
LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 18
Statement of regularity, propriety and compliance	19
Statement of trustees' responsibilities	20
Independent auditors' report on the financial statements	21 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities incorporating income and expenditure account	26
Balance sheet	27 - 28
Statement of cash flows	29
Notes to the financial statements	30 - 53

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members Janet Price-Jones
Stephen Bettles
Richard Holding
Philippa Clare
Joanne Holyland (resigned 4 October 2022)
Penny Walker Barber (appointed 4 October 2022)

Trustees Janet Price-Jones, Chair of Trustees
Stephen Bettles
Julian Kirby, Headteacher & Accounting Officer
Richard Holding, Vice Chair of Trustees
Joanne Holyland
Carmella Hunt
Susan Campbell
Malcolm Maguire
Tom Campbell
Kirsty Cutri
Natalie Thompson (appointed 6 May 2022)
Paula Heneghan (appointed 4 October 2022)

Company registered number 07687235

Company name Lutterworth High School Academy Trust

Principal and registered office Woodway Road
Lutterworth
Leicestershire
LE17 4QH

Company secretary H Chadwick (to 19 March 2023)
S Kaur (from 20 March 2023)

Senior leadership team J Kirby, Headteacher
A Hunter, Deputy Headteacher
R Salter, Assistant Headteacher
N Tebbatt, Assistant Headteacher
A Mehta, Assistant Headteacher
C Creed, Operations Manager - Support Staff
H Chadwick, Chief Financial Officer (to May-23)
S Kaur, Chief Financial Officer (from Mar-23)

Independent auditors Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

Solicitors Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area covering Lutterworth Town and the outlying villages, including borders of Warwickshire and Northamptonshire. It has a pupil capacity of 771 and had a roll of 846 in the school census on 1st October 2023.

Structure, governance and management

a. Constitution

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

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

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

b. 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.

c. Trustees' indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance is included within the RPA policy.

d. Method of recruitment and appointment or election of Trustees

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

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

Recruitment of Trustees is outlined in the Memorandum of Articles.

Members may appoint up to 6 Trustees.

Trustees may Co-opt up to 3 Trustees.

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

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

Structure, governance and management (continued)

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

Appointment of Parent Trustees is made via parent election.

e. Policies adopted for the induction and training of Trustees

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

f. 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. Audit Committee - which meets at least 3 times per year;
3. Operations and Estates Committee - which meets at least 3 times per year;
4. Achievement and Attainment - which meets 3 times per year; and
5. Pay Committee - meets once per year to discuss Teachers' progression and Head teacher's pay.

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

The Senior Leadership Team comprises the Headteacher (Accounting Officer), Deputy Head teacher, 3 Assistant Head teachers, Chief Financial Officer and the Operations Manager. The Senior Leadership Team direct the Academy at an executive level implementing policies agreed by the Trustees and reporting back to them.

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

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

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

g. Arrangements for setting pay and remuneration of key management personnel

The Academy Trust recognises its responsibility to:-

- Adopt a Pay Policy to provide a clear framework for the management of pay and grading issues for all staff employed in the school.
- Ensure a fair and transparent policy to determine the pay and grading for all staff employed in the school, which takes account of the conditions of service under which staff are employed.

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

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

Structure, governance and management (continued)

- Comply with relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.
- Adopt a whole school approach to pay issues. Pay decisions will take account of the resources available to the school. The school staffing structure will support the school improvement plan. The Board of Trustees will exercise its discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in school pay decisions.
- Ensure that all pay progression decisions for all teaching staff are linked to annual appraisal of performance and to ensure that this is achieved in a fair equitable and transparent way following consultation with staff and recognised trade unions.
- Ensure that every teacher's salary (including the salary of the Headteacher) is reviewed on an annual basis with effect from 1 September. The review will be completed no later than 31 October each academic year.

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

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

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
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Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

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

Objectives and activities

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

a. Objects and aims

The key priorities for Lutterworth high School in 2022/2023 were:

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

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

b. Objectives, strategies and activities

The school development plan for 2023/2024 outlines the following objectives:

- The implementation of curriculum threads is embedded securely and consistently across the school.
- Quality first teaching through the five connected strategies is implemented securely and consistently across

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

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

Objectives and activities (continued)

the school.

