

Registered number: 07687235 (England and Wales)

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Janet Jones
Stephen Bettles
Richard Holding
Phillipa Clare
Joanne Holyland

Trustees

Mrs Janet Jones (Chair)
Philippa Clare (Vice-chair)
Stephen Bettles
Julian Kirby (Headteacher & Accounting Officer)
Richard Holding
Penny Walker Barber
Claire Clarke (Staff Trustee, Resigned 21 August 2017)
Joanne Holyland
Duncan Haworth (Appointed 1 November 2016)
Carmella Hunt (Appointed 1 November 2016)
Malcolm Maguire (Appointed 1 November 2016)
Susan Campbell (Appointed 17 November 2016)

Company Secretary

Shirley Thompson (Appointed 3 January 2017)
Elaine Read (Resigned 31 December 2016)

Senior Management Team

Headteacher	Julian Kirby	
Deputy Headteacher	Jane Nicolle	(Resigned 31 August 2017)
Assistant Headteacher	Richard Salter	
Assistant Headteacher	Amy Hunter	
School Business Manager	Elaine Read	(Resigned 31 December 2016)
Operations Manager	Shirley Thompson	
SBM Finance	Helene Chadwick	(Appointed P/T 1 January 2017)

Company Name

Lutterworth High School Academy Trust

Principal and registered office

Woodway Road
Lutterworth
Leicestershire
LE17 4QH

Company registration number
07687235

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(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Independent Auditor

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

Bankers

Lloyds Banking Group
4 Bell Street
Lutterworth
Leicestershire
LE17 4DW

Solicitors

Brown Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and Auditors' Reports of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area 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 837 in the school census on October 2017. This temporary excess in pupil numbers is due to the transition period of age range change.

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 is known as Lutterworth High School.

Details of the Trustees who served throughout the year 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 £1,097.

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

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FOR THE YEAR ENDED 31 AUGUST 2017**

Organisational Structure

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

1. Personnel and Finance – which meets at least 3 times per year
2. Health and Safety – which meets at least 3 times per year
3. Achievement and Attainment – a newly created Committee which meets 3 times per year.

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

The Senior Leadership Team comprises the Headteacher, 2 Assistant Headteachers, 2 Middle leaders (with effect Jan 17) seconded into the role of Assistant Headteachers, and the Operations Manager. The Senior Leadership Team direct the Academy at an executive level implementing policies agreed by the Trustees and reporting back to them.

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

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

The School Business Manager resigned on 31 December 2016 and, following an unsuccessful recruitment process, the previous School Business Manager has been reappointed on a part time basis from 1 January 2017. The Academy is currently consulting on joining a MAT and therefore this arrangement will continue until the change.

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.

Related parties and other connected charities and organisations.

Lutterworth High School Academy Trust is currently a standalone Academy with no connections to other organisations which may affect the operating policies. The Trust is currently under consultation to become part of a MAT with 2 other secondary schools in Rugby. The proposed timescale is April or September 2018.

OBJECTIVES AND ACTIVITIES

Lutterworth High School Academy Trust is smaller than the average-sized secondary school, currently for students aged 11-16. Most students (94%) are White British and a below average proportion is from minority ethnic heritages. A few students are of Traveller heritage. The proportion of students identified with disabilities and those with special needs and the proportion with a statement of special educational needs are well below average. The proportion of students eligible for free schools meals is very small in relation to schools nationally.

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**TRUSTEES' REPORT
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Objects and Aims

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

Objectives, Strategies and Activities

The key priority areas for Lutterworth High School in 2016/2017 were:

- Further develop 'outstanding' and innovative teaching.
- More able students are sufficiently challenged in all lessons through effectively differentiated work.
- Students receive incisive feedback and they use this feedback effectively to progress.
- Teachers set challenging homework which inspires students to learn and flourish.
- Ensure excellent progress is made by all groups of students and reduce attainment gaps.
- High aspirations for all students through the curriculum offer and enrichment.
- Rigorous tracking and monitoring of attainment and progress.
- Focused intervention ensures all students make at least expected progress.
- Through high quality and impartial guidance all students make informed choices for their next stage of education.
- Ensure no groups of students are disadvantaged by low attendance.
- Students are well prepared for global citizenship through an enriched programme of Spiritual, Moral, Social and Cultural experiences.
- Students know how to keep themselves safe and make informed choices about their health and emotional well-being.
- Stakeholder feedback ensures an accurate understanding of the school's effectiveness which is used to further development planning.
- Trustees have a deep and accurate understanding of school priorities and outcomes.
- Staff and students in partnership reflect on and debate teaching and learning to further develop outstanding classroom practice.
- Leaders use incisive performance management that leads to personalised professional development.

