -0.01. Attainment has risen in this group of subjects with significant improvements seen in Science and Languages.

Students with SEND and EHC Plans do well at Lutterworth High School. Progress for the group in 2018 was slightly negative (-0.25) but low confidence levels in the data for such a small group of students require a case by case approach. All students with SEND in 2017 and 2018 successfully accessed an appropriate post 16 course and evaluation shows effective support was in place for these students.

Students in the lower prior attainment band perform particularly well at Lutterworth High School. In 2017 the P8 score for this group was +0.51 and in 2018 these students continued to make better than expected progress, P8 +0.29.

Students with middle prior attainment do well at Lutterworth High School. In 2017 the P8 score for this group was +0.18, in 2018 it was +0.22.

Students are exceptionally well prepared for the next stage of their education. Students who were NEET in 2015/2016 was very low - 2% 'Not Settled-Active' compared to the national average. Internally collected data for the 2017 and 2018 cohort indicates that upon leaving, 100% of students have continued in education, training or employment post 16.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Performance Indicators

Key Performance Indicators	2017 - 18	2018 - 19	2019 - 20	2020 - 21	2021 - 22
Total Staff Costs (£)	3,247,503	3,354,886	3,426,173	3,517,569	3,582,498
Total Staff Costs to ESFA Revenue Income (%)	92%	85%	88%	93%	93%
Total Staff Costs to Total Income (%)	86%	80%	83%	87%	88%
Total Staff Costs as Proportion of Total Expense (%)	81%	82%	82%	82%	82%
FTE Teaching Staff	45.5	45.5	45.7	45.7	45.7
FTE Support Staff	37.3	38.1	38	38.5	38.6
Total FTE	82.8	83.6	83.7	84.2	84.3
Total Pupil Numbers by Lagged Pupil Numbers	794	840	825	807	822
Pupil Teacher Ratio as per Lagged Pupil Numbers	17.45	18.45	18.05	17.66	17.99
Average Teacher Cost (£)	49,483	50,605	51,669	52,644	53,785
Proportion of budget spent on the Leadership team (%)	13%	12%	12%	13%	13%
Spend per pupil for non-pay expenditure lines (£)	979	904.83	933.78	966.71	960.19

The 11-16 Age Range Change transition implications on the funding continue to distort the KPI's and therefore are not necessarily helpful as a benchmarking tool until after the final year of transition has occurred.

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 (see page 28).

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the year ended 31 August 2018.

The Academy also receives grants for fixed assets from the DfE, and such grants when spent 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 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy and the Finance Regulations which lay out the framework for financial management, including financial responsibilities of the Governing Body, the Headteacher, the Operations Manager, budget holders and staff, as well as delegated authority for spending.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Other policies include Charges and Lettings, Asset Management, Whistleblowing and Risk Management policy.

Trustees have adopted the Responsible Officer Check carried out by MHA MacIntyre Hudson.

A visit took place during April 2018, to ensure the necessary policies and procedures are in place as specified in the Academies Financial Handbook. A report was received in April 2018 and was presented for consideration to Personnel and Finance Committee at their meeting in May 2018.

17/18 GAG funding was reduced by £238,000 due to transitional arrangements of age range change. During the year to 31 August 2018 total GAG income amounted to £3,421,000. Expenditure during the year totalled £4,603,000 and was more than covered by grant funding together with reserves.

This set of accounts shows the financial performance of the Academy Trust for the year ended 31 August 2018. The Statement of Financial Activities shows the Academy reported an in-year deficit of £410,000 in this 12 month period, after depreciation charges of £206,000 but before actuarial gains.

A successful Healthy School Capital Bid during 2017/2018 has allowed the school to refurbish the school changing rooms to encourage and attract a healthier lifestyle for our pupils. Amount received totalled £66,000.

The Academy has consulted with parents on the proposal to form a Multi-Academy Trust with neighbouring secondary schools in Warwickshire and Trustees have agreed in principal to this proposal although a time line has not been agreed at present. A joint approach would ensure economies of scale and best value to all schools within the Multi-Academy Trust.

Reserves Policy

The Personnel and Finance Committee have established a reserves policy to consider the maintenance of a minimum working reserve in order to minimise any financial risks facing the Academy, such as delays between spending and receipt of grants or unexpected emergencies. It aims to regularly review the nature of income and expenditure streams and the need to match income with commitments, to have regard to the potential liabilities which may arise in the event of a school merger or closure, to identify and maintain an appropriate level of free reserves, to consider and set aside funds for significant projects that cannot be met by future income alone.

Trustees have agreed that an appropriate reserves balance would equate to 4 weeks of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £200,000. Free reserves at 31 August 2018 are reported at £268,000.

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 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

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.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

At 31 August 2018 the total funds comprised:

	£
Unrestricted	249,000
Restricted:	
Fixed asset funds	7,229,000
Pension reserve	(799,000)
Other	19,000
	<hr/>
	6,698,000
	<hr/> <hr/>

Investment Policy

The investment policy can be found in the Financial Management Manual and ensures that the Academy monitors cash flow on a regular basis and ensures that surplus funds are deposited so as to maximise the interest, with a consideration to only invest in risk free and immediately accessible deposit accounts. Investments during 2017/2018 only effected movement into Lloyds higher interest investment products.

Principal Risks and Uncertainties

A thorough Risk Management Assessment has been conducted using guidelines provided by the ESFA and has been assessed and approved via the Personnel and Finance Committee along with the Statement of Internal Control. The assessment identifies the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, putting in place controls to mitigate such risks. Whilst reviewed via the Personnel and Finance Committee on an annual basis the Risk Register is a live document which is reviewed regularly with Trustees and Senior Leadership Team.

There are 4 key risks for the Academy:-

1. Reputational Risk;
2. Performance Risk;
3. Financial Risk – reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs; and
4. Risks associated with Personnel.

In addition there continues to be specific risks affecting the Academy:-

1. Changes in funding with the introduction of National Fair Funding Formula; and
2. Lack of ESFA funding in 2017/2018 due to transitional arrangements agreed by Leicestershire Schools Forum supporting age range change.

All risks have been identified within the risk register and action plans implemented to manage these risks. The Academy Trust practices through its Board, namely the Board of Trustees and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board of Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Board of Trustee's 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 Trustee's collectively, whilst more minor risks are dealt with by Senior Executive Officers.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDRAISING

The Academy do not raise funds without specific purposes. Sponsored events have been organised to raise cash to support the development of PE resources and is 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.

PLANS FOR FUTURE PERIODS

During 2017/2018 the Academy has completed its transitional phase of changing its age range to provide 11-16 education and the major impact of the reduction in funding to reflect the reduction in Pupil numbers to fund age range change in other Leicestershire Schools. Work has continued to develop the site to meet the needs of a KS4 cohort, including an upgrade of IT rooms, changing room refurbishment, a Science Garden and toilet refurbishments.

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 attract high quality teachers and support staff 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.

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 SCIT in the Rushey Mead and Griffin Teaching Alliances. The school will 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 Griffin Teaching Alliance, Partnership Plus, Excellence Group and Learning South Leicestershire.

The Academy continues in its initial steps of moving from being a Single Academy Trust to becoming part of a Multi-Academy Trust with Lawrence Sheriff School to create The Sheriff Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There were no funds held as Custodian Trustee on behalf of others

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

AUDITOR

In so far 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.

A best value exercise was undertaken during 2017/2018 to compare Audit services and it was agreed by the Trustees that MHA MacIntyre Hudson would be reappointed for the forthcoming year due to value and level of support and service.

This Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2018 and signed on the board's behalf by:

.....
Janet Jones
Chair of Trustees

.....
Julian Kirby
Accounting officer

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

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

The 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Janet Jones (Chair)	2	5
Philippa Clare (Vice-Chair)	5	5
Richard Holding	4	5
Julian Kirby (Headteacher and Accounting Officer)	5	5
Stephen Bettles	5	5
Joanne Holyland	4	5
Penny Walker-Barber	4	5
Kay Cowling (Appointed 22 January 18)	3	3
Duncan Haworth	4	5
Malcom Maguire	5	5
Carmella Hunt	3	5
Susan Campbell	5	5

In addition to the Board of Trustees meetings, the Academy have 4 sub-committees that address specific areas of school business.

Personnel and Finance Committee

This Committee met 3 times during the 17/18 financial year. The main purpose of this committee is 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
- To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.

