

Registered number: 07687235 (England and Wales)

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 – 2
<b>Trustees' Report</b>	3 – 12
<b>Governance Statement</b>	13 – 16
<b>Statement on Regularity, Propriety and Compliance</b>	17
<b>Statement of Trustees' Responsibilities</b>	18
<b>Independent Auditor's Report on the Financial Statements</b>	19 – 21
<b>Independent Reporting Accountant's Report on Regularity</b>	22 – 23
<b>Statement of Financial Activities incorporating Income and Expenditure Account</b>	24
<b>Balance Sheet</b>	25
<b>Statement of Cash Flows</b>	26
<b>Notes to the Financial Statements</b>	27 – 51

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

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Members**

Janet Jones  
Stephen Bettles  
Richard Holding  
Philippa Clare  
Joanne Holyland

**Trustees**

Janet Jones (Chair)  
Philippa Clare (Vice-chair)  
Stephen Bettles  
Julian Kirby (Headteacher & Accounting Officer)  
Richard Holding  
Penny Walker-Barber  
Joanne Holyland  
Duncan Haworth  
Carmella Hunt  
Susan Campbell  
Malcolm Maguire  
Kay Cowling

**Company Secretary**

Shirley Thompson

**Senior Management Team**

Headteacher	Julian Kirby
Deputy Headteacher	Amy Hunter
Assistant Headteacher	Nicole Ayres (Retired 31 August 2019)
Assistant Headteacher	Richard Salter
Assistant Headteacher	Natalie Tebbatt
Assistant Headteacher	Kay Cowling (Appointed 27 August 2019)
Operations Manager	Shirley Thompson
School Business Manager (Finance)	Helene Chadwick

**Company Name**

Lutterworth High School Academy Trust

**Principal and Registered Office**

Woodway Road  
Lutterworth  
Leicestershire  
LE17 4QH

**Company Registered Number**

07687235 (England and Wales)

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

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**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Independent Auditor**

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

**Bankers**

Lloyds Banking Group  
4 Bell Street  
Lutterworth  
Leicestershire  
LE17 4DW

**Solicitors**

Brown Jacobson  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

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

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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy Trust operates an Academy for pupils aged 11 to 16 serving a catchment area covering Lutterworth Town and the outlying villages, including borders of Warwickshire and Northamptonshire. It has a pupil capacity of 771 and had a roll of 812 in the school census October 2019.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Lutterworth High School Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Lutterworth High 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.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £715 (2018 - £729) and provides cover up to £3,000,000.

#### **Method of Recruitment and Appointment or Election of Trustees**

Members may agree unanimously to appoint additional members as they see fit and they may unanimously in writing agree to remove members other than a member appointed by the Secretary of State. Recruitment of Trustees is outlined in the Articles of Association. Members may appoint up to 6 Trustees. Trustees may Co-opt up to 3 Trustees. The appointment of staff Trustees is via a process of a staff ballot/election. Appointment of Parent Trustees is made via parent election.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction of Trustees will depend on the skills and experience of each individual Trustee. The Academy has a contract with the Local Authority Governor Development Service (GDS) which provides Trustee training including induction training for new Trustees. GDS 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 GDS. The Academy has delegated the responsibility for Trustee training to a nominated Trustee, Janet Jones. A full log of Trustee training is maintained by the Clerk and feedback on training is shared with the Board of Trustees.

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Organisational Structure**

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

1. Personnel and Finance Committee – which meets at least 3 times per year
2. Health and Safety Committee – which meets at least 3 times per year
3. Achievement and Attainment Committee –which meets 3 times per year
4. Pay Committee – meets once per year to discuss Teachers progression and Headteacher's pay

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

The Senior Management Leadership Team comprises the Headteacher (Accounting Officer), Deputy Headteacher, 3 Assistant Headteachers and the Operations Manager. The Business Manager works 2 days a week and supports the Senior Management Team, meeting both with the Headteacher and Deputy on a monthly basis to discuss the financial affairs of the Academy. The Senior Management Team direct the Academy at an executive level implementing policies agreed by the Trustees and reporting back to them.

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

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

The Academy continues its discussions and partnership working with a Cross-Authority MAT. The finance structure will continue until such changes occur.

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

**Arrangements for setting pay and remuneration of key management personnel**

A Pay Committee supported by an external School Improvement Partner review the pay and remuneration of key personnel. This exercise is reviewed on an annual basis. The school Pay policy sets a clear framework for pay and remuneration and is reviewed annually.

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trade union facility time**

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

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

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

**Paid trade union activities**

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	N/A
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**Related Parties and other Connected Charities and Organisations**

Lutterworth High School Academy Trust will continue to work in partnership with other schools through The Griffin Teaching Alliance, Partnership Plus, Excellence Group and Learning South Leicestershire.