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

- 85% of teaching was secure or extending. This was quality assured by an external consultant.
- Differentiation and challenge remains a key priority. Schemes of work have been developed for the new specifications for Key Stage 4.
- New feedback policy in place and quality assurance cycle ensures a high standard of consistency across the school.
- Show my Homework purchased. Student and Parent feedback indicates that homework is set regularly and is a suitable amount and level of work.
- Pupil Premium students targeted for intervention. Pupil Premium achievement remains a priority to develop.
- Excellent extra-curricular programme of sport and clubs in place. Students like the range of options available at KS4. In KS3 students follow a broad and balanced curriculum that allows their talents to flourish.
- Spiritual, Moral, Social and Cultural experiences mapped using grid maker. Areas for development identified.
- Wide range of internal and external based training to support the development of teaching and learning.
- Incisive performance management in place. Progression linked to students' outcomes and whole school priorities.

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**TRUSTEES' REPORT
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Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

Students make outstanding progress and attainment at both Key Stage 3 and Key Stage 4. Attainment is high, even allowing for the relatively high prior attainment of students.

Students make positive progress at Lutterworth High School as indicated by the first set of GCSE results awarded in August 2017, following the age range change to become an 11-16 school. The key performance indicators are as follows:

In 2017 the Progress 8 score was +0.1. The Attainment 8 score was 51.

Results for English (5+ 79.3%, Progress +0.52, Average grade 5.8) were significantly above the national and regional averages, resulting in the best percentage 5+ English attainment in Leicestershire.

Results in Mathematics (5+ 59%, Progress +0.22, Average grade 5.1) were significantly above national and regional averages.

59% of pupils achieved 5+ in English and mathematics, compared with 39.1% for all schools nationally.

Entry into and attainment in the Ebacc measure is a strength. A significantly higher proportion of students were entered for the Ebacc at 51% with 32% achieving 5+. This compared to national data for all schools of 34.9% entered with 19.5% achieving 5+.

Progress in the Ebacc element of P8 was -0.01 and attainment 13.77.

Progress in the open element of P8 was -0.15 and attainment 15.31.

Students with SEND and EHC Plan (4 students) made +0.22 progress and achieved an average A8 score of 32.2. Students with SEND Support (4 students) made -1.02 progress and achieved an average A8 score of 21.6.

There were 14 disadvantaged students in the 2017 cohort. They achieved an average P8 score of -0.67 and an average A8 score of 37.52. A strong pass in both English and Maths was achieved by 35.71% and 43% achieved a standard pass. The proportion of pupil premium students achieving a strong pass was broadly in-line with the national average for all students at 39.1%.

There were 145 students in the 2017 cohort with 8 more boys than girls. Whilst a gender gap does exist in some subjects (mathematics, physics), as a whole cohort, girls outperformed boys by just 4 percentage points when looking at standard passes in mathematics and English and 7.6 percentage points at a strong pass. In terms of progress, girls made +0.14 better progress than the boys.

Students in the lower prior attainment band perform particularly well at Lutterworth High School, with a P8 score of +0.51.

A high proportion (54%) of students at LHS have higher prior attainment at KS2. Whilst they do make positive progress (+0.02), accelerating the progress of these higher attainers, is one of the school's key priorities.

There were just two students with EAL in the 2017 cohort, making the group data statistically insignificant. These students made -0.05 progress, and were therefore above national for progress.

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

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Key Stage 4 monitoring and predictions

Year 11 (2018 cohort)

There are 180 students in the 2018 cohort. The average prior attainment KS2 APS is 4.96, which means they are a higher attaining cohort than in 2017.

Teacher predictions (October 2017) forecast 89% English 5+, 76% mathematics 5+ and 70% English/mathematics 5+ outcomes. Progress is strong and positive based on 2017 estimates. Attainment is high (A8 55.32 on 2017 estimates) with the average A8 score for mathematics and English elements currently 11.78 and 10.74 respectively.

Entries for the Ebacc qualification are at 40% with 27% of the cohort currently expected to achieve a strong pass. The average total score for the Ebacc and Other buckets are currently 16.35 and 16.46 respectively. The APS for all students is 4.5; for those entered for Ebacc, it is 6.19.