- Reading, Oracy and Writing (ROW) is implemented securely and consistently across the school.
- A common teaching approach is adopted to the use of mathematical skills and terminology.
- Students receive regular high quality homework based around ROW and Ignite, which allows them to apply what they know and can do with independence.
- Lessons are ambitious and 'taught to the top' with appropriate scaffolding and modelling to meet the needs of SEND students.
- School wide digital platform introduced to support GCSE revision and teacher assessment of student knowledge.
- The quality assurance cycle is digitalised and supports Curriculum Leaders in developing the quality of teaching.
- The Academic Tutor role ensures that all students access the curriculum and achieve highly, particularly the most disadvantaged.
- Attendance returns to 96% and PA is <12%. Amended
- Reduction in the level of persistent disruptive behaviour through the adoption of a restorative approach.
- Internal suspension is an effective consequence, through effective management of the suspension, to ensure completion of high quality work and restorative approaches.
- Well planned lessons, with a focus on oracy, ensure an excellent and consistent student experience.
- Charity Corner is embedded as part of the Emerald Way.
- Alumni are utilised to inspire, inform and motivate our current students.
- The quality of governance is further enhanced, in response to the external review of governance.
- Supervision and support is further developed for staff.
- The school has a NOR of 875 to be sustainable and to meet the demand for places.
- Staff receive focused and highly effective professional development, related to ROW.
- EDI objectives are developed and shared with all stakeholders.

c. Public benefit

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

Strategic report

Achievements and performance

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

a. Key performance indicators

Key Stage 4 Academic Outcomes 2023

GCSE examinations in 2023 returned to normal standards following the disruption due to covid.

Average GCSE grade	2023 (unvalidated) 4.7
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LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

English and maths grade 5 and above	42.5%
English and maths grade 4 and above	70%
Achieving the baccalaureate grade 5 and above	20%
Entries achieving grades 9-7	19%

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

Attendance

Students have high attendance and are punctual with attendance and persistent absence that is far better than the national average. Overall attendance was 92.9% compared to a national average of 92.5% (FFT). Persistent absence was 10.7% at the school..

Financial KPI's are as follows for 22/23

• Total Staff Costs (£)	4,594,194
• Total Staff Costs to EFA Revenue Income (%)	98%
• Total Staff Costs to Total Income (%)	82%
• Total Staff Costs as Proportion of Total Expense (%)	65%
• FTE Teaching Staff	46.8
• FTE Support Staff	48.9
• Total FTE	95.7
• Total Pupil Numbers by Lagged Pupil Numbers	851
• Pupil Teacher Ratio as per Lagged Pupil Numbers	18.18
• Average Teacher Cost (£)	60,567
• Proportion of budget spent on the Leadership team (%)	13%
• Spend per pupil for non-pay expenditure lines (£)	2848.34

b. Going concern

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

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

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

A CIF expansion bid will be submitted in December 2023 with an anticipation that planned development will take place in summer 2024. A successful bid will allow the Trust the benefits of economies of scale and help

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

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

Strategic report (continued)

Achievements and performance (continued)

supplement the funding to continue the school as a going concern.

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

Financial review

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

Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the year ended 31 August 2023.

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 27 to the financial statements. Due to changes in assumptions made by the actuaries in revaluing the LGPS there has been a significant reduction in the liability shown in the financial statements this year.

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

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

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

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

The annual report on internal scrutiny reviews during 2022/2023 has been prepared in readiness for submission to the ESFA with the year-end accounts and has been ratified at the Audit Committee in September 2023.

During the year to 31 August 2023, total GAG income amounted to £4,701,775 plus a supplementary grant of £206,587. Expenditure during the year totalled £6,225,962 and was more than covered by grant funding, and additional income from other sources, together with reserves.

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

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

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

Strategic report (continued)

2023.

The statement of financial activities shows that the Academy made an in-year deficit of £150,000 in this 12 month period after depreciation charges of £204,000 but before actuarial gains of £197,000.

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

A further commitment of balances relates to a contribution towards an expansion bid to increase teaching spaces across the Academy.

a. Reserves policy

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

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

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

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

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

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

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

Trustees have agreed that an appropriate reserves balance would equate to 1 month salary and related costs. Free reserves at 31st August 2023 are reported at £764,000

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

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

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

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

of Academy expenditure.

At 31 August 2023 the total funds comprised:

		£'000
Unrestricted		401
Restricted:	Fixed asset funds	6,991
	Pension reserve	-
	Other	363

		7,755

b. Investment policy

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

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

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

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

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

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

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

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

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

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

c. Principal risks and uncertainties

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

The principal risks and uncertainties facing the Academy Trust are outlined below, together with the plans and strategies for managing those risks.