**OBJECTIVES AND ACTIVITIES**

**Objective and Aims**

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

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives, Strategies and Activities**

The key priority areas for Lutterworth High School in 2018/2019 were:

- Coaching triads develop teaching best practice and lead to increased challenge and innovation in the classroom;
- Establish marking protocols to ensure consistently high standards and quality feedback across subjects so students know how to improve;
- Promote a culture of reading and literacy;
- Students receive a regular diet of quality homework which reinforces and deepens learning;
- Interventions are strategically planned to enable students to catch up, keep up and extend learning;
- Selective and effective use of data to personalise learning and ensure rapid progress;
- Summative assessments provide a timely and accurate overview of student attainment and progress;
- Reported student effort measures support effective interventions to increase student progress;
- Students broader achievements are recognised, developed and celebrated through accreditation;
- Increased student attendance for all groups improves student outcomes;
- Revised personal development programme develops students' life skills and awareness;
- D4L promotes a positive ethos and learning climate through our values;
- A culture of professional development allows all staff to develop, feel valued and pursue their professional aspirations;
- Middle leaders use the leadership and QA framework to drive forward school improvement priorities;
- The curriculum model maximizes students learning and resources; and
- A culture of staff well-being creates a positive climate for students and staff to excel.

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

**Public Benefit**

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

**STRATEGIC REPORT**

**Achievements and Performance**

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

**Key Stage 4 academic outcomes 2019 (Un-validated data September 2019 FFT Aspire/4Matrix)**

Students make good progress at LHS. In 2019 the P8 score is estimated to be +0.1 (FFT ASPIRE). The A8 score is 54, showing significant improvement from 2018 when the A8 score was 51.6.

In 2019 nationally, 67% of all grades in all subjects were awarded 4+. At LHS this was 81.7%. In addition, 20.6% of all grades in all subjects nationally were awarded 7+. At LHS this was 26.5%.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The proportion of students achieving English and Mathematics at 5+ was 61% in 2019. This compares very favourably with the national average (England, state funded) of 43.3% in 2018 (awaiting national data for 2019). The proportion achieving 4+ in both Mathematics and English was 80%.

Outcomes in English have been consistently above average for three years. In 2019, 88.3% of students attained English at 4+ and 78.7% attained 5+. Progress is also strong at 0.23. Outcomes were significantly above national and regional averages on a number of measures (OFQUAL, FFT).

Outcomes in Mathematics have been consistently good for three years. Attainment in Mathematics is strong at 4+ with 86.6% of all students achieving a standard pass compared with 59.6% nationally. At LHS, 67% of students attained a strong pass (5+) in Mathematics, nationally this was 50.1%. Students also achieved well at the very highest grades with 27.7% of students attained a grade 7 or above which compares to 15.9% nationally. All students, regardless of their KS2 prior attainment made good progress.

Entry into and attainment in the Ebacc measure is consistently a strength with outcomes reflecting the school's intent to provide students with an academically rigorous and challenging curriculum. In 2019 51% of students were entered for the Ebacc suite of subjects which is in excess of the national entry pattern of 38.4% in 2018. The APS for all students in Ebacc was 4.89 with a third of all students achieving a strong pass in all Ebacc subjects. 42.5% achieved a standard pass.

Students make good progress in the Ebacc pillar of progress 8 and the impact of subject reviews in Science and Humanities can be seen in an improvement in progress and attainment at 7+ in both these subject areas. In 2017 and 2018 progress for the Ebacc was -0.01, in 2019 progress is expected to increase to 0.13. Attainment has continued to show rapid improvement in this group of subjects with an uplift in outcomes seen in Science, Spanish and History. For example, attainment at 7+ in History increased from 22.8% in 2018 to 38.5% with progress accelerated for all History students by over half a grade. Analysis shows that more needs to be done to accelerate the progress of higher attaining students in geography and computer Science. The progress of students in Combined Science, Physics and Chemistry is targeted to improve next year with the allocation of more curriculum time expected to impact outcomes for the 2020 cohort.

Progress in the open element has also shown rapid improvement with students now making expected progress in these subjects. In 2018 progress in the open bucket was -0.24 from -0.15 in 2017. This has improved to around 0 in 2019 and we await the outcomes of two re-moderations (Drama and Dance) that may improve outcomes for students yet further. Subject analysis shows good improvements in outcomes at all levels for students in Art, Design Technology, PE and Business Studies. More needs to be done to accelerate the progress of students in the Performing Arts and IT.

Students with SEND and EHC Plans do consistently well at LHS successfully reflecting the inclusive approach taken to curricular and co-curricular planning. In 2019, there were 4 students with an identified SEND whose needs were met through a bespoke curriculum enabling them to make positive progress, in line with their peers. All students with SEND in 2017, 2018 and 2019 successfully accessed an appropriate post 16 course and evaluation shows effective support was in place for these students.

Pupil Premium students make progress that is broadly in line with their peers at LHS and that is better than the national average for all students. There were 16 students (8.5% of cohort) entitled to the Pupil Premium in 2019 at LHS, 75% of these students achieved Mathematics and English at grade 4 and 50% achieved 5+. This compares very favourably with the 2018 average for all students (England state schools) of 43% (DfE Oct 2018). The progress 8 score for students in receipt of the Pupil Premium is estimated to be -0.09.

Those students who currently receive FSM achieved a P8 score of +0.58 with 75% achieving 4+ in English and Mathematics.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Those Pupil Premium students whose prior attainment at Key Stage 2 was in the middle or lower band made the best progress. Of those with high prior attainment, half made positive progress and attained outcomes at the very highest level. Ten percent of grades achieved by Pupil Premium students were grade 8 or 9 (or equivalent). Further refinement is needed to ensure all students with high prior attainment make positive progress.

Closing the gender gap between boys and girls remains a priority for LHS because girls continue to make better progress and attain more highly than the boys. Improvements have been made since 2018 where the LHS gap between the A8 scores for the boys and girls was -9.5, with a progress 8 gap of -0.7. This was a larger gap than the national difference between boys and girls attainment and progress. In 2019 the gap has been narrowed to an A8 gap of -7.4 and a progress gap of -0.5. Boys at LHS now make better progress than boys nationally. In 2018 the national boys' progress 8 score was -0.25. In 2019, the boys at LHS had a progress 8 score of -0.14. This indicates good impact from quality teaching and learning and appropriate intervention in this boy heavy cohort (103 boys and 89 girls). Interestingly, the girls in this cohort made above average progress with a P8 score of 0.36 (national P8 for girls in 2018 was 0.22). Analysis shows that boys made similar progress regardless of their prior attainment.

Students in the lower prior attainment (LPA) band consistently make good progress at Lutterworth High School but the small number of students in this group means that care should be taken when drawing conclusions from headline data. In 2017 the P8 score for this group was +0.51 and this group continued to make better than expected progress in 2018 (P8 +0.29). In 2019, 6 of the 8 students in this band made good progress but the overall progress score was -0.09. Ensuring these students have a broad and varied curriculum that meets their individual needs and enables successful transition to post 16 study, training or employment remains a development priority for 2019/2020.

Students with middle prior attainment (MPA) do consistently well at LHS. In 2017 the P8 score for this group was 0.18, in 2018 it was 0.22. In 2019 it is projected to be 0.03 with 65% achieving both Mathematics and English at 4+. The drop in progress of this group in 2019 is attributed to 64% (42/66) of this group being male (see gender analysis).

In 2019 outcomes show significant improvement in the progress and attainment of the students with high prior attainment (HPA). In 2018, the HPA progress 8 score was -0.31, in 2019 this has improved to 0.12. The proportion of grades awarded at grade 8 or 9 increased to 20% (66 grade 9's and 141 grade 8's) from 12% (52 grade 9's and 83 grade 8's) in 2018. The progress of HPA boys remains an area for further development but their progress 8 score has improved from an -0.72 in 2018 to -0.17 in 2019. HPA boys make least progress in P8 open pillar subjects, however, accelerating progress of these boys is a whole school priority for 2019/2020.

In summary, excellent progress has been made in 2019 by improving attainment and reducing in school variance between student groups and subjects. The outcomes provide good evidence of the improving effectiveness of teaching and learning across the school.

### **Key Performance Indicators**

Students have high attendance and are punctual. The whole school attendance for 2017/2018 was 95.13% and 94.98% for 2018/2019. Unauthorised absence is exceptionally low (0.003%). The school supports students to develop their sporting, musical and other talents and works with parents to authorise absence where appropriate.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Financial KPI'S are as follows for 18/19

Total Staff Costs (£)	£3,560,000
Total Staff to ESFA Revenue Income (%)	87%
Total Staff Costs to Total Income (%)	75%
Total Staff Costs as Proportion of Total Expense (%)	73%
FTE Teaching Staff	40.0
FTE Support Staff	41.0
Total FTE	87.0
Total Pupil Numbers by Lagged Pupil Numbers	840
Pupil Teacher Ratio as per Lagged Pupil Numbers	18.83
Average Teacher Cost (£)	£51,680
Proportion of budget spent on the Leadership team (%)	12%
Spend per pupil for non-pay expenditure lines (£)	£1,065.30

### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (see page 28).

### **FINANCIAL REVIEW**

The majority of the Academy's income is obtained from the Department for Education (DfE) via the Education & 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 2019.

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 26 to the financial statements.

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

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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A visit took place during May 2019, to ensure the necessary policies and procedures are in place as specified in the Academies Financial Handbook. A report was received in May 19 and was presented for consideration to Personnel and Finance Committee at their meeting in May 19.

During the year to 31 August 2019 total GAG income amounted to £3,864,000, with total income amounting to £4,717,000. Expenditure during the year totalled £4,893,000 and was more than covered by grant funding together with reserves.

This set of accounts shows the financial performance of the Academy Trust for the year ended 31 August 2019. The Statement of Financial Activities shows the Academy made an in year deficit of £176,000 in this 12 month period, after depreciation charges of £204,000 but before actuarial losses of £453,000.

The school was unsuccessful in its 2018/2019 bid to secure a CIF bid for the upgrade of the substation – this is a real concern for Trust as the electrical usage through the substation is at its maximum and without an upgrade the supply could fail at any point. School funding cannot cover such significant capital outlay.