Of the total cohort, 41% of students are studying at least one language and teachers predict excellent MFL outcomes (Average grade of 5.75).

Curriculum leaders, including those with responsibility for Higher Attainers and SEND, meet termly with the Headteacher to review progress of all students in all subjects.

Year 10 (2019 cohort)

There are 195 students in the 2019 cohort. Their prior attainment KS2 APS is 5.0, which means they are a similar cohort to those in the year above (2018).

Early assessment of the performance of this cohort on the 9-1 GCSE scale, indicates they are tracking towards a strong performance in all elements of our KPI's. The A8 for the cohort is 57.91 (based on 2017 estimates).

Entries for the Ebacc qualification for this cohort are 50%.

At Key Stage 3 attainment levels and attitude to learning are tracked three times a year and appropriate intervention is put in place, particularly mentoring. Where students do not have KS2 data, they are assessed using a number of standardised tests, the results of which are then correlated to KS2 to facilitate target setting. In years 7 and 8 the school has implemented a new grading system using descriptors which link to the key skills and knowledge within each curriculum area and tracking towards GCSE grades.. In year 9 the school is assessing using GCSE grades.

At Key Stage 4 attainment levels and attitude to learning are tracked six times a year and appropriate intervention is put in place by both the Progress Leader and subject staff.

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TRUSTEES' REPORT
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Key Financial Performance Indicators

Key Performance Indicators	2016 - 17	2017 - 18	2018 - 19	2019 - 20	2020 - 21
Total Staff Costs (£)	3,133,757	3,206,433	3,139,797	3,174,643	3,208,198
Total Staff Costs to EFA Revenue Income(%)	83%	92%	84%	89%	97%
Total Staff Costs to Total Income (%)	78%	87%	79%	84%	90%
Total Staff Costs as Proportion of Total Expense (%)	81%	81%	81%	82%	82%
FTE Teaching Staff	45.4	45.5	42.5	42.5	42.5
FTE Support Staff	35	35.6	35.6	35.6	35.6
Total FTE	80.4	81.1	78.1	78.1	78.1
Total Pupil Numbers by Lagged Pupil Numbers	857	780	837	798	748
Pupil Teacher Ratio as per Lagged Pupil Numbers	18.88	17.14	19.69	18.78	17.6
Average Teacher Cost (£)	49,046	49,569	51,119	51,637	52,160
Proportion of budget spent on the Leadership team (%)	10%	11%	11%	11%	12%
Spend per pupil for non-pay expenditure lines (£)	865.15	955.84	885.07	902.64	970.5

The 11-16 Age Range Change process has distorted the above KPI'S and until the final adjustment has been made these figures do not provide useful bench mark data.

Going Concern

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

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Department for Education (DfE) via the Education And Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the Statement of Financial Activities for the year ended 31 August 2017.

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 23 to the financial statements.

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

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

Trustees have adopted the Internal Audit Systems Check carried out by MHA MacIntyre Hudson.

A visit took place during June 2017, to ensure the necessary policies and procedures are in place as specified in the Academies Financial Handbook. A report was received on 18 July and will be presented for consideration to Personnel and Finance Committee in Autumn 2017.

During the year to 31 August 2017 total expenditure of £4,403,000 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 2017. The Statement of Financial Activities report the Academy made a surplus of £291,000 in this 12 month period.

A successful CIF bid during 16/17 has allowed the school to replace all windows within the school, improving the energy efficiency and learning environment for the students.

The Academy is currently consulting parents on the proposal to form a Multi Academy Trust with neighbouring secondary schools in Warwickshire. A joint approach would ensure economies of scale and best value to all schools within the MAT.

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 two and a half 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 2017 are reported at £185,000.

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

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees, and represent 12 months' worth of Academy expenditure. The aim of the Trustees is to increase this reserve to finance the final years effect of the transition of age range change.

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TRUSTEES' REPORT
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Reserves Policy (continued)

At 31 August 2017 the total funds comprised:

Unrestricted		£185,000
Restricted:	Fixed asset funds	£7,243,000
	GAG	£322,000
	Pension reserve	£(864,000)
		<u>£6,886,000</u>

Investment Policy

The investment policy can be found in the Financial Management Manual and ensures that the Academy monitor cash flow on a regular basis and ensure that surplus funds are deposited so as to maximise the interest, with a consideration to only invest in risk free and immediately accessible deposit accounts. Investments during 16/17 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 Management.

