

Company Registration Number: 07567230 (England & Wales)

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

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LORDSWOOD ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr P Brownsword Mr R Minott (resigned 21 July 2021) Mr T Davis Mr K Johnson Miss J Lennon (appointed 25 February 2021) Mrs D Sharples (appointed 25 February 2021) Mr D Inman (appointed 25 February 2021) Mrs J Gotschel (appointed 1 September 2021)
Trustees	Miss J Lennon, Chair Mr T Coppins Mr S Aykroyd (appointed 25 February 2021) Mrs E Hickl (appointed 25 February 2021) Mrs J Gotschel, Headteacher (resigned 31 August 2021) Mr R Minott, Vice-chair (resigned 21 July 2021) Mr P Brownsword (resigned 24 February 2021) Mrs D Sharples (resigned 24 February 2021) Mr D Inman (resigned 24 February 2021) Mrs K Cooney, Head Teacher (appointed 31 August 2021)
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 J Gotschel (resigned 31 August 2021) Mrs K Cooney (appointed 31 August 2021)
Senior management team	Mrs J Gotschel, Headteacher and Accounting Officer (resigned 31 August 2021) Mrs K Cooney, Headteacher and Accounting Officer (appointed 31 August 2021) Ms S Foley, Finance Director (resigned 23 August 2021) Mrs D Dodd, HR Director Mrs L Finucane, Assistant Headteacher Mrs K Adamson, Assistant Headteacher Ms J Milward, Assistant Headteacher Mrs L Verma, Assistant Headteacher
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers Lloyds Bank Plc
25 Gresham Road
London
EC2V 7HN

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 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 (this takes account of the increase in PAN from 132 to 154 wef 1.9.2017) and had a roll of 977 in the school census in May 2020.

Organisation Overview and Current Position

During 2020-21, the Trust has significantly improved its financial position in spite of the challenges of COVID and has continued its focus on succession planning. New governors were recruited over the course of the year and a new Chair of the Trust took over at the end of February 2021.

In February, the school and Trust were severely shaken by the death of the Clerk to the Governing Body from COVID. The Company Secretary has covered the role in the ensuing period.

Discussions have continued with regard to the future development of the Trust and trustees are actively pursuing a merger with another local multi academy trust (MAT) whose values and ethos align closely with its own. In addition to these developments, a key focus of the Trust has been the appointment of a new headteacher. The Trust engaged a consultant from ASCL to manage the process and a successful appointment was made. The new headteacher takes up post on 1st September 2021.

Structure, governance and management

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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 defence 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.

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.

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.

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 management and operational effectiveness of the academy and ensuring the 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 and 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 the Trustees.

The Headteacher is the Accounting Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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.

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	4,600
Total pay bill	5,006,322
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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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.

LORDSWOOD ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

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.

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 2020-21 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 address underperformance in identified subject areas
- iv. To improve provision for SEND & EAL students
- v. To implement differentiated interventions to improve students' attitudes to learning and raise levels of achievement
- vi. To develop and embed teaching approaches to promote progress and sustain high quality teaching and learning

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

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

- i. To review & refine assessment strategies in light of COVID risk assessments to promote student progress and address teacher workload
- ii. To deliver the new T Level in Education
- iii. To implement the revised programmes of study for Relationship and Sex Education (RSE) & Careers Information, Education, Advice and Guidance (CEIAG)
- iv. To continue to develop Science, Technology, Engineering and Maths (STEM) provision across the school

Priority 3: To develop Lordswood Girls School (LGS) as a centre of excellence

- i. To submit an application to become a teaching school hub
- ii. To work towards achieving Rights Respecting School Silver Award
- iii. To work towards achieving accreditation on the Thrive at Work scheme at bronze level
- iv. To develop the capacity of the Trust and Governing Body

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

The Improvement Plan had to be amended over the course of the year due to COVID restrictions and the national lockdown in the Spring term 2021. A number of actions have therefore been carried forward to 2021-22.

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

Over the last year, the focus has been on ensuring high quality teaching and continuity of learning for all students in spite of the challenges and restrictions caused through the COVID pandemic.

