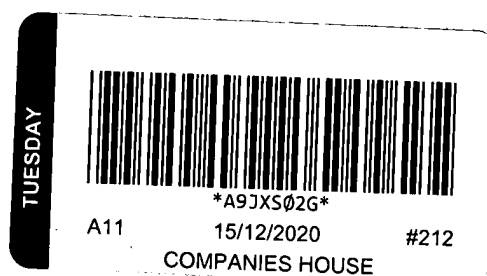


Company Registration Number: 08963659 (England & Wales)

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Sue Peach, Chair of Governors, Chair of Academic Strategy Committee and Chair of Standing Committee

Ian Nichol, Vice Chair of Governors, Chair of Finance and Asset Management Strategy Committee (Resigned 12 July 2020)

Rebecca Rees, Vice Chair of Governors, Chair of Pastoral Committee

Dennis Barnett

Jeffery Glenn

Governors

Dennis Barnett¹

Stuart Baran

Matthew Canale-Parola^{3,5}

Janet Eastwood³

Jeffrey Glenn^{1,4}

Peter Kent, Headteacher and Accounting Officer^{2,3,5}

Kevin Mahon

Carol Moor^{3,4}

Justin Muston

Kalonga Musukuma (appointed 1 September 2020)¹

Ian Nichol (resigned 12 July 2020)^{1,3,4,5}

Sue Peach^{1,3}

Rebecca Rees^{1,4}

Balvinder Singh⁴

Gwen Temple, Senior Deputy Headteacher^{3,5}

Paula Whitfield, Chair of the Audit and Risk Assurance Committee^{3,4}

¹ See Members' section for details of positions held

² Headteacher and Accounting Officer

³ Member of the Finance and Asset Management Strategy Committee

⁴ Member of the Audit and Risk Assurance Committee

⁵ In attendance at Audit and Risk Assurance Committee

Company registered number

08963659

Company name

Lawrence Sheriff School Academy Trust

Principal and registered office

Clifton Road
Rugby
Warwickshire
Warwickshire
CV21 3AG

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Headteacher

Peter Kent

Senior Leadership Team

Peter Kent, Headteacher and Accounting Officer
Gwen Temple, Senior Deputy Headteacher
Teresa Mpofu, Deputy Headteacher
Anthony Bedgood
Ian Chislett
Diane Halestrap
Mike Hickling

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Barclays Bank plc
Snowhill Queensway
Birmingham
B3 2WN

Lloyds Bank plc
43 Irongate
Derby
DE1 3FT

Solicitors

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

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Governors' report and a Directors' report under company law.

The Academy provides education for a total of 957 students, comprising 596 students under 16 years of age and 361 Sixth Form students. The Academy can accommodate 960 pupils and operates within the catchment area of Rugby. From 1 September 2020, the Academy will be increasing its pupil numbers by an additional 30 pupils joining in year 7 and an additional 30 each following year for a total period of 5 years.

Structure, Governance and Management

a. Constitution

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

The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors of Lawrence Sheriff School Academy Trust are also the directors of the Charitable Company for the purposes of company law.

The Charitable Company is known as Lawrence Sheriff School Academy Trust.

Details of the Governors who served during the year are included in the reference and administrative details on page 1. 1.

All Governors of Lawrence Sheriff School Academy Trust act as Trustees of a separate charity, the Lawrence Sheriff School Foundation. The Trustees are responsible for running the charity and this is distinct from their responsibility as school Governors to oversee the running of the school itself. The financial statements of the Lawrence Sheriff School Academy Trust incorporate the funds held by the Lawrence Sheriff School Foundation. The endowment fund of the Lawrence Sheriff School Foundation holds the legal title to the freehold land and buildings from which the school operates and have been provided, by way of a Supplemental Agreement, to the Lawrence Sheriff School Academy Trust for educational use on a permanent endowment basis.

Income from the Rugby School Estate is payable to the Trustees of the Lawrence Sheriff School Foundation under the Rugby Lower School (Transfer) