

Registered number: 07687235

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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

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LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Michael Murphy
Janet Jones
Danni Gill
Richard Holding
Philippa Clare

Trustees

Michael Murphy, Chair of Trustees¹
Janet Jones, Vice Chair
Debbie Aitkenhead, Trustee
Richard Holding, Trustee¹
Philippa Clare, Staff Trustee¹
Danni Gill, Trustee
Nora Parker, Headteacher and Accounting Officer¹
Jo MacIntyre, Staff Trustee
Penni Walker-Barber, Staff Trustee
Louise Kenton, Trustee
Stephen Bettles, Trustee (appointed 10 March 2014)
Lisa Smith, Trustee
Valerie Sharp, Trustee (resigned 30 November 2013)¹

¹ Members of the Personnel and Finance Committee

Company registered number

07687235

Principal and registered office

Woodway Road
Lutterworth
Leicestershire
LE17 4QH

Company secretary

Helene Chadwick

Senior Leadership Team

Nora Parker, Head Teacher
Jane Nicolle, Deputy Head Teacher
Richard Salter, Assistant Head Teacher
Jackie Underwood, Operations Manager
Helene Chadwick, Business Manager
Amy Hunter, Assistant Head Teacher

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
11 Merus Court
Meridian Business park
Leicester
LE19 1RJ

Bankers

Lloyds Banking Group plc
4 Bell Street
Lutterworth
Leicestershire
LE17 4DW

Solicitors

Brown Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in South Leicestershire. It has a pupil capacity of 750 and had a roll of 702 in the school census on October 2013.

The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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.

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

Details of the Trustees who served throughout the year except as noted 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.

GOVERNORS' INDEMNITIES

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions.

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 £1,242.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Recruitment of Trustees is outlined in the Memorandum of Articles. Members may appoint up to 6 Trustees. Trustees may Co opt up to 3 Trustees. The appointment of staff Trustees is via a process of a staff ballot. The appointment of Parent Trustees is made via parent election.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The School buys into the LA Governor Development Service who offers Trustee training including induction training for new Trustees. As part of a local group the Lutterworth family of schools have bespoke Trustee training by GDS held locally. The Academy have delegated the responsibility for Trustee training to a nominated Trustee (Janet Jones).

ORGANISATIONAL STRUCTURE

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

1. Personnel and Finance – which meets at least 3 times per year
2. Teaching and Learning – which meets at least 3 times per year
3. Health and Safety – which meets at least 3 times per year

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.

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

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Lutterworth High School is a standalone Academy with no connections to other organisations which may affect the operating policies. The school is a member of Challenge Partners and has a review each year to evaluate and assess teaching and learning. In the review of November 2013 the school's outstanding judgement of September 2012 was reaffirmed. Another review is due to take place in Spring 2015.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

Lutterworth High School is smaller than the average-sized secondary school, currently for students aged 11-14. Most students (94%) are White British and a below average proportion is from minority ethnic heritages. A few students are of Traveller heritage. The proportion of students identified with disabilities and those with special needs and the proportion with a statement of special educational needs are well below average. The proportion of students eligible for free schools meals is very small in relation to schools nationally.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees believe that the Academy's admissions policy and its achievements and performance in the year (as outlined below) provide clear evidence that the Academy is meeting its obligations as a charity to deliver public benefit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES, STRATEGIES AND ACTIVITIES

During 2013/2014 Trustees of Lutterworth High School, in consultation with the Board of Trustees of the family of schools, agreed unanimously to alter its age range from 11-14, to 11-16, in a bid to meet Government priorities to provide a through education, whilst enhancing the learning of all pupils without the disruption of transition from KS3 to KS4. This age range change will become effective from 2015/2016 Academic Year. This is one of the biggest changes to the school in its history. Staff are already planning the new curriculum offer, a timetable has been drafted and options developed. Marketing is underway to attract year 7's to the school and to encourage year 9's to stay on. The PAN will reduce from 250 per year to 150 in an aim to manage the pupil numbers across the school. A new school logo and school uniform is also planned to complement the change.