1. Staff recruitment risk – unable to attract high quality teaching and support staff in key 'shortage' areas. The strategy is to implement high profile advertising to gain widest reach, competitive salary and a professional website to encourage applicants.
2. IT infrastructure cyber risk – failure of IT infrastructure including cyber attack. The plan is to ensure offsite backup of all data, adequate firewall security, anti-malware, anti-virus software is in place. The Academy Trust has been working with Secure Schools and has gained accreditation
3. The Academy Trust has undertaken a Good Estate Management for Schools (GEMs) self-assessment and is working on an estate management strategy, which has started to have a positive impact, by ensuring the Trust's estate is safe, well maintained and complies with relevant regulations.

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

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

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

Fundraising

The Academy does not raise funds without specific purposes. Sponsored events have been organised to raise cash to support the development of PE resources and are aimed, in the main, at parental contributions and local company donations. Other fundraising takes place for specific charities, such as Children in Need. The four school houses nominate a charity each, on an annual basis. Year 9 tutors also plan for charity events for their own nominated charities as the charitable aspect of the Emerald Way. Donations are banked and recorded clearly to demonstrate that all monies collected are paid over in their entirety to the designated charity. Activity is included in the monthly management accounts to reflect income and expenditure relating to specific fund-raising activities.

Plans for future periods

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

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

The Academy will continue to work in partnership with local schools to encourage a smooth transition for

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

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

Plans for future periods (continued)

students through the key stages and improve the educational opportunities for students in the wider community.

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

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

Funds held as custodian on behalf of others

The Trust acts as custodian for 2 separate funds:-

- Learning South Leicester (LSL) – Funds held on behalf of LSL at 31 August 2023 is £3,320. This balance is made up of contributions from 8 Leicestershire secondary schools who pay on a per pupil basis to fund behaviour partnership costs across the group of schools and sports partnership costs across the group of schools.
- South Leicestershire Improvement Partnership (SLIP). With effect from 1st September 2020 Lutterworth High School took over the responsibility for managing the funding of the SLIP. However, LiFE Multi Academy Trust continue to pay the salaries of the staff employed for the SLIP and they continue to pay for any local spend such as specialist teaching services required. They invoice Lutterworth High School for reimbursement of the costs incurred locally. A grant from the local Authority is paid to Lutterworth High School termly for running the SLIP. LiFE MAT invoice schools for pupil places within the SLIP
- Finances are agreed between LiFE MAT and Lutterworth High School as at 31 August 2023. The balance in hand at 31 August 2023 on the balance sheet is £333,577.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

In line with the Academy handbook, a thorough procurement exercise was undertaken with 4 other Single Academy Trusts in Spring 2022. The Board agreed that Macintyre Hudson would continue to Act on behalf of Lutterworth High School for the next 3 years. However, Macintyre Hudson contacted Lutterworth High School in May 2023 informing them it was no longer sustainable to audit single academy trusts. The Board made the decision to appoint Bates Weston, who were part of the procurement exercise and used by the other Single Academy Trusts.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2023 and signed on its behalf by:

Janet Price-Jones
Chair of Trustees

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

GOVERNANCE STATEMENT

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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lutterworth High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at all meetings, including sub committees of the Trust, was as follows:

Trustee	Meetings attended	Out of a possible
Janet Price-Jones, Chair of Trustees	14	14
Stephen Bettles	9	13
Julian Kirby, Headteacher & Accounting Officer	16	16
Richard Holding, Vice Chair of Trustees	11	13
Joanne Holyland	7	9
Carmella Hunt	12	13
Susan Campbell	5	7
Malcolm Maguire	7	10
Tom Campbell	3	7
Kirsty Cutri	8	10
Penny Walker Barber	0	0
Duncan Haworth	0	0
Natalie Thompson	7	7
Paula Heneghan	6	7

The Personnel and Finance Committee is a sub-committee of the main Board of Trustees. This Committee met 3 times during the 2022/2023 financial year. In order to ensure effective oversight of funds, the Chair of the Board meets weekly with the Accounting Officer to discuss financial matters occurring in between meetings and where applicable, Trustees are emailed any matters that need discussion or approval, if the following scheduled meeting is not imminent.