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

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

1. Local Authority Transport Policy which changed in Sept 2015, withdrawing some free transport for pupils who traditionally have received free transport
2. Changes in funding with the introduction of National Fair Funding Formula
3. Lack of ESFA funding in 2017/2018 due to transitional arrangements agreed by Leicestershire Schools Forum supporting age range change

All risks have been identified within the risk register and action plans implemented to manage these risks. The Academy Trust practices through its Board, namely the Governing Body 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 Governing Body 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 Governing Body collectively, whilst more minor risks are dealt with by senior executive officers

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PLANS FOR FUTURE PERIODS

The Academy has completed its transitional phase of changing its age range to provide 11-16 education. The plans to manage the increase in student numbers who have selected to stay have included the creation of new teaching and learning spaces around the school site, installing an external canopy providing outside learning space, increasing the number of teachers and providing additional resources so that Lutterworth High School Academy Trust can provide an excellent KS3 and KS4 curriculum and learning environment.

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

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

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

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

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

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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, on 28 November 2017 and signed on the board's behalf by:

.....
Janet Jones
Chair of Trustees

.....
Julian Kirby
Accounting Officer

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Janet Jones (Chair)	4	4
Philippa Clare (Vice-chair)	4	4
Richard Holding	3	4
Julian Kirby	4	4
Stephen Bettles	3	4
Joanne Holyland	4	4
Penny Walker Barber	4	4
Duncan Haworth (Appointed 1 November 2016)	3	3
Malcolm Maguire (Appointed 1 November 2016)	3	3
Carmella Hunt (Appointed 1 November 2016)	3	3
Susan Campbell (Appointed 17 November 2016)	3	3
Claire Clarke (Resigned 21 August 2017)	3	4

During the year 1 Trustee resigned and 4 new Trustee appointments were made. A restructure of Committees took place during 16/17.

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

Achievement and Attainment Committee - Terms of Reference

By delegated authority from the Governing Body to support, challenge, decide and determine matters related to student achievement and attainment, curriculum, teaching and learning, attendance and behaviour.

To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

Major issues will be referred to the full Governing Body for ratification.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Health and Safety Committee - Terms of Reference

- Advise full Governors on priorities, including H&S for maintenance and development of site
- Oversee arrangements for repairs
- Oversee arrangements for building contracts
- Monitor SEF areas
- Review general risk assessment

Governance review

4 new Trustees were appointed in October 2016 and each have brought with them significant experience to enhance the strength of the Board. Each new appointment completed a skills audit to supplement the work done in the previous year.

A self-evaluation and external review has not been undertaken during 2016/2017. However, in the Autumn 2017 an ex HMI Inspector conducted a whole school review which included Governance and highlighted no significant issues. Further Governance evaluations are likely to be undertaken as part of the MAT due diligence process during 17/18.

The Personnel and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- By delegated authority from the Governing Body to support, decide and determine all matters concerning budgeting, finance, personnel and premises, including grounds and security, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

Major issues will be referred to the full Governing Body for ratification.

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;
6. To assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Holding – Chair	2	3
Philippa Clare – Vice Chair	3	3
Janet Jones	3	3
Stephen Bettles	3	3
Susan Campbell- Appointed Nov 2016	2	2
Julian Kirby	3	3

Achievement and Attainment Committee - Terms of Reference

By delegated authority from the Governing Body to support, challenge, decide and determine matters related to student achievement and attainment, curriculum, teaching and learning, attendance and behaviour.

To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

Major issues will be referred to the full Governing Body for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Philippa Clare - Chair	3	3
Joanne Holyland – Vice Chair	3	3
Janet Jones	2	3
Malcolm Maquire	2	3
Carmella Hunt	2	3
Duncan Haworth	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer the headteacher has responsibility for ensuring that Lutterworth High School 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for Lutterworth High School Academy Trust has delivered improved value for money during the year by:

- Securing a successful CIF bid to replace all failing windows to provide improvement to energy efficiently and better quality-learning environments.
- Replacing all classroom lighting with much improved LED lighting to reduce energy costs.
- To review contracts as they become eligible for consideration.
- To improve the catering provision to increase profits to support school initiatives.