Major issues will be referred to the full Board of Trustees for ratification.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Audit Committee is a function within the terms of the Personnel and Finance Committee. Its purpose is:

1. To review the Academy's procedures for detecting fraud and whistleblowing 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 in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Holding (Chair)	2	3
Philippa Clare (Vice Chair)	2	3
Janet Jones	2	3
Stephen Bettles	3	3
Susan Campbell	3	3
Julian Kirby (Headteacher and Accounting Officer)	3	3

Achievement and Attainment Committee

This Committee met 3 times during the 17/18 financial year. The main purpose of this committee is delegated authority from the Board of Trustees to:

- Support, challenge, decide and determine matters related to student achievement and attainment, curriculum, teaching and learning, attendance and behaviour; and
- To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.

Major issues will be referred to the full Board of Trustees for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Philippa Clare (Chair)	3	3
Joanne Holyland (Vice-Chair)	2	3
Janet Jones	1	3
Malcolm Maquire	3	3
Carmella Hunt	3	3
Duncan Haworth	3	3
Kay Cowling (Appointed 22 January 18)	2	2
Julian Kirby (Headteacher and Accounting Officer)	3	3

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Health and Safety Committee

This Committee met 3 times during the 17/18 financial year. The main purpose of this committee is to:

- Advise Trustees on priorities, including Health & Safety for maintenance and development of site;
- Oversee arrangements for repairs;
- Oversee arrangements for building contracts;
- Monitor SEF areas;
- Review general risk assessment; and
- Oversee GDPR.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Janet Jones	3	3
Richard Holding	2	3
Julian Kirby (Headteacher and Accounting Officer)	3	3
Stephen Bettles	3	3
Penny Walker-Barber	3	3

1 new Staff Trustee was appointed on 22 January 2018 and all other Trustees remain the same. The new appointment completed a skills audit to supplement the work done in the previous year.

A self-evaluation and external review has not been undertaken during 2017/2018. Further Governance evaluations are likely to be undertaken as part of the Multi-Academy Trust due diligence process, originally anticipated during 17/18, but delayed for legal reasons.

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

- Continuing a replacement of lighting with much improved LED lighting to reduce energy costs in significant areas including the school hall;
- To review contracts as they become eligible for consideration, including sanitary waste collection and photocopier contracts; and
- To improve the catering provision to increase profits to support school initiatives.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 year up to 31 August 2018 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 year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed MacIntyre Hudson, the external auditor, to perform additional checks as part of a Responsible Officer (RO) function.

The RO 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 payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

On a half yearly basis, the RO report is presented to the Board of Trustees, through the Personnel and Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The RO visit during 2017/2018 revealed 5 low risk issues for action.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 work of the School Business Manager – Finance as a reporter of monthly activities; and
- the work of the external auditor.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control via the Personnel and Finance Committee and there were no weaknesses identified to raise cause for concern.

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:

.....
Janet 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 2018

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 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 2017-2018.

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 2017-2018.

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

.....
Julian Kirby
Accounting Officer

Date: 11 December 2018

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as 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 Annual Accounts Direction issued by the Education & 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
Janet Jones
Chair of Trustees

Date: 11 December 2018

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

QUALIFIED OPINION

We have audited the financial statements of Lutterworth High School Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Except for the matter described in the Basis For Qualified Opinion on Financial Statements, in our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

Although note 11 to the financial statements of the Academy Trust details the individual amounts of remuneration that were paid to four staff governor trustees during the year, the note does not include the names of the individuals. The Board of Governors of the Academy Trust has not disclosed the names as the Governors consider that these are a matter of privacy for the individuals concerned and that the details can be ascertained through other information in the accounts. The Board of Governors considers that the Academy staff who are Trustees are acting as trustees on a voluntary basis and their remuneration relates to their employment as staff in the Academy.

In respect of the omission of the names of the staff Governor Trustees who received remuneration, the financial statements of the Academy are not in compliance with the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency, which requires disclosure of the names of the individuals.