In 2013/2014 the school continued to invest in the enhancement of the learning environment, refurbishing 2 science labs and converting storage areas into useable office and meeting room spaces. An ACMF bid was successful to replace a faulty boiler.

During 2014/2015 planning will continue and spending will be restrained to ensure that surplus funds are available to support the transition from 11-14 to 11-16.

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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Students make outstanding progress and attainment at KS3 is high, even allowing for the relatively high prior attainment of students. All students perform above the county averages. Although KS3 levels are based on teacher assessments, the school participates in a rigorous moderation programme to ensure consistency. In the majority of subjects, girls outperform boys, although boys still achieve above national norms. The school has taken steps to address this gender gap through curriculum design and a wider variety of modes of assessment. Some curriculum areas have involved students in determining more 'boy-friendly' teaching strategies and content. The school has invested in a number of Kindles in an effort to encourage boys to read more. The use of iPads has greatly improved performance and engagement and this together with the refurbishment of the library, now called the Learning Hub, has enabled staff and students greater use and flexibility of mobile technology to assist learning.

Virtually all student groups achieve well although a significant established local community of travellers ('travelling showmen') presents particular challenges.

Attainment levels and attitude to learning are tracked three times a year and appropriate intervention is put in place, particularly mentoring. Where students do not have KS2 data, they are assessed using a number of standardised tests, the results of which are then correlated to KS2 to facilitate target setting.

Due to our imminent age range change in 2015 (11-16) staff have spent the past eighteen months planning for the delivery of a KS4 curriculum. We have started to teach key GCSE concepts, skills and modules to our current year 9 cohort. This is already having a huge impact upon this year's results as students are producing work that is currently of a GCSE standard; with grades A*-C in core subject areas.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Level 5+ %			Level 6+ %			Level 7+ %			APS		
	All	Male	Female	All	Male	Female	All	Male	Female	All	Male	Female
English	96	93	99	83	76	92	37	31	42	40	39	41
Maths	97	96	98	79	80	79	41	45	37	41	41	40
Science	100	100	100	91	88	95	50	53	47	42	42	42

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.

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.

At 31 August 2014 the total funds comprised:

		£
Unrestricted		74,000
Restricted:	Fixed asset funds	7,107,000
	GAG	374,000
	Pension reserve	<u>(604,000)</u>
		<u>6,951,000</u>

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 23. 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 month's worth of Academy expenditure. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

INVESTMENT POLICY

The investment policy can be found in the Financial Management Manual and ensures that the Academy monitor cash flow on a regular basis and ensure 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

PRINCIPAL RISKS AND UNCERTAINTIES

A thorough Risk Management Assessment has been conducted using guidelines provided by the EFA 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 Management.

There are 2 specific risks for the Academy:-

1. Reduction of numbers due to age range change and risk of losing pupils to other education providers.
2. Changes to the LA Transport Policy with effect from September 2015, withdrawing some free transport for pupils traditionally receiving free transport to the school. The new policy only provides transport to the nearest school. This could impact on pupil numbers due to affordability.

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

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

PLANS FOR FUTURE PERIODS

As outlined at the beginning of this report, the Academy has extended its age range to include KS4 with effect from September 2015. This will have a big impact on how the school functions, promotes and delivers a robust education to all students.

To support the change, a bid is proposed to secure funding via the expansion funding to provide advanced sporting facilities for the school.

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
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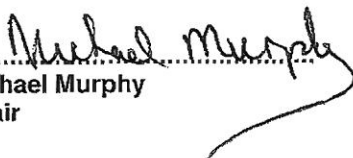
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITOR

In so far that the Trustees are aware:

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

This report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 27 November 2014 and signed on the Board's behalf by:


.....
Michael Murphy
Chair


.....
Nora Parker
Accounting Officer

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Lutterworth High School Academy Trust Limited 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 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Governor	Meetings attended	Out of a possible
Michael Murphy, Chair of Trustees	4	4
Janet Jones, Vice Chair	4	4
Debbie Aitkenhead, Trustee	3	4
Richard Holding, Trustee	3	4
Philippa Clare, Staff Trustee	4	4
Danni Gill, Trustee	3	4
Nora Parker, Headteacher and Accounting Officer	4	4
Jo MacIntyre, Staff Trustee	4	4
Penni Walker-Barber, Staff Trustee	4	4
Louise Kenton, Trustee	2	4
Stephen Bettles, Trustee	2	2
Lisa Smith, Trustee	1	4
Valerie Sharp, Trustee	1	1

It is proposed that the Trustees conduct a self-evaluation during the 2014/15 Academic year.