The main purpose of the Personnel and Finance Committee is to receive delegated authority from the Governing Body 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

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Major issues are referred to the Full Governing Body for ratification.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Price Jones	3	3
R Holding	2	3
J Kirby	3	3
S Bettles	2	3
S Holyland	0	1
S Campbell	3	3
K Cutri	3	3
P Heneghan	2	3

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

1. To review the Academy's procedures for detecting fraud and whistle-blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters
2. To Review management's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management
3. To monitor the integrity of the Academy's internal financial control
4. To monitor compliance with the Academy's financial policies, regulations and procedures
5. To review the statement in the annual report and accounts on the Academy's internal controls and risk management framework
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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Holding	3	3
M Maguire	2	3
C Hunt	3	3
K Cutri	3	3
J Kirby (advisory only)	3	3
H Chadwick (advisory only)	2	2
S Kaur (advisory only)	1	1

Conflicts of interest

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

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

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance reviews:

An external review of Governance took place as part of the Internal Scrutiny, to ensure that the Governance structure is effective to meet the needs of the Academy.

The School Improvement Partner also assesses governance reviews of the curriculum and evaluations are acted upon and reported back through the termly meetings of Trustees.

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- The wi-fi network has been replaced and as part of the upgrade works backup systems and security was upgraded too. Secure schools undertook an audit of our systems and we are now accredited.
- Tender process was carried out to review and change payroll provider
- The use of peer reviews instead of costly fees for external consultants, to review internal processes. This has proved invaluable for sharing best practices and giving a fresh detailed oversight of the school processes. Peer reviews are carried out with experienced and knowledgeable CFOs from other similar schools.
- The Academy Trust has undertaken a Good Estate Management for Schools (GEMS) self-assessment and is working on an estate management strategy, which has started to have a positive impact, by reducing running costs, repairs and maintenance. Evidence of this is an on-going programme for replacement lighting to LED, planned maintenance schedules, promoting sustainable and efficient habits in school to increase awareness for students and staff.
- The school continues to review solar solutions to maximise the south facing roof space to provide renewable energy for powering the school in the future.
- Benchmarking continues to be undertaken with similar Single Academy Trusts, to demonstrate that school costs are comparable.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 2022 to 31 August 2023 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

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

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk (continued)

of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 the reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided that in order to deliver the internal scrutiny, they have reviewed the options available and have chosen to use a blend of support including:

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

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

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

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

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

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

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

This report outlines the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit committee. Any recommended weaknesses have been addressed to ensure continuous improvement of the systems in place.

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

Janet Price-Jones
Chair of Trustees
Date: 15 December 2023

Julian Kirby
Accounting Officer

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

STATEMENT OF 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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

Julian Kirby
Accounting Officer
Date: 15 December 2023

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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

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

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

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

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

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

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

Janet Price-Jones
Chair of Trustees
Date: 15 December 2023

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

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

Opinion

We have audited the financial statements of Lutterworth High School Academy Trust (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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

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

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 including the Strategic 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 including the Strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

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

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

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wayne Thomas ACA (Senior Statutory Auditor)

for and on behalf of

Bates Weston Audit Ltd

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE1 2RJ

19 December 2023

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

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

In accordance with the terms of our engagement letter dated 22 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lutterworth High School Academy Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Lutterworth High School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lutterworth High School Academy Trust's funding agreement with the Secretary of State for Education dated 16 February 2022 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

- planned procedures and identified key risks;
- performed systems and controls testing and considered their effectiveness;
- performed substantive testing and reviewed for unusual or irregular transactions;
- reviewed connected party relationships and transactions.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with

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)**

safeguarding, health and safety and estates management.

Conclusion

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

Bates Weston Audit Ltd

Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

Date: 19 December 2023

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 2023**

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2022</i> <i>£000</i>
Income from:						
Donations and capital grants	3	15	7	53	76	24
Other trading activities	5	271	-	-	271	321
Investments	6	6	-	-	6	1
Charitable activities		-	5,724	-	5,724	5,160
Total income		292	5,731	53	6,076	5,506
Expenditure on:						
Raising funds	8	288	-	-	288	326
Charitable activities	9	-	5,734	204	5,938	5,581
Total expenditure		288	5,734	204	6,226	5,907
Net income/(expenditure)		4	(3)	(151)	(150)	(401)
Transfers between funds	20	-	(22)	22	-	-
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	27	-	416	-	416	2,677
Pension surplus not recognised	27	-	(219)	-	(219)	-
Net movement in funds		4	172	(129)	47	2,276
Reconciliation of funds:						
Total funds brought forward		397	191	7,120	7,709	5,433
Total funds carried forward		401	363	6,991	7,755	7,709