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Academy Trust for the year ended 31 August 2017 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 Lutterworth High School Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Personnel and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- 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 as part of an RO function. This work is undertaken by a separate audit team, independent of that undertaking the year end audit.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a half yearly basis a report is made to the Board of Trustees, through the Personnel and Finance Committee

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The RO visit during 16/17 revealed 5 Low risk issues for action.

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer
- the work of the School Business Manager – Finance as a reporter of monthly activities

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

Approved by order of the members of the Board of Trustees on 28 November 2017 and signed on its behalf by:-

.....
Janet Jones
Chair of Trustees

.....
Julian Kirby
Accounting Officer

**LUTTERWORTH HIGH SCHOOL ACADEMY TRUST
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As Accounting Officer of Lutterworth High Academy Trust I have considered my responsibility to notify Lutterworth High School Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between Lutterworth High School 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 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of 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 2016.

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

28 November 2017

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

.....
Janet Jones
Chair of Trustees

Date: 28 November 2017

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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

QUALIFIED OPINION

We have audited the financial statements of Lutterworth High School Academy Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Except for the matter described in the basis of qualification paragraph, in our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and except for the matter disclosed in the basis for qualified opinion on financial statement, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

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

In respect of the omission of the names of the staff Governor Trustees who received remuneration, the financial statements of the academy are not in compliance with the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency, which requires disclosure of the names of the individuals.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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

the audit, we have not identified material misstatements in the Trustees' Report.

In respect solely of the matter described in the basis for qualified opinion paragraph, certain disclosures of Governors' remunerations specified by law were not made.

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
- the financial statements are not in agreement with the accounting records and returns; 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 Trust's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Meridian Business park
Leicester
LE19 1RJ

Date: 18 December 2017

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 15 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lutterworth High School Academy Trust during the year 1 September 2016 to 31 August 2017 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 ACCOUNTANTS

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 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 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.

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;

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

- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 18 December 2017

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	-	-	280	280	-
Funding for the Academy Trusts educational operations	3	-	4,130	17	4,147	3,338
Other trading activities	4	265	-	-	265	227
Investments	5	2	-	-	2	3
TOTAL INCOME		267	4,130	297	4,694	3,568
EXPENDITURE ON:						
Raising funds	6	228	-	-	228	187
Academy Trust educational operations		-	3,981	194	4,175	3,624
TOTAL EXPENDITURE	7	228	3,981	194	4,403	3,811
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	39	149	103	291	(243)
		-	(87)	87	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		39	62	190	291	(243)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	191	-	191	(223)
NET MOVEMENT IN FUNDS		39	253	190	482	(466)
RECONCILIATION OF FUNDS:						
Total funds brought forward		146	(795)	7,053	6,404	6,870
TOTAL FUNDS BROUGHT FORWARD		185	(542)	7,243	6,886	6,404

The notes on pages 28 to 52 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
FIXED ASSETS					
Tangible assets	14		6,982		7,053
CURRENT ASSETS					
Stocks	15	6		-	
Debtors	16	148		129	
Cash at bank and in hand		931		401	
		<u>1,085</u>		<u>530</u>	
CREDITORS: amounts falling due within one year	17	(317)		(236)	
NET CURRENT ASSETS			<u>768</u>		<u>294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,750</u>		<u>7,347</u>
Defined benefit pension scheme liability	23		(864)		(943)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,886</u></u>		<u><u>6,404</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	322		148	
Restricted fixed asset funds	18	7,243		7,053	
Restricted income funds excluding pension liability		7,565		7,201	
Pension reserve	18	(864)		(943)	
Total restricted income funds			6,701		6,258
Unrestricted income funds	18		185		146
TOTAL FUNDS			<u><u>6,886</u></u>		<u><u>6,404</u></u>

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue, on 28 November 2017 and are signed on their behalf, by:

.....
Janet Jones
Chair of Trustees

.....
Julian Kirby
Accounting Officer

The notes on pages 28 to 52 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>354</u>	<u>8</u>
Cash flows from investing activities:			
Interest from investments		2	3
Purchase of tangible fixed assets		(123)	(223)
Capital grants from DfE/ESFA		297	-
Net cash provided by/(used in) investing activities		<u>176</u>	<u>(220)</u>
Change in cash and cash equivalents in the year		530	(212)
Cash and cash equivalents brought forward		<u>401</u>	<u>613</u>
Cash and cash equivalents carried forward	21	<u><u>931</u></u>	<u><u>401</u></u>

The notes on pages 28 to 52 form part of these financial statements.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 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.