#### **Reserves Policy**

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

Trustees have agreed that an appropriate reserves balance would equate to 4 weeks of expenditure, both in terms of salaries and invoices. In broad terms this would equate to approximately £200,000. Free reserves at 31 August 2019 are reported at £302,000.

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

The restricted funds will be spent in accordance with the terms of the particular funds.

Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and aims to represent 12 months' worth of Academy expenditure.

At 31 August 2019 the total funds comprised:

		£'000
Unrestricted		302
Restricted:	Fixed asset funds	7,141
	Pension reserve	(1,424)
	Other	50
		<hr/>
		6,069
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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST  
(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Investment Policy**

The investment policy can be found in the Financial Management Manual and ensures that the Academy Trust monitor cash flow on a regular basis and ensure that surplus funds are deposited so as to maximise the interest, with a consideration to only invest in risk free and immediately accessible deposit accounts. Investments during 2018/2019 only effected movement into Lloyds Higher interest investment products.

### **Principal Risks and Uncertainties**

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

There are 4 key risks for the Academy:

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

All risks have been identified within the risk register and action plans implemented to manage these risks. The Academy Trust practices through its Board, namely the Board of Trustees and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board 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 Management Team.

### **FUNDRAISING**

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

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**PLANS FOR FUTURE PERIODS**

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

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

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

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

Lutterworth High School will continue to work in partnership with other schools through The Griffin Teaching Alliance, Partnership Plus, Excellence Group and Learning South Leicestershire.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust is currently holding funds on behalf of Learning South Leicester to the value of £22,838. This balance is made of contributions from 8 Leicestershire secondary schools who pay on a per pupil basis to fund behaviour partnership costs across the group of schools.

**AUDITOR**

The auditors, MHA MacIntyre Hudson, has indicated a willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at its meeting of Trustees in December.

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, signed on the Board's behalf by:

.....  
**Janet Jones**  
Chair of Trustees

Date: 10 December 2019

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

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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Janet Jones (Chair)	9	14
Philippa Clare (Vice-Chair)	8	14
Stephen Bettles	11	14
Richard Holding	9	14
Penny Walker-Barber	6	14
Joanne Holyland	11	14
Duncan Haworth	7	14
Carmella Hunt	7	14
Susan Campbell	8	14
Malcolm Maguire	8	14
Kay Cowling	6	14
Julian Kirby (Headteacher and Accounting Officer)	14	14

The Personnel and Finance Committee is a sub-committee of the main Board of Trustees. This Committee met 3 times during the 18/19 financial year. The main purpose of this committee is 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; and
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.

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

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

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Janet Jones	2	3
Philippa Clare	2	3
Richard Holding	2	3
Julian Kirby (Headteacher and Accounting Officer)	3	3
Stephen Bettles	3	3
Joanne Holyland	3	3
Susan Campbell	3	3

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

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

Attendance at this committee will be in line with attendance for the Personnel and Finance Committee above.

#### **REVIEW OF VALUE FOR MONEY**

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

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

- Replacement of school lighting to energy efficient LED lighting in significant key areas of the school, including main corridors and the school hall. The upgrade has also included the addition of automatic sensors to turn lights off when not required;
- Replacement phone system to provide free internet calls across the school, thus reducing costs to the school;
- Movement to electronic payment to all suppliers thus reducing the cost of cheque stationery and postage costs; and
- Introduction of SIMS in touch to create electronic channels of communication to parents, again reducing cost of printing and postage.

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

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lutterworth High School Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

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

**THE RISK AND CONTROL FRAMEWORK (continued)**

The external reviewer's 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:

- Purchases and expenses;
- Payroll;
- Income;
- Bank and Cash;

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

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- Credit card;
- Nominal ledger and Financial Reports; and
- Review of issues raised in the 2018 Management Letter.

The period covered for the purpose of the report was 1 September 2018 to 31 March 2019. The report was shared with the members of the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Minor comments were noted and addressed following the review, including:

- One staff contract not signed and returned to the office;
- September payroll had not been authorised by the Headteacher; and
- Monthly accounts presented on a cash basis although it was explained that accruals are included in monthly forecasts.

**REVIEW OF EFFECTIVENESS**

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

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

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

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

.....  
**Janet Jones**  
Chair of Trustees

Date: 10 December 2019

.....  
**Julian Kirby**  
Accounting Officer

Date: 10 December 2019

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

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As Accounting Officer of Lutterworth High School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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

.....  
**Julian Kirby**

Accounting Officer

Date: 10 December 2019

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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The Trustees (who act as Governors of Lutterworth High School Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....  
**Janet Jones**  
Chair of Trustees

Date: 10 December 2019

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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

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#### OPINION

We have audited the financial statements of Lutterworth High School Academy Trust (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

#### BASIS FOR OPINION

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

#### OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes Reference and Administrative details, the Trustees' Report incorporating the Strategic Report and the Directors Report, the Governance Statement, Statement of Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. 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.