In the summer term of 2020, teachers used information from assessments to adapt programmes of study for 2020-21 to facilitate coverage of topics not delivered during lockdown or further practice in areas where data showed students required additional support. Programmes of study were also adapted to enable them to be delivered remotely, if required, and staff CPD in the first few weeks of term focused on upskilling staff so that teachers were confident in using various packages to enhance online teaching. Students' access to IT out of school was monitored regularly and this enabled teaching to be delivered live to all students regardless of whether they were self-isolating.

The decision to cancel the summer examinations, whilst not a surprise, was still disappointing given the amount of work undertaken to build students' skills and confidence following the disruption to teaching in 2019-20 and throughout the autumn term 2020. Students worked incredibly hard with their teachers to cover content and skills, and teacher assessed grades (TAGs) were determined from a range of evidence and subject to rigorous quality assurance. The TAGs submitted were also reviewed against previous performance data and grades awarded were very much in line with historical performance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

The School's Specialist Leaders in Education (SLEs) supported departments in other network schools in their work on determining grades and the moderation process and across the South West Network opportunities to share good practice in relation to remote learning were promoted where possible.

COVID restrictions sadly had a significant impact on curriculum enrichment and the usual extra-curricular provision, which could not take place due to the need to operate in year bubbles and the need to use all available space to facilitate this.

The measures that were put in place to manage the risks posed by COVID appear to have been successful in that the school has seen a relatively low number of COVID cases with virtually no in-school transmission. Nevertheless, all year groups have had to endure periods of self-isolation.

Key performance indicators

Lordswood Girls' School continues to be oversubscribed. Due to the cancellation of public examinations in summer 2021, performance tables were suspended. Teacher assessed grades were, however, in line with historical results. For a second year, sixth form recruitment and enrolment was completed online and has been extremely successful and saw an increase in the number of enrolments from external applicants.

The school's core priority remains the improvement of outcomes for all groups of students, particularly in regard to addressing gaps in learning and student well-being following school closures and student self-isolation. Sustaining improvements in targeted areas remains a key priority for the school, as does the focus on creating a centre of excellence.

Going concern

The Trust is showing a very cautious breakeven budget for 2021-22. The Trust continues to strengthen its financial position so that a surplus will be achieved in 2022-23 with further improvements in the following year. This is achieved by the extra income generated from the full opening of the all-weather pitch which has suffered closures and reopenings throughout the financial year.

In order to open the School safely September 2020, the School spent £40,000 in August 2020 which could not be claimed back. Portable toilets were hired at £90 per week, classroom tables replaced by exam desks with the former being stored in containers at a cost of £75/week. An additional cleaner was employed to clean "touch" points throughout the day at a cost of £180 per week. This along with cleaning materials have added up to over £15k in non-claimable costs. Aside from this £5,000 was spent on FSM which was claimed back from the DfE. Testing, Catch Up and Summer School costs are all being claimed back from the DfE. Some of these measures remain in place in 2021-22 as part of the school's Outbreak Management Plan.

Any savings throughout the year were transferred into our contingency budget which is expected to increase each month to cover any additional expenses from loss of lettings income, and for urgent school improvements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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

Financial review

Financial Performance

The Trust began the financial year forecasting a breakeven due to a predicted reduction in letting income, but its continued focus on reducing and monitoring expenditure enabled this to be revised and to work towards a surplus to add to our reserves. All purchasing is continually monitored to ensure best value for money, and we continue to review contracts and the contractors with whom the school works to enable further savings.

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.

Other funding is received from our extensive letting of the school premises. The all weather pitch was completed at the end of 2019-20, three months later than planned, this was due to COVID illness and restrictions. It was not available for use until September 2020.

COVID expenditure since September 2020 has included the hiring of a toilet block and storage of tables. Free Schools Meal Vouchers for the first two weeks of school closure in January 2021 were purchased for 202 eligible and vulnerable children at a cost of £5,000; this cost was refunded by the DfE. The school remained open for vulnerable children and the children of key workers. However, vouchers provided to isolating children while awaiting the DfE decision in the sum of £2,000 were not claimable from the DfE.

Hours not used under the cleaning contract were banked and used for weekly deep cleans and the catering contract was not frustrated in its entirety as we employed the catering manager to provide meals to key worker and vulnerable children.