It is a company limited by guarantee incorporated in England. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

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

1.2 Going concern

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants

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

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

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

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other Income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 Stocks

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

1.7 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Liabilities and provisions

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

1.9 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. . Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised costs as detailed in note 17. 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.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. 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 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 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 2017**

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of tangible fixed assets and note 1.5 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2017. 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funder and include grants from Department for Education/the Education and Skills Funding Agency 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 and include grants from the Department for Education/the Education and Skills Funding Agency.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
CIF Grant	-	-	280	280	-

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,667	3,667	2,944
Pupil premium	-	81	81	77
Devolved formula capital	-	17	17	15
Other EFA/DfE grants	-	35	35	25
	-	3,800	3,800	3,061
Other government grants				
Local Authority grants	-	44	44	46
	-	44	44	46
Other funding				
School trip income	-	295	295	220
Other income	-	8	8	11
	-	303	303	231
	-	4,147	4,147	3,338
<i>Total 2016</i>	-	3,338	3,338	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Rental income	8	-	8	9
School uniform sales	1	-	1	1
Catering income	227	-	227	186
Teacher placement income	1	-	1	4
Other income	28	-	28	27
	<u>265</u>	<u>-</u>	<u>265</u>	<u>227</u>
<i>Total 2016</i>	<u>215</u>	<u>12</u>	<u>227</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest receivable	2	-	2	3
	<u>3</u>	<u>-</u>	<u>3</u>	
<i>Total 2016</i>	<u>3</u>	<u>-</u>	<u>3</u>	

6. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
School uniform purchases	-	-	-	1
Catering expenditure	145	-	145	108
Catering staff costs	83	-	83	78
	<u>228</u>	<u>-</u>	<u>228</u>	<u>187</u>
<i>Total 2016</i>	<u>187</u>	<u>-</u>	<u>187</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. TOTAL RESOURCES EXPENDED

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising voluntary income	83	-	145	228	187
Activities:					
Direct costs	2,604	158	416	3,178	2,690
Support costs	521	145	331	997	934
	3,208	303	892	4,403	3,811
<i>Total 2016</i>	2,769	332	710	3,811	

In 2016 of the total expenditure on charitable educational activities of £3,811,000, £187,000 was from unrestricted funds, £3,403,000 from restricted funds and £221,000 from restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. CHARITABLE ACTIVITIES

	Total funds 2017 £000	Total funds 2016 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,998	1,742
National insurance	195	148
Pension cost	412	307
Depreciation	194	221
Educational supplies	113	66
Other direct costs	266	206
	<hr/> 3,178 <hr/>	<hr/> 2,690 <hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	404	376
National insurance	28	22
Pension cost	69	71
Pension finance costs (note 13)	20	25
Staff training	12	14
Recruitment and support	10	12
Maintenance of premises and equipment	124	98
Cleaning	4	4
Rates and water	19	22
Energy costs	42	43
Insurance	34	31
Security and transport	9	14
Catering	15	20
Legal and professional	35	32
Other support costs	152	130
Bank charges and interest	4	4
Governance costs	16	16
	<hr/> 997 <hr/>	<hr/> 934 <hr/>
	<hr/> 4,175 <hr/>	<hr/> 3,624 <hr/>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£000	£000
Depreciation of tangible fixed assets	194	221
Auditors remuneration - audit fee	10	10
Auditors remuneration - non audit fee	4	4
Operating lease rentals	7	1
	<u> </u>	<u> </u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£000	£000
Wages and salaries	2,451	2,178
Social security costs	226	173
Operating costs of defined benefit pension schemes	492	389
	<hr/> 3,169	<hr/> 2,740
Supply teacher costs	19	4
Pension finance costs (note 13)	20	25
	<hr/> 3,208 <hr/>	<hr/> 2,769 <hr/>

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

	2017	2016
	No.	No.
Teachers	40	40
Administration and support	42	42
Management	6	6
	<hr/> 88 <hr/>	<hr/> 88 <hr/>

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	41	33
Administration and support	34	31
Management	5	6
	<hr/> 80 <hr/>	<hr/> 70 <hr/>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these employees amounted to £23,956 (2016 - £42,122).

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)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS (continued)

received by Key Management Personnel for their services to the Academy Trust was £240,950 (2016: £237,958).

