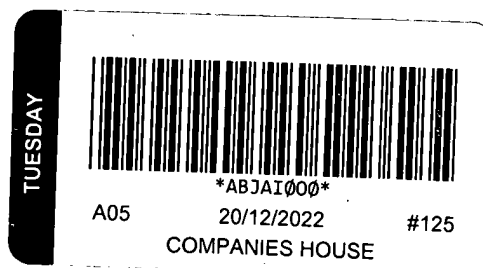


LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

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LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Brownsword Mr T Davis Mr K Johnson Miss J Lennon Mrs D Sharples Mr D Inman Mrs J Gotschel
Trustees	Miss J Lennon, Chair Mr T Coppins, Vice Chair Mr S Aykroyd (resigned 5 January 2022) Mrs E Hickl (resigned 7 March 2022) Mrs K Cooney, Head Teacher Mrs S Calder-Terry (appointed 31 March 2022) Mrs C Huxtable (appointed 31 March 2022)
Company registered number	07567230
Company name	Lordswood Academies Trust
Principal and registered office	Lordswood Girls' School and Sixth Form Centre Knightlow Road Birmingham B17 8QB
Company secretary	Mrs S Allport
Chief executive officer	Mrs K Cooney
Senior management team	Mrs K Cooney, Headteacher and Accounting Officer Mrs D Dodd, HR Director Mrs L Finucane, Assistant Headteacher Mrs K Adamson, Deputy Headteacher Ms J Milward, Assistant Headteacher (resigned December 2021) Mrs L Verma, Assistant Headteacher Mrs C Yorke, Assistant Headteacher
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Lloyds Bank Plc 25 Gresham Road London EC2V 7HN

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors

Stone King LLP
Somerset House
37 Temple St
Birmingham
B2 5DP

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Academy Trust operates a secondary academy in South West Birmingham. The academy has a pupil capacity of 1,170 and had a roll of 996 in the school census in September 2021.

Organisation Overview and Current Position

During 2021-22, the Trust has significantly improved its financial position in spite of the challenges of COVID and has continued its focus on succession planning.

A new headteacher took up post in September 2021. The school experienced its first Ofsted inspection in 15 years during the first week in March 2022, during which it was graded as required improvement. To ensure a secure financial future the school transferred to the King Edward VI Academy Trust, Birmingham in September 2022.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Trustees of Lordswood Academies Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Lordswood Academies Trust (LAT).

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with the normal commercial practice, the Academy Trust provides indemnity insurance to protect its members, directors, academy representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. This insurance does not extend to any claim arising from any act or omission which trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard of whether it was a breach of trust or breach of duty or to the costs of any unsuccessful defense to a criminal prosecution brought against the trustees in their capacity as trustees. The Trust is covered through the Risk Protection Arrangement up to £10 million in aggregate claims.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Trustees are appointed by virtue of their position on the Governing Body as Chair, by nomination and election by current board members or by virtue of their position as employees of the Trust.

e. Policies adopted for the induction and training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in both education and industry and commerce. Those coming via their role on the Governing Body will have received governor training. Where necessary, additional training will be provided on charity, educational, legal and financial matters. All trustees are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles. Assistance and advice is always available from Trust staff or professional advisors.

f. Organisational structure

This consists of three levels: the Trust Board, the Governing Body, and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Trustees are responsible for setting policy, adopting an annual plan, monitoring the Trust's use of budgets, and making decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Governing Body is responsible for monitoring the day to day management and operations of the academy and ensuring that high standards of teaching and learning are maintained. The Governing Body acts as the link between the school and the Trust.

Other sub-committees are: Staffing, Pay, and Finance and Audit. All strategic decisions are taken at Trust level.

The Leadership Team ensures that policies laid down by the Trust and Governing Body are implemented and work closely with the Governing Body in developing improvement plans, monitoring expenditure and producing reports for governors

The Headteacher is the Accounting Officer.