The Personnel and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is 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 Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.
- Major issues will be referred to the full Governing Body for ratification.

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GOVERNANCE STATEMENT (continued)

During the year Valerie Sharp resigned from the Board of Trustees and this Committee. Attendance at meetings in the year was as follows:

Personnel and Finance Committee	Meetings attended	Out of a possible
Michael Murphy	4	4
Richard Holding	3	4
Philipa Clare	4	4
Nora Parker	4	4
Valerie Sharp	2	2

The Audit Committee is a function of the Personnel and Finance Committee Its purpose is to:

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

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 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 1 September 2013 to 31 August 2014 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 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's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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'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;

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- 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 MHA MacIntyre Hudson, the external auditor, to perform additional checks to assist the Responsible Officer (RO) function.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Each Spring term the Responsible Officer reports 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.

Risk Management is embedded in the day-to-day processes of the charitable company. Principal risk areas for the charitable company are the protection of pupils, employees and of assets. Systems and procedures to minimise these risks are constantly reviewed and updated.

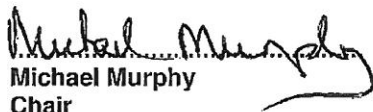
REVIEW OF EFFECTIVENESS

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 Responsible Officer; ;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 27 November 2014 and signed on its behalf, by:


Michael Murphy
Chair


.....
Nora Parker
Accounting Officer


LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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 EFA.


.....
Nora Parker
Accounting Officer

27 November 2014

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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 published by the Education 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 the year. 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;
- 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;
- 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 EFA/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:


.....
Michael Murphy
Chair of Trustees


.....
Nora Parker
Accounting Officer

27 November 2014

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

We have audited the financial statements of Lutterworth High School Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy's Board of Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's 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 Board of Trustees for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

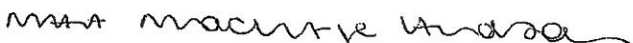
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



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

5 December 2014

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 FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lutterworth High School Academy Trust during the year 1 September 2013 to 31 August 2014 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 EFA 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 EFA 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 EFA, 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 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. 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.

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Evaluation (FMGE) return and making appropriate enquiries of the Accounting Officer;
- 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;

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 FUNDING AGENCY**
(continued)

- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Governing Body 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 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Meridian Business park
Leicester
LE19 1RJ

5 December 2014

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

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Activities for generating funds	2	184	2	-	186	39
Investment income	3	5	-	-	5	8
Funding for the Academy's educational operations	4	-	3,306	27	3,333	4,008
TOTAL INCOMING RESOURCES		189	3,308	27	3,524	4,055
RESOURCES EXPENDED						
Costs of activities for generating funds	5	151	-	-	151	14
Charitable activities	6	-	2,925	186	3,111	3,180
Governance costs	7	-	17	-	17	16
TOTAL RESOURCES EXPENDED	8	151	2,942	186	3,279	3,210
NET INCOMING RESOURCES BEFORE TRANSFERS		38	366	(159)	245	845

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

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Transfers between funds	18	-	(166)	166	-	-
NET INCOME FOR THE YEAR		38	200	7	245	845
Actuarial gains/(losses) on defined benefit pension schemes		-	(52)	-	(52)	11
NET MOVEMENT IN FUNDS FOR THE YEAR		38	148	7	193	856
Total funds at 1 September 2013		30	(372)	7,100	6,758	5,902
TOTAL FUNDS AT 31 AUGUST 2014		68	(224)	7,107	6,951	6,758

All activities relate to continuing operations.

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

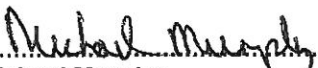
The notes on pages 22 to 42 form part of these financial statements.