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## **LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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

We have nothing to report in this regard.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report incorporating the Strategic Report and Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and.
- the Strategic Report and the Directors Report 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 and the Directors 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 set out on page 18, 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.

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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

**Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)**  
for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditor

11 Merus Court  
Meridian Business park  
Leicester  
LE19 1RJ

Date: 16 December 2019

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## **LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lutterworth High School Academy Trust during the year ended 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF LUTTERWORTH HIGH SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Lutterworth High School Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

(A Company Limited by Guarantee)

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

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The work undertaken to draw our conclusions includes:

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

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant****MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditor

11 Merus Court  
Meridian Business park  
Leicester  
LE19 1RJ

Date: 16 December 2019

**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 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	(6)	(6)	66
Funding for the Academy Trust's educational operations	3	-	4,322	63	4,385	3,811
Other trading activities	4	335	-	-	335	310
Investments	5	3	-	-	3	2
<b>TOTAL INCOME</b>		<b>338</b>	<b>4,322</b>	<b>57</b>	<b>4,717</b>	<b>4,189</b>
<b>EXPENDITURE ON:</b>						
Raising funds	6	285	-	-	285	248
Academy Trust educational operations	7	-	4,404	204	4,608	4,351
<b>TOTAL EXPENDITURE</b>	10	<b>285</b>	<b>4,404</b>	<b>204</b>	<b>4,893</b>	<b>4,599</b>
<b>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between funds	21	53	(82)	(147)	(176)	(410)
		-	(59)	59	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		<b>53</b>	<b>(141)</b>	<b>(88)</b>	<b>(176)</b>	<b>(410)</b>
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(453)	-	(453)	222
<b>NET MOVEMENT IN FUNDS</b>		<b>53</b>	<b>(594)</b>	<b>(88)</b>	<b>(629)</b>	<b>(188)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		249	(780)	7,229	6,698	6,886
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>302</b>	<b>(1,374)</b>	<b>7,141</b>	<b>6,069</b>	<b>6,698</b>

The notes on pages 27 to 51 form part of these financial statements.

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

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**BALANCE SHEET  
AS AT 31 AUGUST 2019**

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	<b>Note</b>	<b>£000</b>	<b>2019 £000</b>	<b>£000</b>	<b>2018 £000</b>
<b>FIXED ASSETS</b>					
Tangible assets	16		<b>7,141</b>		7,216
<b>CURRENT ASSETS</b>					
Stocks	17	<b>4</b>		6	
Debtors	18	<b>122</b>		163	
Investments	19	<b>300</b>		250	
Cash at bank and in hand	24	<b>244</b>		250	
		<b>670</b>		669	
<b>LIABILITIES</b>					
<b>CREDITORS:</b> amounts falling due within one year	20	<b>(318)</b>		(388)	
<b>NET CURRENT ASSETS</b>					
			<b>352</b>		281
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Defined benefit pension scheme liability	26		<b>(1,424)</b>		(799)
<b>TOTAL NET ASSETS</b>					
			<b>6,069</b>		6,698
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	21	<b>50</b>		19	
Restricted fixed asset funds	21	<b>7,141</b>		7,229	
Restricted income funds excluding pension liability		<b>7,191</b>		7,248	
Pension reserve	21	<b>(1,424)</b>		(799)	
Total restricted income funds			<b>5,767</b>		6,449
Unrestricted income funds	21		<b>302</b>		249
<b>TOTAL FUNDS</b>					
			<b>6,069</b>		6,698

The financial statements on pages 24 to 51 were approved by the Trustees, and authorised for issue, and are signed on their behalf, by:

.....  
**Janet Jones**  
Chair of Trustees

.....  
**Julian Kirby**  
Accounting Officer

Date: 10 December 2019

Date: 10 December 2019

The notes on 27 to 51 form part of these financial statements.

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

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> <b>£000</b>	Restated 2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	23	<u>170</u>	<u>(220)</u>
<b>Cash flows from investing activities:</b>			
Interest from investments		3	2
Purchase of tangible fixed assets		(129)	(440)
Capital grants from DfE Group		-	227
Increase in current asset investments		<u>(50)</u>	<u>(250)</u>
<b>Net cash used in investing activities</b>	25	<u>(176)</u>	<u>(461)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(6)</b>	<b>(681)</b>
Cash and cash equivalents brought forward		<u>250</u>	<u>931</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>244</u></u>	<u><u>250</u></u>

The notes on 27 to 51 form part of these financial statements.

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES

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

##### 1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lutterworth High School Academy Trust constitutes a public benefit entity as defined by FRS 102.

Lutterworth High School Academy Trust is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on pages 1 and 2. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

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

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.3 Income

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

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

##### 1.5 Taxation

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

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

##### 1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Where tangible fixed assets have been acquired with unrestricted funds a transfer is made to reflect these assets in the restricted fixed asset fund.

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

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (continued)

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

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

#### 1.7 Stocks

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

#### 1.8 Investments

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

#### 1.9 Cash at Bank and in hand

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

#### 1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.11 Operating leases

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

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments and are measured at amortised costs as detailed in note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### 1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 16 for the carrying amount of tangible fixed assets and note 1.6 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**1.15 Fund accounting**

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Capital grants	-	-	(6)	(6)	66
Total 2018	-	-	66	66	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	3,864	3,864	3,417
Pupil Premium	-	96	96	83
Capital grants	-	63	63	19
Other ESFA/DfE grants	-	67	67	23
	-	4,090	4,090	3,542
<b>Other government grants</b>				
Local Authority grants	-	47	47	31
	-	47	47	31
<b>Other funding</b>				
School trip income	-	245	245	237
Other income	-	3	3	1
	-	248	248	238
	-	4,385	4,385	3,811
Total 2018	-	3,811	3,811	

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Rental income	7	-	7	5
Catering income	271	-	271	248
Teacher placement income	-	-	-	9
Other income	57	-	57	48
	<u>335</u>	<u>-</u>	<u>335</u>	<u>310</u>
Total 2018	<u>310</u>	<u>-</u>	<u>310</u>	

**5. INVESTMENTS**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Interest receivable	3	-	3	2
	<u>2</u>	<u>-</u>	<u>2</u>	
Total 2018	<u>2</u>	<u>-</u>	<u>2</u>	

**6. RAISING FUNDS**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Catering expenditure	173	-	173	154
Fundraising	2	-	2	-
Catering staff costs	110	-	110	94
	<u>285</u>	<u>-</u>	<u>285</u>	<u>248</u>
Total 2018	<u>248</u>	<u>-</u>	<u>248</u>	

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Direct costs	-	3,460	3,460	3,260
Support costs	-	1,148	1,148	1,091
	<u>-</u>	<u>4,608</u>	<u>4,608</u>	<u>4,351</u>
Total 2018	<u>4,197</u>	<u>154</u>	<u>4,351</u>	

**8. DIRECT COSTS**

	<b>Activities £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Educational supplies	132	132	132
Travel and subsistence	2	2	2
Other direct costs	240	240	185
Wages and salaries	2,165	2,165	2,061
National insurance	206	206	196
Pension cost	511	511	478
Depreciation	204	204	206
	<u>3,460</u>	<u>3,460</u>	<u>3,260</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**9. SUPPORT COSTS**

	<b>Activities £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Pension finance costs (note 15)	24	24	24
Staff training	21	21	22
Recruitment and support	7	7	8
Maintenance of premises and equipment	119	119	124
Cleaning	5	5	4
Rates and water	29	29	20
Energy costs	49	49	45
Insurance	29	29	24
Security and transport	20	20	19
Catering	18	18	10
Legal and professional	69	69	39
Other support costs	190	190	185
Bank charges and interest	6	6	4
Governance costs	18	18	13
Wages and salaries	427	427	437
National insurance	32	32	31
Pension cost	85	85	82
	<u>1,148</u>	<u>1,148</u>	<u>1,091</u>

**10. EXPENDITURE**

	<b>Staff costs 2019 £000</b>	<b>Premises 2019 £000</b>	<b>Other costs 2019 £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Expenditure on raising voluntary income	110	-	175	285	248
Charitable activities:					
Direct costs	2,882	169	409	3,460	3,260
Support costs	568	202	378	1,148	1,091
	<u>3,560</u>	<u>371</u>	<u>962</u>	<u>4,893</u>	<u>4,599</u>
Total 2018	<u>3,403</u>	<u>399</u>	<u>797</u>	<u>4,599</u>	

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**11. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2019</b>	2018
	<b>£000</b>	£000
Depreciation of tangible fixed assets	<b>204</b>	206
Auditor's remuneration - audit services	<b>13</b>	10
Auditor's remuneration - non audit services	<b>4</b>	4
Clerk to the Governor	<b>1</b>	-
Operating lease rentals	<b>15</b>	9
	<u><u>          </u></u>	<u><u>          </u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. STAFF COSTS****a. Staff costs**

Staff costs were as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Wages and salaries	<b>2,671</b>	2,557
Social security costs	<b>242</b>	230
Pension costs	<b>611</b>	574
	<hr/> <b>3,524</b>	<hr/> 3,361
Agency staff costs	<b>12</b>	18
Pension finance cost (note 15)	<b>24</b>	24
	<hr/> <b>3,560</b> <hr/>	<hr/> 3,403 <hr/>

**b. Staff numbers**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
Teachers	<b>48</b>	47
Administration and support	<b>53</b>	56
Management	<b>6</b>	6
	<hr/> <b>107</b> <hr/>	<hr/> 109 <hr/>

Average headcount expressed as a full time equivalent:

	<b>2019</b>	2018
	<b>No.</b>	No.
Teachers	<b>40</b>	41
Administration and support	<b>41</b>	36
Management	<b>6</b>	6
	<hr/> <b>87</b> <hr/>	<hr/> 83 <hr/>

**c. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £80,001 - £90,000	<b>1</b>	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these employees amounted to £14,816 (2018 - £40,141).