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

The staffing structure is under constant review to ensure structure and gradings reflect curriculum need and student numbers. The Pay Committee agrees pay in the Trust's school, based on the outcomes of performance management. Benchmarking of salaries was carried out by an external consultant to ensure pay ranges were in line with similar Multi-Academy Trusts and there was a further review in 2018-19 to reflect the move to a single academy MAT.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	7,528
Total pay bill	4,684,967
Percentage of total pay bill spent on facility time	0.16 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Academy Trust was established as a standalone company and does not have any external sponsors, neither is it related to any other charitable trust or party.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The Academy Trust's objects are generally to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Academy Trust's principal objective is to advance public benefit through education, by managing and developing both the school and the sixth form to provide education to pupils between the ages of 11 and 19.

The main objectives of the Academy Trust during the period are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To continue to raise the standard of educational achievement of all pupils and thereby grow and develop the Academy Trust's local and national reputation;
- To ensure the effectiveness of the academy by keeping the curriculum and organisational structure under review;
- To provide value for money for the expenditure incurred;
- To comply with appropriate statutory and national curriculum requirements; and
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

b. Objectives, strategies and activities

The main strategies for the Academy Trust are set out in the School Improvement Plan; to achieve this, the key activities are:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications and develop their fullest potential;
- Training opportunities for all staff and especially teaching staff;
- A programme of sporting and after school leisure activities open to all students; and
- Provision of careers information, advice and guidance to support students' progression post-16 and post-18 and maintain the Trust's 0% NEET record.

The main objectives of the Academy Trust during the year are summarised below:

Main priorities from 2021-22 School Improvement Plan for Lordswood Girls' School

Priority 1: To improve outcomes for students at all key stages

- i. To address gaps in learning and student well-being following enforced school closure
- ii. To improve outcomes for KS5 students
- iii. To improve provision for SEND students
- iv. To improve provision for EAL students
- v. To re-evaluate teaching, assessment and learning strategies and to identify those which have a significant impact on promoting progress and improving outcomes
- vi. To develop and embed teaching approaches to promote progress and sustain high quality teaching and learning
- vii. To ensure improvements in identified subject areas are fully embedded

LORDSWOOD ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

Priority 2: To continue to develop the curriculum & assessment in light of school and national priorities

- i. To work towards achieving Rights Respecting School Silver Award
- ii. To continue to develop STEM provisions across the school
- iii. To achieve accreditation on the Thrive at Work scheme at bronze level

These priorities are achieved through the implementation of the school improvement cycle:
Review -> Plan/Continuous Professional Development (CPD) -> Implement -> Review.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

2021-22 was a challenging year for the school. The school experienced its first Ofsted inspection in 15 years resulting in the school being graded as requiring improvement. The school also experienced some challenges relating to the transfer to King Edward VI Academy Trust Birmingham resulting in 5 days of school closure in July 2022. Despite these challenges the trust transfer took place on the 1st September 2022.

The school continued to improve the school environment, with some significant improvements to the environment e.g. painting of numerous classrooms, hall, offices. All the school signage was updated to reflect the new trust and new flooring was laid on the North staircase.

Numerous improvements were made to improve safeguarding including additional seating in the school hall, locks on the reception doors and removal of the toilet block from the carpark.

In June 2022 the school were informed that they had been selected to receive CIF funding to replace the school roof on the entire main building. This project is in the final stages of completion.

a. Key performance indicators

Despite these challenges attendance remained above the national average and the school continued to achieve outstanding results. The average result at post 16 was a B- and the A8 score was the highest the school has achieved. The school P8 score remains well above average at 0.71.

b. Going concern

On 1 September 2022 the entire operations of Lordswood Academies Trust, and its assets and liabilities have been transferred to King Edward VI Academy Trust Birmingham (company number 10654935). The Governors have therefore concluded that the financial statements of Lordswood Academies Trust should not be prepared on the going concern basis.

The entity ceased to trade on 1 September 2022 and it is anticipated that the Governors will formally wind up the entity in the near future.

LORDSWOOD ACADEMIES TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Strategic report (continued)

Financial review

a. Financial Performance

Most of the Academy's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG) the use of which is restricted to particular purposes i.e. the objects of the Academy. The GAG received during the period of this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust ends the year adding to its surplus reserves. This was due to careful management of resources throughout the year and a successful year for lettings income. The all-weather pitch continues to be used extensively by local sports groups and this year saw the return of in-school lettings as well.