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 53 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 2023

	Note	2023 £000	<i>As restated</i> 2022 £000
Fixed assets			
Tangible assets	14	6,963	7,120
		<u>6,963</u>	<u>7,120</u>
Current assets			
Stocks	15	23	9
Debtors	16	135	232
Investments	17	300	600
Cash at bank and in hand		1,108	685
		<u>1,566</u>	<u>1,526</u>
Creditors: amounts falling due within one year	18	(774)	(789)
		<u>792</u>	<u>737</u>
Net current assets		792	737
Total assets less current liabilities		7,755	7,857
Net assets excluding pension asset / liability		7,755	7,857
Defined benefit pension scheme asset / liability	27	-	(149)
Total net assets		7,755	7,708

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07687235

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	As restated 2022 £000
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	6,991	7,120
Restricted income funds	20	363	340
		7,354	7,460
Restricted funds excluding pension asset	20	7,354	7,460
Pension reserve	20	-	(149)
		7,354	7,311
Total restricted funds	20	7,354	7,311
Unrestricted income funds	20	401	397
		7,755	7,708
Total funds		7,755	7,708

The financial statements on pages 26 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Janet Price-Jones

Julian Kirby

Date: 15 December 2023

The notes on pages 30 to 53 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 2023

	Note	2023 £000	<i>2022</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	22	132	<i>1,044</i>
Cash flows from investing activities	23	(9)	<i>(109)</i>
Change in cash and cash equivalents in the year	22	123	<i>935</i>
Cash and cash equivalents at the beginning of the year		1,285	<i>350</i>
Cash and cash equivalents at the end of the year	24, 25	1,408	<i>1,285</i>

The notes on pages 30 to 53 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 2023

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

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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

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

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 Tangible fixed assets

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

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

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

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

Long leasehold land	-	0%
Long leasehold property	-	2% Straight line per annum
Improvements to leasehold property	-	2% Straight line per annum
Plant and equipment	-	10% Straight line per annum
Computer equipment	-	33% Straight line per annum

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

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.8 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 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.

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

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Provisions

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

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

1.13 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 bases are as follows:

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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.

1.14 Operating leases

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

1.15 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.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. Accounting policies (continued)

1.15 Pensions (continued)

The LGPS is a funded multi-employer 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 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.16 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

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

3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Other donations	15	7	-	22	6
Capital grants	-	-	53	53	18
	<u>15</u>	<u>7</u>	<u>53</u>	<u>75</u>	<u>24</u>
<i>Total 2022</i>	<u>-</u>	<u>6</u>	<u>18</u>	<u>24</u>	

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	4,702	4,702	4,511
Other DfE/ESFA grants			
Pupil Premium	141	141	123
Other	274	274	122
	<u>5,117</u>	<u>5,117</u>	<u>4,756</u>
Other Government grants			
Local Authority grants	183	183	196
	<u>183</u>	<u>183</u>	<u>196</u>
Other income from the Academy Trust's educational operations	424	424	208
	<u>5,724</u>	<u>5,724</u>	<u>5,160</u>
<i>Total 2022</i>	<u>5,160</u>	<u>5,160</u>	

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

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

5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Rental income	2	2	2
Catering income	248	248	290
Other income	21	21	29
	<u>271</u>	<u>271</u>	<u>321</u>
<i>Total 2022</i>	<u>321</u>	<u>321</u>	

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Interest income	6	6	1
	<u>1</u>	<u>1</u>	
<i>Total 2022</i>	<u>1</u>	<u>1</u>	

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

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

7. Expenditure

	Staff Costs	Premises	Other	Total	<i>As restated</i>
	2023	2023	2023	2023	<i>Total</i>
	£000	£000	£000	£000	<i>2022</i>
					<i>£000</i>
Expenditure on raising funds					
Direct costs	147	-	141	288	326
Academy Trust's Educational Operations:					
Direct costs	3,750	204	734	4,688	4,199
Allocated support costs	687	313	250	1,250	1,383
	<u>4,584</u>	<u>517</u>	<u>1,125</u>	<u>6,226</u>	<u>5,908</u>
<i>Total 2022 as restated</i>	<u>4,578</u>	<u>361</u>	<u>969</u>	<u>5,908</u>	