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. STAFF COSTS (continued)****d. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Management Team. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by Key Management Personnel for their services to the Academy Trust was £464,461 (2018 Restated - £444,045).

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

		<b>2019</b>	2018
		<b>£000</b>	£000
Julian Kirby (Headteacher and Accounting Officer)	Remuneration	<b>85-90</b>	80-85
	Pension contributions paid	<b>10-15</b>	10-15
Kay Cowling	Remuneration	<b>45-50</b>	30-35
	Pension contributions paid	<b>5-10</b>	5-10
Penny Walker-Barber	Remuneration	<b>0-5</b>	-
	Pension contributions paid	-	-

During the year ended 31 August 2019, expenses totalling £507 were reimbursed to 1 Trustees (2018 - £1,626, reimbursed to 2 Trustees).

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

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £715 (2018 - £729).

**15. PENSION FINANCE COST**

	<b>2019</b>	2018
	<b>£000</b>	£000
Interest income on pension scheme assets	<b>50</b>	38
Interest on pension scheme liabilities	<b>(74)</b>	(62)
	<b>(24)</b>	(24)

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**16. TANGIBLE FIXED ASSETS**

	Long leasehold property £000	Long leasehold property improvements £000	Plant and equipment £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2018	5,849	2,022	284	378	8,533
Additions	-	96	4	29	129
At 31 August 2019	<u>5,849</u>	<u>2,118</u>	<u>288</u>	<u>407</u>	<u>8,662</u>
<b>Depreciation</b>					
At 1 September 2018	720	152	127	318	1,317
Charge for the year	101	41	27	35	204
At 31 August 2019	<u>821</u>	<u>193</u>	<u>154</u>	<u>353</u>	<u>1,521</u>
<b>Net book value</b>					
At 31 August 2019	<u>5,028</u>	<u>1,925</u>	<u>134</u>	<u>54</u>	<u>7,141</u>
At 31 August 2018	<u>5,129</u>	<u>1,870</u>	<u>157</u>	<u>60</u>	<u>7,216</u>

Included in Long leasehold property is long leasehold land valued at £1,349,539 (2018 - £1,349,539) on conversion in 2012 by Drivers Jonas Deloitte using the depreciation replacement cost method. The Trustees consider that the valuation remains appropriate for the purpose of these financial statements.

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

**17. STOCKS**

	2019 £000	2018 £000
Catering stock	<u>4</u>	<u>6</u>

**18. DEBTORS**

	2019 £000	2018 £000
Trade debtors	2	5
Prepayments and accrued income	95	111
Other debtors	25	47
	<u>122</u>	<u>163</u>

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**19. CURRENT ASSET INVESTMENTS**

	<b>2019</b>	2018
	<b>£000</b>	£000
Fixed term deposits	<b>300</b>	250

The market value of the listed investments at 31 August 2019 was £300,000 (2018 - £250,000).

**20. CREDITORS: Amounts falling due within one year**

	<b>2019</b>	2018
	<b>£000</b>	£000
Trade creditors	<b>18</b>	179
Other taxation and social security	<b>62</b>	58
Other creditors	<b>56</b>	58
Accruals and deferred income	<b>182</b>	93
	<b>318</b>	388

  

	<b>2019</b>	2018
	<b>£000</b>	£000
<b>Deferred income</b>		
Deferred income at 1 September 2018	<b>47</b>	41
Resources deferred during the year	<b>116</b>	47
Amounts released from previous years	<b>(47)</b>	(41)
Deferred income at 31 August 2019	<b>116</b>	47

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**21. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General funds	249	338	(285)	-	-	302
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>						
General Annual Grant (GAG)	19	3,864	(3,774)	(59)	-	50
Other DfE/ESFA grants	-	67	(67)	-	-	-
Pupil Premium	-	96	(96)	-	-	-
Other grants	-	47	(47)	-	-	-
Other income	-	248	(248)	-	-	-
LGPS Defined Benefit Pension Scheme	(799)	-	(172)	-	(453)	(1,424)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(780)	4,322	(4,404)	(59)	(453)	(1,374)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted fixed asset funds</b>						
Net book value of fixed assets	7,216	-	(204)	129	-	7,141
CIF grant	6	(6)	-	-	-	-
Other capital grants	7	-	-	(7)	-	-
Devolved formula capital	-	63	-	(63)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,229	57	(204)	59	-	7,141
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	6,449	4,379	(4,608)	-	(453)	5,767
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	6,698	4,717	(4,893)	-	(453)	6,069
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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## LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 21. STATEMENT OF FUNDS (continued)

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

##### **Unrestricted funds**

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

##### **General Annual Grant (GAG)**

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement. Transfers of £59,000 from General Annual Grant funds to the restricted fixed asset fund represents allocations from General Annual Grant funds towards plant and equipment, computer equipment and property improvements.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

##### **Pupil Premium**

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

##### **Other DfE/ESFA grants**

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

##### **Other grants**

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

##### **Other income**

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

##### **Pension reserve**

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

##### **Restricted fixed asset fund**

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy from Local Authority following the transfer of assets. It included further amounts invested in fixed assets.