The Trust were also awarded a CIF grant in the year for the replacement of the roofing of most of the school buildings, this was very gratefully received and is part of a long term investment in the school buildings for pupils and in the future.

The Trust continued to feel the impact of the COVID pandemic, both positively with additional funding for tutoring and recovery but also negatively with increased costs around agency staff for sickness cover.

b. Reserves Policy

The Trustees of the Academy Trust review the reserve levels on an annual basis. The Trust Finance and Audit Committee believe that reserves should provide sufficient working capital to cover delays between spending and receipt of grants and also allow for unexpected situations such as urgent maintenance work.

The reserves total at 31 August 2022 was £ 8,429,834 (2021: £4,738,287) including the fixed asset reserve of £ 8,523,962 (2021: £7,972,980), pension reserve deficit of £ 514,000 (2021: deficit of £3,407,000), restricted reserves surplus of £ 224,020 (2021: surplus of £43,499), and unrestricted reserves had a balance of £ 195,852 (2021: £128,808). The free reserves of the Trust at 31 August 2022 was £ 419,872 (2021: £172,307). The Trust are continuing to work on the recovery plan to improve the reserve position.

c. Investment Policy

There are no material investments. Cash is managed using the Lloyds current account and the management of these funds is constantly under review. Bank advice at present is that there is a reasonable return in the form of interest payments on this account and in the context of other rates currently on offer. This continues to be reviewed.

d. Principal Risks and Uncertainties

The Trust Committees on behalf of the Board of Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. This is in the form of a risk register which lists identified risks such as succession planning, DfE policy on single academy trusts, funding, pupil numbers and teacher recruitment, the inherent risks and the likelihood of these and a description of the control measures set up to mitigate the risks. This is reviewed by the Trust Board.

Plans for future periods

The School Improvement Plan for 2022-23 outlines the priorities for King Edward VI Lordswood School for Girls

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

for the current academic year.

1. Improve the curriculum and delivery of the curriculum
2. Improve the quality of summative and formative assessment, leading to improved reporting systems for parents/students
3. Improve the quality of careers education and PSHCE provision
4. Improve the quality of Post 16 provision, specifically non-qualification provision
5. Ensure that Governance provides a suitable level of challenge

Funds held as custodian on behalf of others

The Trust does not hold such funds and does not act as the custodian trustees of any other charity.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2022 and signed on its behalf by:



Miss J Lennon
Chair of Trustees

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, 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 Lordswood Academies 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 7 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
Miss J Lennon, Chair	7	7
Mr P Brownsword	1	7
Mr T Coppins, Vice Chair	7	7
Mr D Inman	2	7
Mr S Aykroyd (resigned 5 January 2022)	4	4
Mrs E Hickl (resigned 7 March 2022)	4	5
Mrs C Huxtable (appointed 31 March 2022)	2	2
Mrs S Calder-Terry (appointed 31 March 2022)	0	2

The Board has undergone changes in the course of the year as some trustees resigned. The focus has been on strengthening governance at both Trust and governing body level to ensure a balance of skills and experience and on orderly transfer of the school to King Edwards VI Trust.

Governance reviews

A review of governance started in October 2019 resulting the composition and skill set of trustees and governors being strengthened since then. New Trustees have been appointed in the year ready for the new structure required once formally part of the King Edward VI Academy Trust Birmingham.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to hold the Board of Trustees to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety. It also reviews estates and health and safety matters.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Coppins	4	5
Ms J Lennon	5	5
Mr S Aykroyd (resigned January 2022)	2	3
Ms D Sharples	2	5
Ms E Hickl	1	3
Ms C Huxtable	2	2
Mrs K Cooney	5	5

Review of value for money

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

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

- negotiation with suppliers
- a moratorium on all non-essential spending
- seeking best price from suppliers
- a review of whether to replace staff leaving from Lordswood Girls' School

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Lordswood Academies Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has decided not to appoint an internal auditor. However, the Trustees have appointed , a Trustee, to carry out a programme of internal checks.