Lettings were cancelled between January to March 8th 2021 with a loss of Income in the region of £25,000 which cannot be claimed back under Business Disruption Insurance. All educational visits were cancelled. The Year 11 Prom went ahead in June 2021 but the school production was cancelled.

Lordswood Girls' School increased its Pupil Admission Number (PAN) with effect from September 2017 by 22 pupils per year resulting in a further 110 pupils from 2021 onwards. This will result in additional funding of over £400,000 by 2022/23. In addition, we continue to promote the sixth form in order to increase the number of sixth form students and the number of sixth form enrolments in August 2021 has increased in comparison from previous years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Improvements in the Trust's financial position have been hampered this year by the COVID pandemic. Despite a balanced budget, having to suspend school lettings cost the school £25,000 in income and additional costs in remaining open and COVID compliant throughout have caused additional expenditure of £15,000. There has been by a series of significant reductions in expenditure as follows:

- Reduction in the use of external advice for Finance and HR
- Orders over £2,000 always receive 3 quotes
- All orders checked and signed by Finance Director
- All orders signed by SLT line manager for department orders
- Strict controls on agency teaching staff
- Reduction of absences through proactive monitoring of staff attendance
- Staff working from home during the Pandemic

Catering is outsourced to Aspens Catering Services and the school has become completely cashless. This has created efficiencies for staff and negated the need for the collection of cash by the security company.

However the closure of the canteen and the need for food to be delivered to classrooms from September to December 2020 and from 8th March 2021 to 28th May have resulted in a cash loss to Aspens of £5,000 per month as this process has been more labour intensive.

The school has taken on board the DfEs 5-stage approach to supplier relief during COVID restrictions, and, as a result, has chosen to support Aspens as a critical supplier to the school who have endeavoured to continue delivery despite performance being somewhat affected.

Aspens provided invoices/support requests for this loss in income, along with documentation of monthly operating statements, and these were taken to Finance and Audit Committee for support requests which have been approved up until December 2020 at a cost of £21,000.

Aspens invoices for January and February 2021 were for the Catering Manager only to provide meals to key worker and vulnerable children and were approved by the Finance Director.

From 8th March, with the reopening of the school, the deliveries to classroom continued and the school is working with Aspens to ensure the invoice represents good value for money.

With the opening of the canteen on 7th June 2021, the labour costs will reduce and the catering contract should return to pre-COVID arrangements. We are currently working with Aspens to ensure that invoicing represents this return to normal operating procedures.

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. From 2012-2017, the reserves held by Lordswood Girls' School were consumed in the support of falling rolls in the Boys' School.

The reserves total at 31 August 2021 was £4,738,287 (2020: £5,328,316) including the fixed asset reserve of £7,972,980 (2020: £8,149,363), pension reserve deficit of £3,407,000 (2020: deficit of £2,855,000), restricted reserves surplus of £43,499 (2020: deficit of £207,879), and unrestricted reserves had a balance of £128,808 (2020: £241,832). The free reserves of the Trust at 31 August 2021 was £172,307 (2020: £33,953). The Trust are continuing to work on the recovery plan to improve the reserve position.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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.

Fundraising

The Academy Trust does not use external fundraisers, all charity fund raising is arranged and overseen by the School Council. The approach is very much voluntary and, in spite of COVID, the School raised £2,652 during 2020-21.

Plans for future periods

The School Improvement Plan for 2021/22 outlines the priorities for Lordswood Girls' School for the current academic year. The focus for the Trust in 2021/22 is to support the new headteacher as she takes up post and to continue work on the merger with another MAT.

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

SCHOOL IMPROVEMENT PLAN 2021-22

Priority 1: To improve outcomes for all groups of 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 address underperformance in identified subject areas
- iv. To improve provision for SEND & EAL students
- v. To implement differentiated interventions to improve students' attitudes to learning and raise levels of achievement
- vi. To develop and embed teaching approaches to promote progress and sustain high quality teaching and learning

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

- i. To review & refine assessment strategies in light of COVID risk assessments to promote student progress and address teacher workload
- ii. To deliver the new T Level in Education
- iii. To implement the revised programmes of study for RSE & CEIAG
- iv. To continue to develop STEM provision across the school

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods (continued)

Priority 3: To develop LGS as a centre of excellence

- i. To submit an application to become a teaching school hub
- ii. To work towards achieving Rights Respecting School Silver Award
- iii. To work towards achieving accreditation on the Thrive at Work scheme at bronze level
- iv. To develop the capacity of the Trust and Governing Body

Funds held as custodian on behalf of others

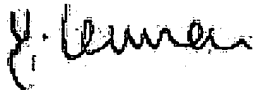
The Trust does not hold such funds and does not act as the custodian trustees of any other charity.