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

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the Trustees (who are also the directors of the Academy 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy's 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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Meridian Business park
Leicester
LE19 1RJ

Date: 20 December 2018

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**

In accordance with the terms of our engagement letter dated 21 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 ended 31 August 2018 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 the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lutterworth High School Academy Trust and the 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 1 August 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 ended 31 August 2018 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 Academies Accounts Direction 2017 to 2018 issued by the 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'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, with reference to the income streams and other information available to us as auditors of the Academy;
- 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; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Meridian Business park
Leicester
LE19 1RJ

Date: 20 December 2018

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 2018**

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
INCOME FROM:						
Donations and capital grants	2	-	-	66	66	280
Funding for the Academy Trusts educational operations	3	-	3,792	19	3,811	4,147
Other trading activities	4	310	-	-	310	265
Investments	5	2	-	-	2	2
TOTAL INCOME		312	3,792	85	4,189	4,694
EXPENDITURE ON:						
Raising funds	6	248	-	-	248	228
Academy Trust educational operations		-	4,145	206	4,351	4,175
TOTAL EXPENDITURE	8	248	4,145	206	4,599	4,403
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	19	64	(353)	(121)	(410)	291
		-	(107)	107	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		64	(460)	(14)	(410)	291
Actuarial gains on defined benefit pension schemes	24	-	222	-	222	191
NET MOVEMENT IN FUNDS		64	(238)	(14)	(188)	482
RECONCILIATION OF FUNDS:						
Total funds brought forward		185	(542)	7,243	6,886	6,404
TOTAL FUNDS BROUGHT FORWARD		249	(780)	7,229	6,698	6,886

The notes on pages 28 to 52 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 2018**

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	14		7,216		6,982
CURRENT ASSETS					
Stocks	15	6		6	
Debtors	16	163		148	
Investments	17	250		-	
Cash at bank and in hand		250		931	
		669		1,085	
CREDITORS: amounts falling due within one year	18	(388)		(317)	
NET CURRENT ASSETS			281		768
TOTAL ASSETS LESS CURRENT LIABILITIES			7,497		7,750
Defined benefit pension scheme liability	24		(799)		(864)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			6,698		6,886
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	19		322	
Restricted fixed asset funds	19	7,229		7,243	
Restricted income funds excluding pension liability		7,248		7,565	
Pension reserve		(799)		(864)	
Total restricted income funds			6,449		6,701
Unrestricted income funds	19		249		185
TOTAL FUNDS			6,698		6,886

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

.....
Janet Jones
Chair of Trustees

.....
Julian Kirby
Accounting Officer

The notes on pages 28 to 52 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 2018**

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(220)</u>	<u>354</u>
Cash flows from investing activities:			
Interest from investments		2	2
Purchase of tangible fixed assets		(440)	(123)
Capital grants from DfE Group		227	297
Net cash (used in)/provided by investing activities		<u>(211)</u>	<u>176</u>
Change in cash and cash equivalents in the year		(431)	530
Cash and cash equivalents brought forward		<u>931</u>	<u>401</u>
Cash and cash equivalents carried forward	22	<u><u>500</u></u>	<u><u>931</u></u>

The notes on pages 28 to 52 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 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lutterworth High School Academy Trust constitutes a public benefit entity as defined by 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 page 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 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 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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 provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 a transfer is made to reflect these assets in the restricted fixed asset fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Stocks

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

1.7 Taxation

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

1.8 Liabilities and provisions

Liabilities and provisions 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 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. 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.

1.9 Operating leases

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

1.10 Financial instruments

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

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

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

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 24, the TPS is a unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgment

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

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 14 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 judgment:

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

1.13 Fund accounting

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

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

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

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

1.14 Debtors

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)**1.15 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Capital grants	-	-	66	66	280
Total 2017	-	-	280	280	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,417	3,417	3,667
Pupil Premium	-	83	83	81
Capital grants	-	19	19	17
Other ESFA/DFE grants	-	23	23	35
	<hr/>	<hr/>	<hr/>	<hr/>
	-	3,542	3,542	3,800
Other government grants				
Local Authority grants	-	31	31	44
	<hr/>	<hr/>	<hr/>	<hr/>
	-	31	31	44
Other funding				
School trip income	-	237	237	295
Other income	-	1	1	8
	<hr/>	<hr/>	<hr/>	<hr/>
	-	238	238	303
	<hr/>	<hr/>	<hr/>	<hr/>
	-	3,811	3,811	4,147
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	-	4,147	4,147	
	<hr/>	<hr/>	<hr/>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Rental income	5	-	5	8
School uniform sales	-	-	-	1
Catering income	248	-	248	227
Teacher placement income	9	-	9	1
Other income	48	-	48	28
	<hr/>	<hr/>	<hr/>	<hr/>
	310	-	310	265
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	265	-	265	
	<hr/>	<hr/>	<hr/>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Interest receivable	2	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	2	-	2	
	<hr/>	<hr/>	<hr/>	