The governor completes a Key Responsibility Area (KRA) report which is shared with both governors and trustees and also carries out the internal audit according to the schedule agreed by the Trust.

The governor completed a risk and control matrix aligned to 10 key controls areas, for each risk, mitigating controls were identified and evidenced through a review of documentation and discussions with key staff. 5 of these key controls areas had an assurance level of good, whilst the other 5 were deemed satisfactory with recommendations taken on board by the Trust.

Conflicts of interest

The Trust manages conflicts of interest by maintaining an up to date and complete register of interests. Information in this register is monitored regularly to assist in the day-to-day management and governance of the academy trust

Trustees consider and agree the approach to managing the conflict of interest by requiring the conflicted trustee to:

1. Leave the discussions.
2. Not to take part in the relevant decision or vote.
3. Not to be counted as part of the quorum for the relevant matter.

Where available, legal or governing document requirements on how conflict of interest must be handled is used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



Ms J Lennon
Chair of Trustees



Mrs K Cooney
Accounting Officer

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs K Cooney
Accounting Officer
Date: 6 December 2022

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Miss J Lennon
Chair of Trustees
Date: 6 December 2022

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORDSWOOD ACADEMIES TRUST**

Opinion

We have audited the financial statements of Lordswood Academies Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Emphasis of matter - Financial Statements prepared on a basis other than Going Concern

We draw attention to note 1.2 in the financial statements, which explains that the financial statements have been prepared on the basis that the Academy Trust is no longer a going concern; as the Academy Trust has transferred its trade, assets and liabilities to another multi Academy Trust and has ceased trading. Our opinion is not modified in this respect.

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

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

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORDSWOOD ACADEMIES TRUST (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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 Trust'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 or to cease operations, or have no realistic alternative but to do so.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORDSWOOD ACADEMIES TRUST (CONTINUED)**

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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

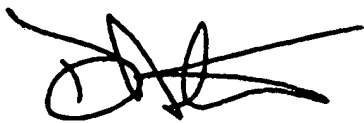
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LORDSWOOD ACADEMIES TRUST (CONTINUED)**

Use of our report

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



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

14 December 2022

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LORDSWOOD ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lordswood Academies Trust during the year 1 September 2021 to 31 August 2022 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 Lordswood Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lordswood Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lordswood Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lordswood Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lordswood Academies Trust's funding agreement with the Secretary of State for Education dated 31 December 2012 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

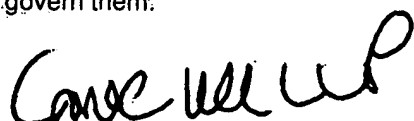
The work undertaken to draw our conclusion includes a review of the design and implementation of the Charitable Company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Charitable Company and specific transactions identified from our review.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LORDSWOOD ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Crowe U.K. LLP
Reporting Accountant

Statutory Auditor

Date: 14 December 2022

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	-	300	750,628	750,928	63,334
Other trading activities		175,178	-	-	175,178	67,246
Investments	7	98	-	-	98	73
Charitable activities	4	53,502	5,988,175	-	6,041,677	5,982,297
Total income		228,778	5,988,475	750,628	6,967,881	6,112,950
Expenditure on:						
Charitable activities		161,734	6,040,525	237,075	6,439,334	6,358,979
Total expenditure		161,734	6,040,525	237,075	6,439,334	6,358,979
Net income/(expenditure)		67,044	(52,050)	513,553	528,547	(246,029)
Transfers between funds	17	-	(37,429)	37,429	-	-
Net movement in funds before other recognised gains/(losses)		67,044	(89,479)	550,982	528,547	(246,029)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	3,163,000	-	3,163,000	(344,000)
Net movement in funds		67,044	3,073,521	550,982	3,691,547	(590,029)
Reconciliation of funds:						
Total funds brought forward		128,808	(3,363,501)	7,972,980	4,738,287	5,328,316
Total funds carried forward		195,852	(289,980)	8,523,962	8,429,834	4,738,287