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 7 December 2021 and signed on its behalf by:



Miss J Lennon
Chair of Trustees

LORDSWOOD ACADEMIES TRUST
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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 headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 10 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
Mr P Brownsword	7	10
Mrs D Sharpes	10	10
Mrs J Gotschel, Headteacher (resigned 31 August 2021)	10	10
Mr T Coppins	8	10
Mr D Inman	10	10
Mr R Minott, Vice-chair	9	10
Miss J Lennon, Chair	10	10
Mr S Aykroyd	7	7
Mrs E Hickl	4	4
Mrs K Cooney, Head Teacher (appointed 31 August 2021)	0	0

The Board has undergone changes in the course of the year as the term of office of some trustees came to an end. The focus has been on strengthening governance at both Trust and governing body level to ensure a balance of skills and experience and so there is the capacity to support the new headteacher taking up post from 1st September.

Governance reviews

A review of governance was carried out in October 2019 and this informed the Trust's work on succession planning. Over the course of the last year, the composition and skill set of trustees and governors has been reviewed to ensure capacity. Over the next year, the Trust will continue its work on merging with another local MAT. A further review of governance will therefore be undertaken as part of the transition to the new Trust.

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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 R Minot	4	5
Mr T Coppins	4	5
Miss J Lennon	5	5
Mr S Aykroyd	5	5
Mrs J Gotschel	5	5

Review of value for money

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

The accounting officer considers how the academy'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:

- ensuring the best use of resources to support the various educational needs of the students
- requiring suppliers to compete on grounds of cost and quality, suitability of service and products
- monitor and manage budgets to ensure capacity to maintaining the site and its assets
- continuing its partnership working and collaboration with local schools by sharing skills and expertise.

The Finance Director continues to ensure that all contracts are renegotiated to the advantage of the school when they are due for renewal.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

LORDSWOOD ACADEMIES TRUST
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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 reviewer has delivered their schedule of work as planned and no material control issues arose as a result of the work undertaken.

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

- testing of procurement processes
- testing of cyber security measures
- testing of system workflows.

On a termly basis, the reviewer reports to the Board of Trustees, through the audit and finance committee on the operations of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- 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 7 December 2021 and signed on their behalf by:



Miss J Lennon
Chair of Trustees



Mrs K Cooney
Accounting Officer

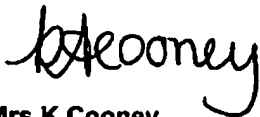
LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

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 Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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: 7 December 2021

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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: 7 December 2021

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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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.

Conclusions relating to going concern

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

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

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

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 Trustees' Responsibilities Statement, 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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 within the timing and completeness of income recognition and 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

15 December 2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 2020 to 31 August 2021 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: 15 December 2021

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	41,641	21,693	63,334	22,161
Other trading activities		67,246	-	-	67,246	53,312
Investments	7	73	-	-	73	453
Charitable activities	4	38,050	5,944,247	-	5,982,297	5,659,712
Total income		105,369	5,985,888	21,693	6,112,950	5,735,638
Expenditure on:						
Charitable activities		101,111	6,006,698	251,170	6,358,979	6,133,264
Total expenditure		101,111	6,006,698	251,170	6,358,979	6,133,264
Net income/(expenditure)		4,258	(20,810)	(229,477)	(246,029)	(397,626)
Transfers between funds	17	(117,282)	64,188	53,094	-	-
Net movement in funds before other recognised gains/(losses)		(113,024)	43,378	(176,383)	(246,029)	(397,626)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(344,000)	-	(344,000)	(316,000)
Net movement in funds		(113,024)	(300,622)	(176,383)	(590,029)	(713,626)
Reconciliation of funds:						
Total funds brought forward		241,832	(3,062,879)	8,149,363	5,328,316	6,041,942
Total funds carried forward		128,808	(3,363,501)	7,972,980	4,738,287	5,328,316