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


BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Tangible assets	14		7,107	7,100
CURRENT ASSETS				
Stocks	15	9		8
Debtors	16	125		140
Cash at bank and in hand		642		335
		<u>776</u>		<u>483</u>
CREDITORS: amounts falling due within one year	17	(328)		(301)
NET CURRENT ASSETS			448	182
TOTAL ASSETS LESS CURRENT LIABILITIES			7,555	7,282
Defined benefit pension scheme liability	23		(604)	(524)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			6,951	6,758
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	18	380		152
Restricted fixed asset funds	18	7,107		7,100
Restricted funds excluding pension liability		<u>7,487</u>		<u>7,252</u>
Pension reserve		(604)		(524)
Total restricted funds			6,883	6,728
Unrestricted funds	18		68	30
TOTAL FUNDS			6,951	6,758

The financial statements were approved by the Trustees, and authorised for issue, on 27 November 2014 and are signed on their behalf, by:



Michael Murphy
 Chair



Nora Parker
 Accounting Officer

The notes on pages 22 to 42 form part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Net cash flow from operating activities	20	495	966
Returns on investments and servicing of finance	21	5	8
Capital expenditure and financial investment	21	(193)	(1,354)
INCREASE/(DECREASE) IN CASH IN THE YEAR		307	(380)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £000	2013 £000
Increase/(Decrease) in cash in the year	307	(380)
MOVEMENT IN NET FUNDS IN THE YEAR	307	(380)
Net funds at 1 September 2013	335	715
NET FUNDS AT 31 AUGUST 2014	642	335

The notes on pages 22 to 42 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 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted funds

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.3 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.4 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 and include grants from the Department for Education, and the Education Funding Agency.

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

1.5 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 one year from the date of approval of the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on Leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	2% straight line per annum
Property improvements	-	2% straight line per annum
Equipment	-	10% straight line per annum
Fixtures and fittings	-	25% straight line per annum

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

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

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Rental income	7	-	7	4
School uniform sales	21	-	21	18
Catering income	136	-	136	2
Other income	20	2	22	15
	<u>184</u>	<u>2</u>	<u>186</u>	<u>39</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

3. INVESTMENT INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Bank interest receivable	5	-	5	8
	<u>5</u>	<u>-</u>	<u>5</u>	<u>8</u>

4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,948	2,948	3,059
Pupil Premium	-	69	69	65
Capital grants	-	27	27	577
	<u>-</u>	<u>3,044</u>	<u>3,044</u>	<u>3,701</u>
Other government grants				
Other EFA/DfE grants	-	34	34	56
Local Authority grants	-	36	36	31
Other government grants	-	7	7	10
	<u>-</u>	<u>77</u>	<u>77</u>	<u>97</u>
Other funding				
School trip income	-	210	210	204
Other income	-	2	2	6
	<u>-</u>	<u>212</u>	<u>212</u>	<u>210</u>
	<u>-</u>	<u>3,333</u>	<u>3,333</u>	<u>4,008</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

5. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
School uniform purchases	14	-	14	14
Catering expenditure	90	-	90	-
Catering staff costs	47	-	47	-
	<u>151</u>	<u>-</u>	<u>151</u>	<u>14</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6. CHARITABLE ACTIVITIES

	Total funds 2014 £000	Total funds 2013 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,556	1,575
National insurance	114	114
Pension cost	229	217
Depreciation	186	133
Educational supplies	24	52
Other direct costs	192	208
	<u>2,301</u>	<u>2,299</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	311	274
National insurance	18	15
Pension cost	43	35
Pension finance costs (note 13)	18	17
Staff training	11	12
Recruitment and support	2	6
Maintenance of premises and equipment	97	215
Cleaning	1	4
Rates and water	27	22
Energy costs	52	63
Insurance	42	44
Security and transport	24	12
Catering	11	35
Legal and professional	33	32
Other support costs	117	94
Bank charges and interest	3	1
	<u>810</u>	<u>881</u>
Total Academy's educational operations	<u>3,111</u>	<u>3,180</u>