6. RAISING FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Catering expenditure	154	-	154	145
Catering staff costs	94	-	94	83
	<hr/>	<hr/>	<hr/>	<hr/>
	248	-	248	228
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	228	-	228	
	<hr/>	<hr/>	<hr/>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ACADEMY TRUST EDUCATIONAL OPERATIONS

	Total funds 2018 £000	Total funds 2017 £000
DIRECT COSTS		
Wages and salaries	2,061	1,998
National insurance	196	195
Pension cost	478	412
Depreciation	206	194
Educational supplies	132	113
Travel and subsistence	2	-
Other direct costs	185	266
	<hr/> 3,260 <hr/>	<hr/> 3,178 <hr/>
SUPPORT COSTS		
Wages and salaries	437	404
National insurance	31	28
Pension cost	82	69
Pension finance cost (note 13)	24	20
Staff training	22	12
Recruitment and support	8	10
Maintenance of premises and equipment	124	124
Cleaning	4	4
Rates and water	20	19
Energy costs	45	42
Insurance	24	34
Security and transport	19	9
Catering	10	15
Legal and professional	39	35
Other support costs	185	152
Bank charges and interest	4	4
Governance costs	13	16
	<hr/> 1,091 <hr/>	<hr/> 997 <hr/>
	<hr/> 4,351 <hr/>	<hr/> 4,175 <hr/>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. TOTAL RESOURCES EXPENDED

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on raising voluntary income	94	-	154	248	228
Activities:					
Direct costs	2,735	165	360	3,260	3,178
Support costs	574	234	283	1,091	997
	3,403	399	797	4,599	4,403
Total 2017	3,208	303	892	4,403	

In 2017 of the total expenditure on charitable educational activities of £4,403,000, £228,000 was from unrestricted funds, £4,175,000 from restricted funds.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	206	194
Auditor's remuneration - audit services	10	10
Auditor's remuneration - non audit services	4	4
Operating lease rentals	9	7

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS**a. Staff costs**

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	2,557	2,451
Social security costs	230	226
Pension costs	574	492
	<hr/> 3,361	<hr/> 3,169
Agency staff costs	18	19
Pension finance cost (note 13)	24	20
	<hr/> 3,403 <hr/>	<hr/> 3,208 <hr/>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	47	40
Administration and support	56	42
Management	6	6
	<hr/> 109 <hr/>	<hr/> 88 <hr/>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	41	41
Administration and support	36	34
Management	6	5
	<hr/> 83 <hr/>	<hr/> 80 <hr/>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these employees amounted to £40,141 (2017 - £23,956).

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by Key Management Personnel for their services to the Academy Trust was £280,608 (2017 - £240,950).

11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
Julian Kirby (Headteacher)	Remuneration	80-85	75-80
	Pension contributions paid	10-15	10-15
Staff Trustee 1	Remuneration	-	15-20
	Pension contributions paid	-	0-5
Staff Trustee 2	Remuneration	-	25-30
	Pension contributions paid	-	5-10
Staff Trustee 3	Remuneration	30-35	-
	Pension contributions paid	5-10	-

During the year ended 31 August 2018, expenses totalling £1,626 were reimbursed to 2 Trustees (2017 - £41, reimbursed to 1 Trustee).

Other related party transactions involving the trustees are set out in note 26.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £729 (2017 - £1,097).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. PENSION FINANCE COST

	2018 £000	2017 £000
Interest income on pension scheme assets	38	25
Interest on pension scheme liabilities	(62)	(45)
	<u>(24)</u>	<u>(20)</u>

14. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Long leasehold property improvements £000	Plant and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2017	5,849	1,646	238	340	20	8,093
Additions	-	356	46	38	-	440
Transfer between classes	-	20	-	-	(20)	-
At 31 August 2018	<u>5,849</u>	<u>2,022</u>	<u>284</u>	<u>378</u>	<u>-</u>	<u>8,533</u>
Depreciation						
At 1 September 2017	619	114	101	277	-	1,111
Charge for the year	101	38	26	41	-	206
At 31 August 2018	<u>720</u>	<u>152</u>	<u>127</u>	<u>318</u>	<u>-</u>	<u>1,317</u>
Net book value						
At 31 August 2018	<u>5,129</u>	<u>1,870</u>	<u>157</u>	<u>60</u>	<u>-</u>	<u>7,216</u>
At 31 August 2017	<u>5,230</u>	<u>1,532</u>	<u>137</u>	<u>63</u>	<u>20</u>	<u>6,982</u>

Included in Long leasehold property is long leasehold land valued at £1,349,539 (2017 - £1,349,539) on conversion in 2012 by Drivers Jonas Deloitte using the depreciation replacement cost method. The Trustees consider that the valuation remains appropriate for the purpose of these financial statements.