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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:

		2017	2016
		£000	£000
Nora Parker (Headteacher)	Remuneration	-	65-70
	Pension contributions paid	-	10-15
Julian Kirby (Headteacher)	Remuneration	75-80	30-35
	Pension contributions paid	10-15	5-10
Staff Trustee 1	Remuneration	15-20	15-20
	Pension contributions paid	0-5	0-5
Staff Trustee 2	Remuneration	25-30	25-30
	Pension contributions paid	5-10	5-10

During the year ended 31 August 2017, expenses totalling £41 were reimbursed to 1 Trustee (2016 - nil).

Yearly comparisons are not comparable due to the term served by individual Trustees during each academic year.

Other related party transactions involving the Trustees are set out in note 25.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,097 (2016 - £879).

13. PENSION FINANCE COSTS

	2017	2016
	£000	£000
Interest income on pension scheme assets	25	35
Interest on pension scheme liabilities	(45)	(60)
	(20)	(25)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Long leasehold property improvements £000	Plant and machinery £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2016	5,849	1,605	229	287	-	7,970
Additions	-	41	9	53	20	123
At 31 August 2017	<u>5,849</u>	<u>1,646</u>	<u>238</u>	<u>340</u>	<u>20</u>	<u>8,093</u>
Depreciation						
At 1 September 2016	519	81	76	241	-	917
Charge for the year	100	33	25	36	-	194
At 31 August 2017	<u>619</u>	<u>114</u>	<u>101</u>	<u>277</u>	<u>-</u>	<u>1,111</u>
Net book value						
At 31 August 2017	<u>5,230</u>	<u>1,532</u>	<u>137</u>	<u>63</u>	<u>20</u>	<u>6,982</u>
At 31 August 2016	<u>5,330</u>	<u>1,524</u>	<u>153</u>	<u>46</u>	<u>-</u>	<u>7,053</u>

Included in Long leasehold property is long leasehold land valued at £1,349,539 (2016 - £1,349,539) on conversion in 2012 by Drivers Jonas Deloitte using the depreciation replacement cost method. The Trustees consider that the valuation remains appropriate for the purpose of these financial statements.

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

15. STOCKS

	2017 £000	2016 £000
Catering stock	<u>6</u>	<u>-</u>

16. DEBTORS

	2017 £000	2016 £000
Trade debtors	4	3
Other debtors	25	43
Prepayments	119	83
	<u>148</u>	<u>129</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	140	18
Taxation and social security	56	56
Other creditors	54	43
Accruals and deferred income	67	119
	<hr/> 317 <hr/>	<hr/> 236 <hr/>
	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	97	32
Resources deferred during the year	41	97
Amounts released from previous years	(97)	(32)
	<hr/> 41 <hr/>	<hr/> 97 <hr/>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 as restated £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General funds	146	267	(228)	-	-	185
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	136	3,667	(3,407)	(74)	-	322
Other Dfe/EFA grants	-	35	(35)	-	-	-
Pupil Premium	12	81	(80)	(13)	-	-
Capital grants	-	44	(44)	-	-	-
Other grants	-	303	(303)	-	-	-
LGPS Defined Benefit Pension Scheme	(943)	-	(112)	-	191	(864)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(795)	4,130	(3,981)	(87)	191	(542)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Net book value of fixed assets	7,053	-	(194)	124	-	6,983
CIF grant	-	280	-	(20)	-	260
Devolved formula capital	-	17	-	(17)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,053	297	(194)	87	-	7,243
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	6,258	4,427	(4,175)	-	191	6,701
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	6,404	4,694	(4,403)	-	191	6,886
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Balance at 1 September 2016 as restated £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2016 £000
Unrestricted funds						
General funds	115	218	(187)	-	-	146
	<u>115</u>	<u>218</u>	<u>(187)</u>	<u>-</u>	<u>-</u>	<u>146</u>
Restricted funds						
General Annual Grant (GAG)	354	2,944	(2,954)	(208)	-	136
Other DfE/ESFA grants	-	25	(25)	-	-	-
Pupil Premium	13	77	(78)	-	-	12
Other grants	-	46	(46)	-	-	-
Other income	-	243	(243)	-	-	-
LGPS Defined Benefit Pension Scheme	(663)	-	(57)	-	(223)	(943)
	<u>(296)</u>	<u>3,335</u>	<u>(3,403)</u>	<u>(208)</u>	<u>(223)</u>	<u>(795)</u>
Restricted fixed asset funds						
Net book value of fixed assets	7,051	15	(221)	208	-	7,053
	<u>7,051</u>	<u>15</u>	<u>(221)</u>	<u>208</u>	<u>-</u>	<u>7,053</u>
Total restricted funds	<u>6,755</u>	<u>3,350</u>	<u>(3,624)</u>	<u>-</u>	<u>(223)</u>	<u>6,258</u>
Total of funds	<u>6,870</u>	<u>3,568</u>	<u>(3,811)</u>	<u>-</u>	<u>(223)</u>	<u>6,404</u>

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

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Transfers of £87,000 from GAG funding to restricted fixed asset fund represents allocations from GAG towards IT equipment, plant and machinery and buildings improvements.