7. GOVERNANCE COSTS

	Total funds 2014 £000	Total funds 2013 £000
Legal and professional fees	8	5
Auditors' remuneration - audit services	9	11
	<u>17</u>	<u>16</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. TOTAL RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other costs	2014	2013
	£000	2014	2014	£000	£000
		£000	£000		
Costs of activities from generating funds	47	-	104	151	14
Costs of generating funds	47	-	104	151	14
Educational Operations	1,899	129	273	2,301	2,299
Support costs	390	148	272	810	881
Charitable activities	2,289	277	545	3,111	3,180
Governance	-	-	17	17	16
	2,336	277	666	3,279	3,210

9. NET INCOMING RESOURCES

This is stated after charging:

	2014	2013
	£000	£000
Depreciation of tangible fixed assets	186	133
Auditor's remuneration - audit services	9	11
	195	144

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. STAFF

Staff costs

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	1,910	1,849
Social security costs	133	129
Other pension costs	275	252
	<u>2,318</u>	<u>2,230</u>
FRS 17 pension costs (note13)	18	17
	<u><u>2,336</u></u>	<u><u>2,247</u></u>

Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	32	31
Administration	30	26
Management	6	6
	<u>68</u>	<u>63</u>

Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
--	-------------	-------------

This information is confidential. To view the full set of accounts
please visit the Companies House website
www.companies house.gov.uk

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 Trustees (2013 - 2) in respect of defined benefit pension schemes.

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) fell within the following bands:

This information is confidential. To view the full set of accounts please visit the Companies House website www.companieshouse.gov.uk

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 2014 was £1,243 (2013 - £1,243). The cost of this insurance is included in the total insurance cost.

13. PENSION FINANCE COSTS

	2014 £000	2013 £000
Expected return on pension scheme assets	37	25
Interest on pension scheme liabilities	(55)	(42)
	<u>(18)</u>	<u>(17)</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

14. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Property improvements £000	Equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2013	5,849	1,199	103	224	7,375
Additions	-	128	41	24	193
At 31 August 2014	<u>5,849</u>	<u>1,327</u>	<u>144</u>	<u>248</u>	<u>7,568</u>
Depreciation					
At 1 September 2013	194	-	24	57	275
Charge for the year	90	24	14	58	186
At 31 August 2014	<u>284</u>	<u>24</u>	<u>38</u>	<u>115</u>	<u>461</u>
Net book value					
At 31 August 2014	<u>5,565</u>	<u>1,303</u>	<u>106</u>	<u>133</u>	<u>7,107</u>
At 31 August 2013	<u>5,655</u>	<u>1,199</u>	<u>79</u>	<u>167</u>	<u>7,100</u>

Included in long leasehold property is leasehold land at a valuation £1,349,539 which is not depreciated.

15. STOCKS

	2014 £000	2013 £000
Goods for resale	<u>9</u>	<u>8</u>

16. DEBTORS

	2014 £000	2013 £000
Trade debtors	2	1
Other debtors	57	103
Prepayments	66	36
	<u>125</u>	<u>140</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. CREDITORS:
Amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	133	55
Taxation and social security	41	41
Other creditors	35	34
Accruals and deferred income	119	171
	<hr/>	<hr/>
	328	301
	<hr/> <hr/>	<hr/> <hr/>
		£000
Deferred income		
Deferred income at 1 September 2013		5
Resources deferred during the year		44
Amounts released from previous years		(5)
		<hr/>
Deferred income at 31 August 2014		44
		<hr/> <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 2014

18. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General funds	30	189	(151)	-	-	68
Restricted funds						
General Annual Grant (GAG)	152	2,948	(2,554)	(166)	-	380
Other DfE/EFA grants	-	34	(34)	-	-	-
Pupil Premium	-	69	(69)	-	-	-
Other grants	-	43	(43)	-	-	-
Other income	-	210	(210)	-	-	-
Restricted Fund	-	4	(4)	-	-	-
LGPS Defined Benefit Pension Scheme	(524)	-	(28)	-	(52)	(604)
	(372)	3,308	(2,942)	(166)	(52)	(224)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	7,100	27	(186)	166	-	7,107
Total restricted funds	6,728	3,335	(3,128)	-	(52)	6,883
Total of funds	6,758	3,524	(3,279)	-	(52)	6,951

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

General Annual Grant (GAG)

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

Other DfE/EFA Grants

Other funds provided by the DfE/EFA for particular purposes within the academy's educational operations.