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

15. STOCKS

	2018 £000	2017 £000
Catering stock	<u>6</u>	<u>6</u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. DEBTORS

	2018	2017
	£000	£000
Trade debtors	5	4
Prepayments and accrued income	111	119
Other debtors	47	25
	<hr/> 163 <hr/>	<hr/> 148 <hr/>

17. CURRENT ASSET INVESTMENTS

	2018	2017
	£000	£000
Unlisted investments (liquid)	250	-
	<hr/> 250 <hr/>	<hr/> - <hr/>

The market value of the listed investments at 31 August 2018 was £250,000 (2017 - £NIL).

18. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	179	140
Other taxation and social security	58	56
Other creditors	58	54
Accruals and deferred income	93	67
	<hr/> 388 <hr/>	<hr/> 317 <hr/>
	<hr/> 2018	<hr/> 2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	41	97
Resources deferred during the year	47	41
Amounts released from previous years	(41)	(97)
	<hr/> 47 <hr/>	<hr/> 41 <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and various income in relation to the next academic year.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General funds	185	312	(248)	-	-	249
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	322	3,417	(3,613)	(107)	-	19
Other DfE/ESFA grants	-	23	(23)	-	-	-
Pupil Premium	-	83	(83)	-	-	-
Other grants	-	31	(31)	-	-	-
Other income	-	238	(238)	-	-	-
LGPS Defined Benefit Pension Scheme	(864)	-	(157)	-	222	(799)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(542)	3,792	(4,145)	(107)	222	(780)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Net book value of fixed assets	6,982	-	(206)	440	-	7,216
CIF grant	261	-	-	(255)	-	6
Other capital grants	-	66	-	(59)	-	7
Devolved formula capital	-	19	-	(19)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,243	85	(206)	107	-	7,229
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	6,701	3,877	(4,351)	-	222	6,449
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	6,886	4,189	(4,599)	-	222	6,698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 at the discretion of the Trustees. Transfers of £103,000 from unrestricted funds to the restricted fixed asset fund represents allocations from unrestricted funds towards plant and equipment, computer equipment and property improvements.

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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

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's educational operations.

Other 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'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 given the nature of the liability, however, 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 from Local Authority following the transfer of assets. It included further amounts invested in fixed assets.

Capital grants

This consists of Devolved Formula Capital (DfC) and other capital funding from the Education and Skills Funding Agency. 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. The Academy had unspent grants to carry forward totalling £13,000.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General funds	146	267	(228)	-	-	185
Restricted funds						
General Annual Grant (GAG)	136	3,667	(3,407)	(74)	-	322
Other DfE/ESFA grants	-	35	(35)	-	-	-
Pupil Premium	12	81	(80)	(13)	-	-
Capital grants	-	44	(44)	-	-	-
Other grants	-	303	(303)	-	-	-
LGPS Defined Benefit Pension Scheme	(943)	-	(112)	-	191	(864)
	<u>(795)</u>	<u>4,130</u>	<u>(3,981)</u>	<u>(87)</u>	<u>191</u>	<u>(542)</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,053	-	(194)	123	-	6,982
CIF grant	-	280	-	(19)	-	261
Devolved formula capital	-	17	-	(17)	-	-
	<u>7,053</u>	<u>297</u>	<u>(194)</u>	<u>87</u>	<u>-</u>	<u>7,243</u>
Total restricted funds	<u>6,258</u>	<u>4,427</u>	<u>(4,175)</u>	<u>-</u>	<u>191</u>	<u>6,701</u>
Total of funds	<u><u>6,404</u></u>	<u><u>4,694</u></u>	<u><u>(4,403)</u></u>	<u><u>-</u></u>	<u><u>191</u></u>	<u><u>6,886</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General funds	146	579	(476)	-	-	249
Restricted funds						
General Annual Grant (GAG)	136	7,084	(7,020)	(181)	-	19
Other DfE/ESFA grants	-	58	(58)	-	-	-
Pupil Premium	12	164	(163)	(13)	-	-
Capital grants	-	44	(44)	-	-	-
Other grants	-	334	(334)	-	-	-
	-	238	(238)	-	-	-
LGPS Defined Benefit Pension Scheme	(943)	-	(269)	-	413	(799)
	<u>(795)</u>	<u>7,922</u>	<u>(8,126)</u>	<u>(194)</u>	<u>413</u>	<u>(780)</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,053	-	(400)	563	-	7,216
CIF grant	-	280	-	(274)	-	6
Other capital grants	-	66	-	(59)	-	7
Devolved formula capital	-	36	-	(36)	-	-
	<u>7,053</u>	<u>382</u>	<u>(400)</u>	<u>194</u>	<u>-</u>	<u>7,229</u>
	<u>6,258</u>	<u>8,304</u>	<u>(8,526)</u>	<u>-</u>	<u>413</u>	<u>6,449</u>
Total of funds	<u><u>6,404</u></u>	<u><u>8,883</u></u>	<u><u>(9,002)</u></u>	<u><u>-</u></u>	<u><u>413</u></u>	<u><u>6,698</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	7,216	7,216
Current assets	269	388	13	670
Creditors due within one year	(778)	389	-	(389)
Pension reserve	-	(799)	-	(799)
	<u>249</u>	<u>(780)</u>	<u>7,229</u>	<u>6,698</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	6,982	6,982
Current assets	185	639	261	1,085
Creditors due within one year	-	(317)	-	(317)
Pension reserve	-	(864)	-	(864)
	<u>185</u>	<u>(542)</u>	<u>7,243</u>	<u>6,886</u>

**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2018 £000	2017 £000
Net (expenditure)/income for the year	(410)	291
Adjustment for:		
Depreciation charges	206	194
Interest receivable	(2)	(2)
Increase in stocks	-	(6)
Increase in debtors	(15)	(19)
(Decrease)/increase in creditors	(71)	81
Capital grants from DfE and other capital income	(85)	(297)
Defined benefit pension scheme cost less contributions payable	133	92
Defined benefit pension scheme finance cost	24	20
Net cash (used in)/provided by operating activities	<u>(220)</u>	<u>354</u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	250	931
Notice deposits (less than 3 months)	250	-
Total	500	931

23. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018	2017
	£000	£000
Contracted for but not provided in these financial statements	-	248

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £55,575 were payable to the schemes at 31 August 2018 (2017 - 52,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £291,000 (2017 - £282,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £189,000 (2017 - £152,000), of which employer's contributions totalled £150,000 (2017 - £120,000) and employees' contributions totalled £39,000 (2017 - £32,000). The agreed contribution rates for future years are 22.8% for employers and 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment	2.40 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	(63)	(57)
Discount rate -0.1%	63	57
Mortality assumption - 1 year increase	100	93
Mortality assumption - 1 year decrease	(100)	(93)
CPI rate +0.1%	53	46
CPI rate -0.1%	(53)	(46)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,047	974
Debt instruments	456	291
Property	152	116
Cash and other liquid assets	34	73
Total market value of assets	1,689	1,454

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2018	2017
	£000	£000
Current service cost	(283)	(212)
Interest income	38	25
Interest cost	(62)	(45)
	<hr/>	<hr/>
Total	(307)	(232)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	72	126
	<hr/> <hr/>	<hr/> <hr/>

The Academy expects to contribute £163,000 to its defined benefit pension scheme in 2019. Movements in the present value of the defined benefit obligation were as follows:

	2018	2017
	£000	£000
Opening defined benefit obligation	2,318	2,145
Current service cost	283	212
Interest cost	62	45
Employee contributions	39	32
Actuarial gains	(188)	(90)
Benefits paid	(26)	(26)
	<hr/>	<hr/>
Closing defined benefit obligation	2,488	2,318
	<hr/> <hr/>	<hr/> <hr/>

Movements in the fair value of the Academy's share of scheme assets:

	2018	2017
	£000	£000
Opening fair value of scheme assets	1,454	1,202
Interest income	38	25
Actuarial gains	34	101
Employer contributions	150	120
Employee contributions	39	32
Benefits paid	(26)	(26)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,689	1,454
	<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 2018**

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	12	7
Between 2 and 5 years	14	6
Total	26	13

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

27. CONTROLLING PARTY

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.

28. COMPANY LIMITED BY GUARANTEE

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

29. 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 member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.