Other DfE/ESFA Grants

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

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 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 Trust from the Local Authority following the transfer of assets. It includes 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 building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual term of the agreement and for the specific capital projects applied for.

Unspent CIF capital grant fund has been created to recognise unspent capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed asset fund.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £000	2016 £000	2016 £000	2016 £000
Tangible fixed assets	-	-	7,053	7,053
Current assets	146	384	-	530
Creditors due within one year	-	(236)	-	(236)
Pension reserve	-	(943)	-	(943)
	<u>146</u>	<u>(795)</u>	<u>7,053</u>	<u>6,404</u>

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

	2017 £000	2016 £000
Net income/(expenditure) for the year	291	(243)
Adjustment for:		
Depreciation charges	194	221
Interest receivable	(2)	(3)
(Increase)/decrease in stocks	(6)	7
Increase in debtors	(19)	(32)
Increase in creditors	81	1
Capital grants from DfE and other capital income	(297)	-
Defined benefit pension scheme cost less contributions payable	92	32
Defined benefit pension scheme finance cost	20	25
Net cash provided by operating activities	<u>354</u>	<u>8</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	931	401
Total	<u>931</u>	<u>401</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017	2016
	£000	£000
Contracted for but not provided in these financial statements	248	25

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are 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 £52,000 were payable to the schemes at 31 August 2017 (2016 - £46,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. 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.

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 – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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 the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

- employer contribution rates were set at 16.48% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

The employer's pension costs paid to TPS in the period amounted to £282,000 (2016 - £246,000).

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

The total contribution made for the year ended 31 August 2017 was £152,000 (2016 - £146,000), of which employer's contributions totalled £120,000 (2016 - £115,000) and employees' contributions totalled £32,000 (2016 - £31,000). The agreed contribution rates for future years are 23.6% 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:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.40 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	24.2
Females	26.2	26.6

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	(57)	(54)
Discount rate -0.1%	57	54
Mortality assumption - 1 year increase	93	64
Mortality assumption - 1 year decrease	(93)	(64)
CPI rate +0.1%	46	34
CPI rate -0.1%	(46)	(34)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	974	866
Debt instruments	291	216
Property	116	108
Cash and other liquid assets	73	12
Total market value of assets	<u>1,454</u>	<u>1,202</u>

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

	2017 £000	2016 £000
Current service cost	(212)	(147)
Interest income	25	35
Interest cost	(45)	(60)
Total	<u>(232)</u>	<u>(172)</u>
Actual return on scheme assets	<u>126</u>	<u>201</u>

The Academy expects to contribute £130,000 to its defined benefit pension scheme in 2018.

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

	2017 £000	2016 £000
Opening defined benefit obligation	2,145	1,543
Current service cost	212	147
Interest cost	45	60
Employee contributions	32	31
Actuarial (gains)/losses	(90)	389
Benefits paid	(26)	(25)
Closing defined benefit obligation	<u>2,318</u>	<u>2,145</u>

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

23. PENSION COMMITMENTS (continued)

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

	2017	2016
	£000	£000
Opening fair value of scheme assets	1,202	880
Interest income	25	35
Actuarial gains	101	166
Employer contributions	120	115
Employee contributions	32	31
Benefits paid	(26)	(25)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,454	1,202
	<hr/> <hr/>	<hr/> <hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£000	£000
Amounts payable:		
Within 1 year	7	7
Between 2 and 5 years	6	13
	<hr/>	<hr/>
Total	13	20
	<hr/> <hr/>	<hr/> <hr/>

25. RELATED PARTY TRANSACTIONS

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

26. CONTROLLING PARTY

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

27. COMPANY LIMITED BY GUARANTEE

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

LUTTERWORTH HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

28. MEMBERS' LIABILITY

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