Pupil Premium

Additional funds from the Education 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS (continued)

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building 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.

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.

LGPS Defined Benefit Pension Scheme

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.

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 2014.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2014	2014	2014	2014	2013
	£000	£000	£000	£000	£000
Tangible fixed assets	-	-	7,107	7,107	7,100
Current assets	68	708	-	776	483
Creditors due within one year	-	(328)	-	(328)	(301)
Pension scheme liability	-	(604)	-	(604)	(524)
	<u>68</u>	<u>(224)</u>	<u>7,107</u>	<u>6,951</u>	<u>6,758</u>

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20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £000	2013 £000
Net incoming resources before revaluations	245	845
Returns on investments and servicing of finance	(5)	(8)
Depreciation of tangible fixed assets	186	133
Increase in stocks	(1)	(4)
(Increase)/decrease in debtors	15	(64)
Increase in creditors	27	44
FRS 17 adjustments	28	20
Net cash inflow from operations	495	966

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	5	8
	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(193)	(1,354)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	335	307	-	642
Net funds	335	307	-	642

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23. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £35,275 were payable to the scheme at 31 August 2014 (2013 - 33,342) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2014 was £99,000, of which employer's contributions totalled £76,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 18.2% for employers and 6.1% 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.

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23. PENSION COMMITMENTS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.30	523	6.60	395
Bonds	3.30	127	3.80	161
Property	4.50	75	4.70	56
Cash	3.30	22	3.60	6
Total market value of assets		747		618
Present value of scheme liabilities		(1,351)		(1,142)
(Deficit)/surplus in the scheme		(604)		(524)

The amounts recognised in the Balance Sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(1,351)	(1,142)
Fair value of scheme assets	747	618
Net liability	(604)	(524)

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

	2014 £000	2013 £000
Interest on obligation	(55)	(42)
Expected return on scheme assets	37	25
Past service cost	(3)	-
Current service cost	86	68
Total	65	51
Actual return on scheme assets	79	59

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23. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2014 £000	2013 £000
Opening defined benefit obligation	1,142	990
Interest cost	55	42
Employee contributions	23	20
Actuarial losses	64	22
Current service cost	86	68
Benefits paid	(19)	-
	<u>1,351</u>	<u>1,142</u>
Closing defined benefit obligation	<u>1,351</u>	<u>1,142</u>

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

	2014 £000	2013 £000
Opening fair value of scheme assets	618	475
Expected return on assets	37	25
Actuarial gains	12	33
Contributions by employer	76	65
Contributions by employees	23	20
Benefits paid	(19)	-
	<u>747</u>	<u>618</u>
	<u>747</u>	<u>618</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £130,000 (2013 - £78,000).

The Academy expects to contribute £85,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	70.00 %	64.00 %
Bonds	17.00 %	26.00 %
Property	10.00 %	9.00 %
Cash	3.00 %	1.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2014	2013
Discount rate	3.70 %	4.60 %
Expected return on scheme assets	5.50 %	5.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment	2.60 %	2.80 %

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23. 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:

	2014	2013
Retiring today		
Males	22.2	20.9
Females	24.3	23.3
Retiring in 20 years		
Males	24.2	23.3
Females	26.60	25.6

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000
Defined benefit obligation	(1,351)	(1,142)	(990)
Scheme assets	747	618	475
Deficit	<u>(604)</u>	<u>(524)</u>	<u>(515)</u>
Experience adjustments on scheme liabilities	(64)	(22)	(67)
Experience adjustments on scheme assets	<u>12</u>	<u>33</u>	<u>(22)</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Within 1 year	-	-	8	-
Between 1 and 2 years	-	-	-	18

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place during the year.

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NOTES TO THE FINANCIAL STATEMENTS
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26. ULTIMATE CONTROLLING PARTY

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

27. COMPANY LIMITED BY GUARANTEE

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

28. 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.