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

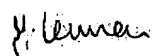
The notes on pages 28 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	7,972,980	8,149,363
Current assets			
Debtors	15	151,902	132,727
Cash at bank and in hand		342,320	160,999
		<u>494,222</u>	<u>293,726</u>
Creditors: amounts falling due within one year	16	(321,915)	(259,773)
Net current assets		<u>172,307</u>	<u>33,953</u>
Net assets excluding pension liability		<u>8,145,287</u>	<u>8,183,316</u>
Defined benefit pension scheme liability	23	(3,407,000)	(2,855,000)
Total net assets		<u><u>4,738,287</u></u>	<u><u>5,328,316</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	7,972,980	8,149,363
Restricted income funds	17	43,499	(207,879)
		<u>8,016,479</u>	<u>7,941,484</u>
Restricted funds excluding pension asset	17	8,016,479	7,941,484
Pension reserve	17	(3,407,000)	(2,855,000)
Total restricted funds	17	<u>4,609,479</u>	<u>5,086,484</u>
Unrestricted income funds	17	<u>128,808</u>	<u>241,832</u>
Total funds		<u><u>4,738,287</u></u>	<u><u>5,328,316</u></u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:



Miss J Lennon
Chair of Trustees

The notes on pages 28 to 53 form part of these financial statements.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	194,454	<i>(181,241)</i>
Cash flows from investing activities	20	(13,133)	<i>(207,018)</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		181,321	<i>(388,259)</i>
Cash and cash equivalents at the beginning of the year		160,999	<i>549,258</i>
Cash and cash equivalents at the end of the year	21, 22	342,320	<i>160,999</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 28 to 53 form part of these financial statements

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future, which takes into account the impacts of the Coronavirus pandemic (COVID-19) on the Academy, and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy 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.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

LORDSWOOD ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

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3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	41,641	-	41,641
Grants	-	21,693	21,693
	<u>41,641</u>	<u>21,693</u>	<u>63,334</u>
	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,314	-	1,314
Grants	-	20,847	20,847
	<u>1,314</u>	<u>20,847</u>	<u>22,161</u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
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>

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4. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Funding for educational operations (note 5)	-	5,477,027	5,477,027
Other incoming resources	182,685	-	182,685
	<u>182,685</u>	<u>5,477,027</u>	<u>5,659,712</u>

5. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £
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>5,944,247</u>	<u>5,944,247</u>

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

	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants		
General Annual Grant (GAG)	4,926,869	4,926,869
Other DfE/ESFA grants		
Other DfE/ESFA grants	158,532	158,532
Pupil Premium	192,418	192,418
Teachers Pension grant	183,696	183,696
	<u>5,461,515</u>	<u>5,461,515</u>
Other Government grants		
Local authority grants	10,101	10,101
	<u>10,101</u>	<u>10,101</u>
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	5,411	5,411
	<u>5,411</u>	<u>5,411</u>
	<u><u>5,477,027</u></u>	<u><u>5,477,027</u></u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Pupil Premium and Teachers Pension grant is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £59,200 of funding for catch-up premium and costs incurred in respect of this funding totalled £15,701, with the remaining £43,499 to be spent in 2021/22.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Hire of facilities	59,070	59,070
Other income	8,176	8,176
	<u>67,246</u>	<u>67,246</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Hire of facilities	45,806	45,806
Other income	7,506	7,506
	<u>53,312</u>	<u>53,312</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Short term deposits	<u>73</u>	<u>73</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Short term deposits	<u>453</u>	<u>453</u>