8. Expenditure on raising funds

	Unrestricted	Total	<i>Total</i>
	funds	funds	<i>funds</i>
	2023	2023	<i>2022</i>
	£000	£000	<i>£000</i>
Uniform purchases	2	2	3
Fundraising	11	11	12
Catering expenditure	127	127	175
Catering staff wages and salaries	117	117	106
Catering staff national insurance	6	6	5
Catering staff pension costs	25	25	25
	<u>288</u>	<u>288</u>	<u>326</u>
<i>Total 2022</i>	<u>326</u>	<u>326</u>	

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

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Educational Operations	4,688	1,250	5,938	5,582
<i>Total 2022</i>	4,199	1,383	5,582	

Analysis of direct costs

	Total funds 2023 £000	<i>As restated Total funds 2022 £000</i>
Staff costs	3,749	3,484
Depreciation	204	195
Direct technology costs	23	55
Examination fees	74	63
School trips and visits	427	203
Other direct costs	40	49
Direct learning resources	171	150
	4,688	4,199

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

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2023 £000	Total funds 2023 £000	<i>As restated Total funds 2022 £000</i>
Pension finance costs	7	7	43
Staff costs	687	687	958
Support technology costs	67	67	51
Support premises costs	313	313	166
Legal costs - other	10	10	4
Other support costs	166	166	161
	<u>1,250</u>	<u>1,250</u>	<u>1,383</u>
<i>Total 2022 as restated</i>	<u>1,383</u>	<u>1,383</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	<i>As restated 2022 £000</i>
Operating lease rentals	6	6
Depreciation of tangible fixed assets	204	195
Fees paid to auditors for:		
- audit	8	13
- other services	2	2
	<u>210</u>	<u>206</u>

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

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

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Wages and salaries	3,418	3,135
Social security costs	318	304
Pension costs	822	1,109
	<u>4,558</u>	<u>4,548</u>
Agency staff costs	26	30
	<u>4,584</u>	<u>4,578</u>

b. Staff numbers

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Teachers	51	50
Administration and support	79	68
Management	6	6
	<u>136</u>	<u>124</u>

c. Higher paid staff

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

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>5</u>	<u>2</u>

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

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

11. Staff (continued)

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £632,270 (2022 - £564,594).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023	2022
		£000	£000
Julian Kirby, Headteacher	Remuneration	110 - 115	100 - 105
	Pension contributions paid	25 - 30	20 - 25

During the year ended 31 August 2023, expenses totalling £207 were reimbursed or paid directly to 1 Trustee (2022 - £NIL).

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £000	Improve- ments to leasehold property £000	Plant and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 September 2022	5,849	2,482	293	501	9,125
Additions	-	-	-	48	48
Disposals	-	-	-	(31)	(31)
At 31 August 2023	5,849	2,482	293	518	9,142

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

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

14. Tangible fixed assets (continued)

	Long-term leasehold property £000	Improve- ments to leasehold property £000	Plant and equipment £000	Computer equipment £000	Total £000
Depreciation					
At 1 September 2022	1,005	329	217	455	2,006
Charge for the year	90	50	20	44	204
On disposals	-	-	-	(31)	(31)
At 31 August 2023	<u>1,095</u>	<u>379</u>	<u>237</u>	<u>468</u>	<u>2,179</u>
Net book value					
At 31 August 2023	<u>4,754</u>	<u>2,103</u>	<u>56</u>	<u>50</u>	<u>6,963</u>
At 31 August 2022	<u>4,845</u>	<u>2,153</u>	<u>76</u>	<u>46</u>	<u>7,120</u>

15. Stocks

	2023 £000	2022 £000
Catering stock and educational supplies	<u>23</u>	<u>9</u>

16. Debtors

	2023 £000	2022 £000
Due within one year		
Trade debtors	4	3
Prepayments and accrued income	106	193
VAT recoverable	25	36
	<u>135</u>	<u>232</u>

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

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

17. Current asset investments

	2023	<i>2022</i>
	£000	<i>£000</i>
Fixed term deposits	300	<i>600</i>
	<u>300</u>	<u><i>600</i></u>

18. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Trade creditors	142	<i>125</i>
Other taxation and social security	75	<i>85</i>
Other creditors	426	<i>293</i>
Accruals and deferred income	131	<i>286</i>
	<u>774</u>	<u><i>789</i></u>

	2023	<i>2022</i>
	£000	<i>£000</i>
Deferred income at 1 September 2022	106	<i>34</i>
Resources deferred during the year	54	<i>106</i>
Amounts released from previous periods	(106)	<i>(34)</i>
	<u>54</u>	<u><i>106</i></u>

At the balance sheet date the academy trust was holding funds in advance for trips, catering and other activities relevant to the next financial year.

19. Prior year adjustments

The practice of charging depreciation on the land element of long-term leasehold property ceased during the year. The £119k accumulated depreciation charge was reversed as a prior year adjustment, which increased the brought forward net book value of long-term leasehold property and the brought forward restricted fixed asset fund by an equal amount.

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

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

20. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General funds	397	292	(288)	-	-	401
Restricted general funds						
General Annual Grant (GAG)	332	4,702	(4,649)	(22)	-	363
Pupil Premium	8	141	(149)	-	-	-
Other DfE/ESFA grants	-	274	(274)	-	-	-
Local Authority grants	-	183	(183)	-	-	-
Other income	-	423	(423)	-	-	-
Other donations	-	8	(8)	-	-	-
Pension reserve	(149)	-	(48)	-	197	-
	<u>191</u>	<u>5,731</u>	<u>(5,734)</u>	<u>(22)</u>	<u>197</u>	<u>363</u>
Restricted fixed asset funds						
Transfer on conversion	4,845	-	(90)	-	-	4,755
DfE Group capital grants	2,275	53	(114)	22	-	2,236
	<u>7,120</u>	<u>53</u>	<u>(204)</u>	<u>22</u>	<u>-</u>	<u>6,991</u>
Total Restricted funds	<u>7,311</u>	<u>5,784</u>	<u>(5,938)</u>	<u>-</u>	<u>197</u>	<u>7,354</u>
Total funds	<u><u>7,708</u></u>	<u><u>6,076</u></u>	<u><u>(6,226)</u></u>	<u><u>-</u></u>	<u><u>197</u></u>	<u><u>7,755</u></u>

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

Unrestricted funds

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy Trust

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

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

20. Statement of funds (continued)

at the discretion of the Trustees.

General Annual Grants (GAG)

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

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

Pupil Premium

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

Other DfE/ESFA grants

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

Government grants

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

Other income

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

Pension reserve

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

Restricted fixed asset fund

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It included further amounts invested in fixed assets in property improvements, plant and equipment and computer equipment. Also, included in the fund is depreciation charged on fixed assets held.

Capital grants

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

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

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

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General funds	401	322	(326)	-	-	397
Restricted general funds						
General Annual Grant (GAG)	171	4,511	(4,240)	(110)	-	332
Pupil Premium	48	123	(163)	-	-	8
Other DfE/ESFA grants	-	122	(122)	-	-	-
Local Authority grants	-	196	(196)	-	-	-
Other income	-	208	(208)	-	-	-
Other donations	-	6	(6)	-	-	-
Catch-up premium	14	-	(14)	-	-	-
Other DfE/ESFA COVID-19 funding	10	-	(10)	-	-	-
Pension reserve	(2,398)	-	(428)	-	2,677	(149)
	<u>(2,155)</u>	<u>5,166</u>	<u>(5,387)</u>	<u>(110)</u>	<u>2,677</u>	<u>191</u>
Restricted fixed asset funds						
Transfer on conversion	4,935	-	(90)	-	-	4,845
DfE Group capital grants	2,252	18	(105)	110	-	2,275
	<u>7,187</u>	<u>18</u>	<u>(195)</u>	<u>110</u>	<u>-</u>	<u>7,120</u>
Total Restricted funds	<u>5,032</u>	<u>5,184</u>	<u>(5,582)</u>	<u>-</u>	<u>2,677</u>	<u>7,311</u>

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

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

20. Statement of funds (continued)

Total funds	<u>5,433</u>	<u>5,506</u>	<u>(5,908)</u>	<u>-</u>	<u>2,677</u>	<u>7,708</u>
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	6,963	6,963
Current assets	401	1,137	28	1,566
Creditors due within one year	-	(774)	-	(774)
Total	<u>401</u>	<u>363</u>	<u>6,991</u>	<u>7,755</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	-	-	7,120	7,120
Current assets	397	1,129	-	1,526
Creditors due within one year	-	(789)	-	(789)
Provisions for liabilities and charges	-	(149)	-	(149)
Total	<u>397</u>	<u>191</u>	<u>7,120</u>	<u>7,708</u>