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

The notes on pages 25 to 50 form part of these financial statements.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07567230

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	8,172,127	7,972,980
Current assets			
Debtors	15	970,543	151,902
Cash at bank and in hand		653,972	342,320
		<u>1,624,515</u>	<u>494,222</u>
Creditors: amounts falling due within one year	16	(852,808)	(321,915)
Net current assets		<u>771,707</u>	<u>172,307</u>
Net assets excluding pension liability		<u>8,943,834</u>	<u>8,145,287</u>
Defined benefit pension scheme liability	24	(514,000)	(3,407,000)
Total net assets		<u><u>8,429,834</u></u>	<u><u>4,738,287</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	8,523,962	7,972,980
Restricted income funds	17	224,020	43,499
		<u>8,747,982</u>	<u>8,016,479</u>
Restricted funds excluding pension asset	17	8,747,982	8,016,479
Pension reserve	17	(514,000)	(3,407,000)
Total restricted funds	17	<u>8,233,982</u>	<u>4,609,479</u>
Unrestricted income funds	17	<u>195,852</u>	<u>128,808</u>
Total funds		<u><u>8,429,834</u></u>	<u><u>4,738,287</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 06 December 2022 and are signed on their behalf, by:



Miss J Lennon
Chair of Trustees

The notes on pages 25 to 50 form part of these financial statements.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	628,886	194,454
Cash flows from investing activities	20	(317,234)	(13,133)
		<u>311,652</u>	<u>181,321</u>
Change in cash and cash equivalents in the year		311,652	181,321
Cash and cash equivalents at the beginning of the year		342,320	160,999
Cash and cash equivalents at the end of the year	21, 22	<u>653,972</u>	<u>342,320</u>

The notes on pages 25 to 50 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

As explained in Note 29, the company transferred its trade, assets and liabilities to another multi Academy Trust on 1 September 2022 and has ceased trading. As required by UK accounting standards, the Governors have prepared the financial statements on the basis that the Academy Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the other multi Academy Trust at their carrying amount.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Donated goods, facilities and services**

The value of donated goods, facilities and services in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charitable company can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

The estimated useful lives are as follows:

Leasehold land	- 125 years
Long-term leasehold property	- 50 years
All Weather Pitch	- 20 years
Furniture and equipment	- 5-10 years
Computer equipment	- 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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 Operating leases

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 2022**

1. Accounting policies (continued)

1.13 Agency arrangements

The academy trust distributes 16-19 Bursary funds to students as an agent for the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds.

The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the period end are disclosed in note 27.

1.14 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	300	-	300
Grants	-	750,628	750,628
	<u>300</u>	<u>750,628</u>	<u>750,928</u>

	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	41,641	-	41,641
Grants	-	21,693	21,693
	<u>41,641</u>	<u>21,693</u>	<u>63,334</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Funding for educational operations (note 5)	-	5,988,175	5,988,175
Other incoming resources	53,502	-	53,502
	<u>53,502</u>	<u>5,988,175</u>	<u>6,041,677</u>

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Funding for educational operations (note 5)	-	5,944,247	5,944,247
Other incoming resources	38,050	-	38,050
	<u>38,050</u>	<u>5,944,247</u>	<u>5,982,297</u>

5. Funding for the Academy Trust's educational operations

	Restricted funds 2022 £	Total funds 2022 £
DfE/ESFA grants		
General Annual Grant (GAG)	5,617,140	5,617,140
Other DfE/ESFA grants		
Other DfE/ESFA grants	81,582	81,582
Pupil Premium	217,717	217,717
	<u>5,916,439</u>	<u>5,916,439</u>
Other Government grants		
Local authority grants	20,415	20,415
	<u>20,415</u>	<u>20,415</u>
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	31,030	31,030
Other DfE/ESFA COVID-19 funding	20,291	20,291
	<u>51,321</u>	<u>51,321</u>
	<u>5,988,175</u>	<u>5,988,175</u>

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Funding for the Academy Trust's educational operations (continued)

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	5,261,756	5,261,756
Other DfE/ESFA grants		
Other DfE/ESFA grants	124,878	124,878
Pupil Premium	205,669	205,669
Teachers Pension grant	193,240	193,240
	<u>5,785,543</u>	<u>5,785,543</u>
Other Government grants		
Local authority grants	54,581	54,581
	<u>54,581</u>	<u>54,581</u>
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	59,200	59,200
Other DfE/ESFA COVID-19 funding	44,923	44,923
	<u>104,123</u>	<u>104,123</u>
	<u><u>5,944,247</u></u>	<u><u>5,944,247</u></u>

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Hire of facilities	160,887	160,887
Other income	14,291	14,291
	<u>175,178</u>	<u>175,178</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Hire of facilities	59,070	59,070
Other income	8,176	8,176
	<u>67,246</u>	<u>67,246</u>

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Short term deposits	98	98
	<u>98</u>	<u>98</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Short term deposits	73	73
	<u>73</u>	<u>73</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Academy Trust's educational operations:				
Direct costs	4,275,845	-	480,037	4,755,882
Allocated support costs	823,835	237,075	622,542	1,683,452
	<u>5,099,680</u>	<u>237,075</u>	<u>1,102,579</u>	<u>6,439,334</u>
	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Academy Trust's educational operations:				
Direct costs	4,397,624	-	334,619	4,732,243
Allocated support costs	684,853	249,533	692,350	1,626,736
	<u>5,082,477</u>	<u>249,533</u>	<u>1,026,969</u>	<u>6,358,979</u>

9. Analysis of expenditure by activities

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	823,835	684,853
Depreciation	237,075	251,170
Premises costs	290,705	249,533
Governance costs	35,524	27,565
Technology costs	32,099	36,435
Other support costs	264,214	377,180
	<u>1,683,452</u>	<u>1,626,736</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	10,377	11,032
Depreciation of tangible fixed assets	237,075	251,170
Fees paid to auditor for:		
- audit	10,350	9,500
- other services	2,975	2,750
	<u>247,402</u>	<u>263,452</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,534,123	3,656,997
Social security costs	321,314	328,484
Pension costs	1,083,076	1,020,841
	<u>4,938,513</u>	<u>5,006,322</u>
Agency staff costs	161,167	74,655
Staff restructuring costs	-	1,500
	<u>5,099,680</u>	<u>5,082,477</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	-	1,500
	<u>-</u>	<u>1,500</u>

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £1,500).

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	69	71
Administration and support	34	29
Management	6	7
	<u>109</u>	<u>107</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £527,054 (2021: £676,537).

12. Trustees' remuneration and expenses

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

		2022 £	2021 £
Mrs J Gotschel, Headteacher	Remuneration	0 - 5,000	95,000 - 100,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mrs K Cooney, Head Teacher	Remuneration	85,000 - 90,000	0 - 5,000
	Pension contributions paid	10,000 - 15,000	0 - 5,000

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Trustees' and Officers' insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2021	8,859,483	316,238	159,861	-	9,335,582
Additions	5,869	24,831	28,531	376,991	436,222
At 31 August 2022	8,865,352	341,069	188,392	376,991	9,771,804
Depreciation					
At 1 September 2021	979,391	266,866	116,345	-	1,362,602
Charge for the year	194,977	17,778	24,320	-	237,075
At 31 August 2022	1,174,368	284,644	140,665	-	1,599,677
Net book value					
At 31 August 2022	7,690,984	56,425	47,727	376,991	8,172,127
At 31 August 2021	7,880,092	49,372	43,516	-	7,972,980

15. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	22,110	25,775
Other debtors	246,359	9,742
Prepayments and accrued income	702,074	116,385
	<u>970,543</u>	<u>151,902</u>