LORDSWOOD ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Expenditure

	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>
	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Academy Trust's educational operations:				
Direct costs	4,266,468	-	406,667	4,673,135
Allocated support costs	701,918	191,640	566,571	1,460,129
	<u>4,968,386</u>	<u>191,640</u>	<u>973,238</u>	<u>6,133,264</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Provision of education	<u>4,732,243</u>	<u>1,626,736</u>	<u>6,358,979</u>
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Provision of education	<u>4,673,135</u>	<u>1,460,129</u>	<u>6,133,264</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	684,853	701,918
Depreciation	251,170	220,934
Premises costs	249,533	191,640
Governance costs	27,565	17,708
Technology costs	36,435	29,652
Other support costs	377,180	298,277
	<u><u>1,626,736</u></u>	<u><u>1,460,129</u></u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	11,032	12,440
Depreciation of tangible fixed assets	251,170	215,934
Fees paid to auditor for:		
- audit	9,500	9,500
- other services	2,750	2,750
	<u><u>274,452</u></u>	<u><u>240,624</u></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:

	2021 £	2020 £
Wages and salaries	3,656,997	3,573,652
Social security costs	328,484	321,093
Pension costs	1,020,841	977,227
	<u>5,006,322</u>	<u>4,871,972</u>
Agency staff costs	74,655	53,910
Staff restructuring costs	1,500	42,504
	<u>5,082,477</u>	<u>4,968,386</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	-	12,504
Severance payments	1,500	30,000
	<u>1,500</u>	<u>42,504</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,500 (2020: £30,000). Individually, the payment was: £1,500.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	71	70
Administration and support	29	32
Management	7	7
	<u>107</u>	<u>109</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	1	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 £676,537 (2020: £614,064).

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:

		2021	2020
		£	£
Mrs J Gotschel, Headteacher	Remuneration	95,000 - 100,000	95,000 - 100,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2020	8,025,788	310,936	115,155	808,916	9,260,795
Additions	-	5,302	44,706	24,779	74,787
Transfers between classes	833,695	-	-	(833,695)	-
At 31 August 2021	8,859,483	316,238	159,861	-	9,335,582
Depreciation					
At 1 September 2020	784,761	239,285	87,386	-	1,111,432
Charge for the year	194,630	27,581	28,959	-	251,170
At 31 August 2021	979,391	266,866	116,345	-	1,362,602
Net book value					
At 31 August 2021	7,880,092	49,372	43,516	-	7,972,980
At 31 August 2020	7,241,027	71,651	27,769	808,916	8,149,363

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	25,775	119
Other debtors	9,742	43,345
Prepayments and accrued income	116,385	89,263
	151,902	132,727

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	45,393	61,037
Other taxation and social security	87,169	84,122
Other creditors	6,433	2,480
Accruals and deferred income	182,920	112,134
	<u>321,915</u>	<u>259,773</u>
	2021 £	2020 £
Deferred income at 1 September 2020	59,020	33,576
Resources deferred during the year	12,987	53,462
Amounts released from previous periods	(25,444)	(28,018)
	<u>46,563</u>	<u>59,020</u>

Deferred income relates to general government grants received in advance of entitlement and school trip monies received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
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>

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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>

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	120,382	236,450	(115,000)	-	-	241,832
Restricted general funds						
General Annual Grant	(88,975)	4,926,869	(5,059,858)	14,085	-	(207,879)
Pupil Premium	-	192,418	(192,418)	-	-	-
Teachers Pension grant	-	183,696	(183,696)	-	-	-
Other DfE/ESFA grants	-	158,532	(158,532)	-	-	-
Local Authority grants	-	10,101	(10,101)	-	-	-
Other DfE/ESFA COVID-19 funding	-	5,411	(5,411)	-	-	-
Donations	-	1,314	(1,314)	-	-	-
Pension reserve	(2,353,000)	-	(186,000)	-	(316,000)	(2,855,000)
	<u>(2,441,975)</u>	<u>5,478,341</u>	<u>(5,797,330)</u>	<u>14,085</u>	<u>(316,000)</u>	<u>(3,062,879)</u>

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Fixed assets	-	-	-	-	-	-
DfE Group capital grants	8,141,979	20,847	(220,934)	207,471	-	8,149,363
Local authority capital grants	221,556	-	-	(221,556)	-	-
	<u>8,363,535</u>	<u>20,847</u>	<u>(220,934)</u>	<u>(14,085)</u>	<u>-</u>	<u>8,149,363</u>
Total Restricted funds	<u>5,921,560</u>	<u>5,499,188</u>	<u>(6,018,264)</u>	<u>-</u>	<u>(316,000)</u>	<u>5,086,484</u>
Total funds	<u>6,041,942</u>	<u>5,735,638</u>	<u>(6,133,264)</u>	<u>-</u>	<u>(316,000)</u>	<u>5,328,316</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
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	<u>128,808</u>	<u>(3,363,501)</u>	<u>7,972,980</u>	<u>4,738,287</u>