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

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

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

	2023	<i>2022</i>
	£000	<i>£000</i>
Net expenditure for the year (as per Statement of financial activities)	(150)	<i>(401)</i>
Adjustments for:		
Depreciation	204	<i>195</i>
Capital grants from DfE and other capital income	(31)	<i>(18)</i>
Interest receivable	(6)	<i>(1)</i>
Defined benefit pension scheme cost less contributions payable	41	<i>385</i>
Defined benefit pension scheme finance cost	7	<i>43</i>
Increase in stocks	(14)	<i>(4)</i>
Decrease in debtors	97	<i>542</i>
(Decrease)/increase in creditors	(16)	<i>303</i>
Net cash provided by operating activities	132	<i>1,044</i>

23. Cash flows from investing activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	6	<i>1</i>
Purchase of tangible fixed assets	(48)	<i>(128)</i>
Proceeds from the sale of tangible fixed assets	2	<i>-</i>
Capital grants from DfE Group	31	<i>18</i>
Net cash used in investing activities	(9)	<i>(109)</i>

24. Analysis of cash and cash equivalents

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash in hand and at bank	1,108	<i>685</i>
Fixed term deposits	300	<i>600</i>
Total cash and cash equivalents	1,408	<i>1,285</i>

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

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

25. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	685	423	1,108
Liquid investments	600	(300)	300
	<u>1,285</u>	<u>123</u>	<u>1,408</u>

26. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	88
	<u>-</u>	<u>88</u>

27. Pension commitments

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

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

Contributions amounting to £88,399 were payable to the schemes at 31 August 2023 (2022 - £81,206) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £503,000 (2022 - £486,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £359,000 (2022 - £289,000), of which employer's contributions totalled £285,000 (2022 - £231,000) and employees' contributions totalled £74,000 (2022 - £58,000). The agreed contribution rates for future years are 23.8 per cent for employers and between 5.5 and 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

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

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

27. Pension commitments (continued)

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.50	3.55
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	19.2	21.5
Females	25.0	24.0
<i>Retiring in 20 years</i>		
Males	21.1	22.4
Females	25.9	25.7

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate -0.1%	77	79
Mortality assumption - 1 year increase	137	132
CPI rate +0.1%	75	75

Share of scheme assets

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

	At 31 August 2023	<i>At 31 August 2022</i>
	£000	£000
Equities	2,071	1,929
Bonds	1,236	886
Property	254	285
Cash	73	63
Total market value of assets	3,634	3,163

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

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

27. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Current service cost	(326)	(616)
Interest income	141	50
Interest cost	(148)	(93)
Total amount recognised in the Statement of financial activities	(333)	<i>(659)</i>

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

	2023	<i>2022</i>
	£000	<i>£000</i>
At 1 September	3,312	<i>5,309</i>
Current service cost	326	616
Interest cost	148	93
Employee contributions	74	58
Actuarial gains	(397)	(2,731)
Benefits paid	(48)	(33)
At 31 August	3,415	<i>3,312</i>

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

	2023	<i>2022</i>
	£000	<i>£000</i>
At 1 September	3,163	<i>2,911</i>
Interest income	141	50
Actuarial gains/(losses)	19	(54)
Employer contributions	285	231
Employee contributions	74	58
Benefits paid	(48)	(33)
Pension surplus not recognised	(219)	-
At 31 August	3,415	<i>3,163</i>

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

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

27. Pension commitments (continued)

The Academy's share of scheme assets as disclosed in the actuarial report were £3,634k and contributed to a £219k net asset. As a result, the actuary prepared asset ceiling calculations for a range of scenarios. The trustees opted to consider the minimum funding requirement for future service in the LGPS and that determined an asset ceiling adjustment of £219k. The net asset has been restricted to £nil with a corresponding reduction to actuarial gains on the SOFA.

28. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Not later than 1 year	8	<i>6</i>
Later than 1 year and not later than 5 years	29	<i>-</i>
	37	<i>6</i>

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

30. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

31. Agency arrangements

The Academy Trust is the Lead School for the South Leicestershire Inclusion Partnership (SLIP) and holds funds and distributes them on behalf of SLIP. In the year ended 31 August 2023 the Academy Trust received £744,263 (2022: £873,437) and disbursed £611,084 (2022: £847,389) on behalf of SLIP. £333,577 (2022: £200,398) is included in other creditors being the balance of undistributed funds held on behalf of the Partnership and due to Leicestershire County Council.