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16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	519,754	45,393
Other taxation and social security	90,488	87,169
Other creditors	109,762	6,433
Accruals and deferred income	132,804	182,920
	<u>852,808</u>	<u>321,915</u>
	2022 £	2021 £
Deferred income at 1 September 2021	(12,457)	-
Resources deferred during the year	-	12,987
Amounts released from previous periods	12,457	(25,444)
	<u>-</u>	<u>(12,457)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	128,808	228,778	(161,734)	-	-	195,852
Restricted general funds						
General Annual Grant	-	5,617,140	(5,355,691)	(37,429)	-	224,020
Pupil Premium	-	217,717	(217,717)	-	-	-
Other DfE/ESFA grants	-	81,582	(81,582)	-	-	-
Local Authority grants	-	20,415	(20,415)	-	-	-
Catch-up premium	43,499	31,030	(74,529)	-	-	-
Other DfE/ESFA COVID-19 funding	-	20,291	(20,291)	-	-	-
Donations	-	300	(300)	-	-	-
Pension reserve	(3,407,000)	-	(270,000)	-	3,163,000	(514,000)
	(3,363,501)	5,988,475	(6,040,525)	(37,429)	3,163,000	(289,980)

LORDSWOOD ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Fixed assets	7,972,980	-	(237,075)	436,222	-	8,172,127
DfE Group capital grants	-	21,803	-	(21,803)	-	-
CIF Grants	-	728,825	-	(376,990)	-	351,835
	<u>7,972,980</u>	<u>750,628</u>	<u>(237,075)</u>	<u>37,429</u>	<u>-</u>	<u>8,523,962</u>
Total Restricted funds	<u>4,609,479</u>	<u>6,739,103</u>	<u>(6,277,600)</u>	<u>-</u>	<u>3,163,000</u>	<u>8,233,982</u>
Total funds	<u>4,738,287</u>	<u>6,967,881</u>	<u>(6,439,334)</u>	<u>-</u>	<u>3,163,000</u>	<u>8,429,834</u>

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education (DfE)/ Educational and Skills Funding Agency (ESFA).

Restricted fixed assets funds relate predominately to the assets acquired on conversion to an Academy Trust, being the properties.

The unrestricted fund represents the surplus generated by the Academy Trust on activities or generating funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

LORDSWOOD ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
General Funds	241,832	105,369	(101,111)	(117,282)	-	128,808
Restricted general funds						
General Annual Grant	(207,879)	5,261,756	(5,118,065)	64,188	-	-
Pupil Premium	-	205,669	(205,669)	-	-	-
Teachers Pension grant	-	193,240	(193,240)	-	-	-
Other DfE/ESFA grants	-	124,878	(124,878)	-	-	-
Local Authority grants	-	54,581	(54,581)	-	-	-
Catch-up premium	-	59,200	(15,701)	-	-	43,499
Other DfE/ESFA COVID-19 funding	-	44,923	(44,923)	-	-	-
Donations	-	41,641	(41,641)	-	-	-
Pension reserve	(2,855,000)	-	(208,000)	-	(344,000)	(3,407,000)
	<u>(3,062,879)</u>	<u>5,985,888</u>	<u>(6,006,698)</u>	<u>64,188</u>	<u>(344,000)</u>	<u>(3,363,501)</u>

LORDSWOOD ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted fixed asset funds						
Fixed assets	8,149,363	-	(251,170)	74,787	-	7,972,980
DfE Group capital grants	-	21,693	-	(21,693)	-	-
	<u>8,149,363</u>	<u>21,693</u>	<u>(251,170)</u>	<u>53,094</u>	<u>-</u>	<u>7,972,980</u>
Total Restricted funds	<u>5,086,484</u>	<u>6,007,581</u>	<u>(6,257,868)</u>	<u>117,282</u>	<u>(344,000)</u>	<u>4,609,479</u>
Total funds	<u>5,328,316</u>	<u>6,112,950</u>	<u>(6,358,979)</u>	<u>-</u>	<u>(344,000)</u>	<u>4,738,287</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	8,172,127	8,172,127
Current assets	195,852	1,076,828	351,835	1,624,515
Creditors due within one year	-	(852,808)	-	(852,808)
Provisions for liabilities and charges	-	(514,000)	-	(514,000)
Total	<u>195,852</u>	<u>(289,980)</u>	<u>8,523,962</u>	<u>8,429,834</u>