##### **Capital grants**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	7,141	7,141
Current assets	302	368	-	670
Creditors due within one year	-	(318)	-	(318)
Pension reserve	-	(1,424)	-	(1,424)
	<u>302</u>	<u>(1,374)</u>	<u>7,141</u>	<u>6,069</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	7,216	7,216
Current assets	249	407	13	669
Creditors due within one year	-	(388)	-	(388)
Pension reserve	-	(799)	-	(799)
	<u>249</u>	<u>(780)</u>	<u>7,229</u>	<u>6,698</u>

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

	2019 £000	Restated 2018 £000
Net (expenditure)/income for the year	(176)	(410)
<b>Adjustment for:</b>		
Depreciation charges	204	206
Interest receivable	(3)	(2)
Decrease in stocks	2	-
Decrease/(increase) in debtors	41	(15)
Decrease in creditors	(70)	(71)
Capital grants from DfE and other capital income	-	(85)
Defined benefit pension scheme cost less contributions payable	148	133
Defined benefit pension scheme finance cost (note 15)	24	24
<b>Net cash provided by/(used in) operating activities</b>	<u>170</u>	<u>(220)</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019</b>	Restated
	<b>£000</b>	2018
		£000
Cash in hand	<b>244</b>	250
Total	<b>244</b>	250

In the prior year the cash flow figures have been restated to split out cash investments from cash at bank and in hand.

**25. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2019</b>	2018
	<b>£000</b>	£000
Interest from investments	<b>3</b>	2
Purchase of tangible fixed assets	<b>(129)</b>	(440)
Capital grants from DfE Group	<b>-</b>	227
Increase in current asset investments	<b>(50)</b>	(250)
	<b>(176)</b>	(461)

**26. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £56,379 were payable to the schemes at 31 August 2019 (2018 - 55,575) and are included within creditors.

**Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**26. PENSION COMMITMENTS (continued)**

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to the Teachers' Pension Scheme in the year amounted to £291,000 (2018: £291,000).

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>.

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**26. PENSION COMMITMENTS (continued)****Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £215,000 (2018 - £189,000), of which employer's contributions totalled £172,000 (2018 - £150,000) and employees' contributions totalled £43,000 (2018 - £39,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2019</b>	2018
Discount rate for scheme liabilities	<b>1.80 %</b>	2.80 %
Rate of increase in salaries	<b>3.30 %</b>	3.40 %
Rate of increase for pensions in payment	<b>2.30 %</b>	2.40 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.40 %
Commutation of pensions to lump sums	<b>50.00 %</b>	50.00 %

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

	<b>2019</b>	2018
Retiring today		
Males	<b>21.2</b>	22.1
Females	<b>23.4</b>	24.3
Retiring in 20 years		
Males	<b>22.2</b>	23.8
Females	<b>24.7</b>	26.2

	<b>At 31 August 2019 £000</b>	At 31 August 2018 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	<b>(90)</b>	(63)
Discount rate -0.1%	<b>90</b>	63
Mortality assumption - 1 year increase	<b>137</b>	100
Mortality assumption - 1 year decrease	<b>(137)</b>	(100)
CPI rate +0.1%	<b>77</b>	53
CPI rate -0.1%	<b>(77)</b>	(53)

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**26. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2019 £000</b>	Fair value at 31 August 2018 £000
Equities	1,156	1,047
Debt instruments	618	456
Property	159	152
Cash and other liquid assets	60	34
Total market value of assets	<u>1,993</u>	<u>1,689</u>

The actual return on scheme assets was £115,000 (2018 - £72,000).

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

	<b>2019 £000</b>	2018 £000
Current service cost	(320)	(283)
Interest income	50	38
Interest cost	(74)	(62)
Total	<u>(344)</u>	<u>(307)</u>
Actual return on scheme assets	<u>115</u>	<u>72</u>

The Academy expects to contribute £183,000 to its defined benefit pension scheme in 2020.

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

	<b>2019 £000</b>	2018 £000
Opening defined benefit obligation	2,488	2,318
Current service cost	320	283
Interest cost	74	62
Employee contributions	43	39
Actuarial losses/(gains)	518	(188)
Benefits paid	(26)	(26)
Closing defined benefit obligation	<u>3,417</u>	<u>2,488</u>

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**26. PENSION COMMITMENTS (continued)**

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

	2019 £000	2018 £000
Opening fair value of scheme assets	1,689	1,454
Interest income	50	38
Actuarial gains	65	34
Employer contributions	172	150
Employee contributions	43	39
Benefits paid	(26)	(26)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,993</u>	<u>1,689</u>

**27. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
<b>Amounts payable:</b>		
Within 1 year	15	12
Between 2 and 5 years	17	14
	<hr/>	<hr/>
Total	<u>32</u>	<u>26</u>

**28. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.

**29. CONTROLLING PARTY**

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

**30. COMPANY LIMITED BY GUARANTEE**

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

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**31. MEMBERS' LIABILITY**

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