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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 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	8,149,363	8,149,363
Current assets	254,218	39,508	-	293,726
Creditors due within one year	(12,386)	(247,387)	-	(259,773)
Provisions for liabilities and charges	-	(2,855,000)	-	(2,855,000)
Total	241,832	(3,062,879)	8,149,363	5,328,316

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(246,029)	(397,626)
Adjustments for:		
Depreciation	251,170	220,934
Capital grants from DfE and other capital income	(21,693)	(20,847)
Interest receivable	(73)	(453)
Defined benefit pension scheme cost less contributions payable	159,000	142,000
Defined benefit pension scheme finance cost	49,000	44,000
(Increase)/decrease in debtors	(19,175)	293,603
Increase/(decrease) in creditors	62,142	(462,852)
Fixed asset donations	(39,888)	-
Net cash provided by/(used in) operating activities	194,454	(181,241)

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20. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	73	453
Purchase of tangible fixed assets	(34,899)	(228,318)
Capital grants from DfE Group	21,693	20,847
Net cash used in investing activities	(13,133)	(207,018)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	342,320	160,999
Total cash and cash equivalents	342,320	160,999

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	160,999	181,321	342,320
	160,999	181,321	342,320

23. 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.

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.

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23. Pension commitments (continued)

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 2023.

The employer's pension costs paid to TPS in the year amounted to £640,000 (2020 - £599,000).

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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23. 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 2021 was £218,000 (2020 - £241,000), of which employer's contributions totalled £173,000 (2020 - £192,000) and employees' contributions totalled £ 45,000 (2020 - £49,000). 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

	2021 %	2020 %
Rate of increase in salaries	2.85	3.25
Rate of increase for pensions in payment/inflation	2.85	2.25
Discount rate for scheme liabilities	1.65	1.65

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

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23. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	186	155
Discount rate -0.1%	(191)	(159)
Mortality assumption - 1 year increase	(292)	(221)
Mortality assumption - 1 year decrease	280	213
CPI rate +0.1%	(22)	(20)
CPI rate -0.1%	22	20

Share of scheme assets

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

	2021 £	2020 £
Equities	2,153,000	1,643,000
Gilts	292,000	317,000
Corporate bonds	216,000	114,000
Property	248,000	221,000
Cash and other liquid assets	130,000	194,000
Other	494,000	437,000
Total market value of assets	3,533,000	2,926,000

The actual return on scheme assets was £524,000 (2020 - £259,000).

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

	2021 £	2020 £
Current service cost	334,000	334,000
Past service cost	1,000	-
Interest income	(49,000)	(50,000)
Interest cost	95,000	92,000
Administrative expenses	-	2,000
Total amount recognised in the Statement of Financial Activities	381,000	378,000

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23. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	5,781,000	4,951,000
Current service cost	334,000	334,000
Past service costs	1,000	-
Interest cost	95,000	92,000
Employee contributions	45,000	49,000
Actuarial losses	819,000	368,000
Benefits paid	(135,000)	(13,000)
At 31 August	6,940,000	5,781,000

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

	2021 £	2020 £
At 1 September	2,926,000	2,598,000
Interest income	49,000	50,000
Actuarial gains/losses	475,000	52,000
Employer contributions	173,000	192,000
Employee contributions	45,000	49,000
Benefits paid	(135,000)	(13,000)
Administrative expenses	-	(2,000)
At 31 August	3,533,000	2,926,000

24. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	9,184	11,032
Later than 1 year and not later than 5 years	8,143	17,848
	17,327	28,880

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25. 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.

26. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, 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 paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust totalling £65,556 (2020: £60,978)

27. 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 2021, the trust received £40,696 (2020: £38,329) and disbursed £35,556 (2020: £38,403) from the fund. An amount of £5,214 (2020: £74) is included in accruals and deferred income relating to undistributed funds that are repayable to the ESFA.