LORDSWOOD ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	7,972,980	7,972,980
Current assets	128,808	365,414	-	494,222
Creditors due within one year	-	(321,915)	-	(321,915)
Provisions for liabilities and charges	-	(3,407,000)	-	(3,407,000)
Total	128,808	(3,363,501)	7,972,980	4,738,287

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	528,547	(246,029)
Adjustments for:		
Depreciation	237,075	251,170
Capital grants from DfE and other capital income	(118,890)	(21,693)
Interest receivable	(98)	(73)
Defined benefit pension scheme cost less contributions payable	212,000	159,000
Defined benefit pension scheme finance cost	58,000	49,000
Increase in debtors	(818,641)	(19,175)
Increase in creditors	530,893	62,142
Fixed asset donations	-	(39,888)
Net cash provided by operating activities	628,886	194,454

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	98	73
Purchase of tangible fixed assets	(436,222)	(34,899)
Capital grants from DfE Group	118,890	21,693
Net cash used in investing activities	(317,234)	(13,133)

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	653,972	342,320
Total cash and cash equivalents	653,972	342,320

22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	342,320	311,652	653,972
	342,320	311,652	653,972

23. Capital commitments

Amounts contracted for, but not provided in the financial statements, for the year ending 31 August 2022 was: £365,759 (2021: £nil)

24. Pension commitments

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

**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £644,198 (2021 - £640,000).

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £209,269 (2021 - £218,000), of which employer's contributions totalled £168,347 (2021 - £173,000) and employees' contributions totalled £ 40,929 (2021 - £45,000). The agreed contribution rates for future years are 19.4 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	4.05	2.85
Rate of increase for pensions in payment/inflation	3.05	2.85
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.2	21.6
Females	23.6	24.0
<i>Retiring in 20 years</i>		
Males	22.9	23.4
Females	25.4	25.8

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	101	186
Discount rate -0.1%	(101)	(191)
Mortality assumption - 1 year increase	(165)	(292)
Mortality assumption - 1 year decrease	165	280
CPI rate +0.1%	(84)	(22)
CPI rate -0.1%	84	22

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	2,415,000	2,155,000
Corporate bonds	757,000	495,000
Property	288,000	247,000
Cash and other liquid assets	144,000	636,000
Total market value of assets	3,604,000	3,533,000

The actual return on scheme assets was £106,000 (2021 - £524,000).

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

	2022 £	2021 £
Current service cost	171,000	334,000
Past service cost	-	1,000
Interest income	(157,000)	(49,000)
Interest cost	179,000	95,000
Total amount recognised in the Statement of Financial Activities	193,000	381,000

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24. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	6,940,000	5,781,000
Current service cost	381,000	334,000
Past service costs	-	1,000
Interest cost	118,000	95,000
Employee contributions	41,000	45,000
Actuarial losses	(3,333,000)	819,000
Benefits paid	(29,000)	(135,000)
At 31 August	4,118,000	6,940,000

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

	2022 £	2021 £
At 1 September	3,533,000	2,926,000
Interest income	60,000	49,000
Employee contributions	41,000	45,000
Benefits paid	(29,000)	(135,000)
Actuarial gains/losses	(170,000)	475,000
Employer contributions	169,000	173,000
At 31 August	3,604,000	3,533,000

25. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	12,972	9,184
Later than 1 year and not later than 5 years	18,126	8,143
	31,098	17,327

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26. Members' liability

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

27. Related party transactions

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

During the year the Trust did not pay employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust. (2021: £65,556).

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022, the trust received £53,510 (2021: £40,696) and disbursed £22,696 (2021: £35,556) from the fund. An amount of £36,028 (2021: £5,214) is included in accruals and deferred income relating to undistributed funds that are repayable to the ESFA.

29. Post Balance Sheet Events

On 1 September 2022 the entire operations of Lordswood Academies Trust, and its assets and liabilities have been transferred to King Edward VI Academy Trust Birmingham (company number 10654935). The Governors have therefore concluded that the financial statements of Lordswood Academies Trust should not be prepared on the going concern basis.

The entity ceased to trade on 1 September 2022 and it is anticipated that the Governors will formally wind up the entity in the near future.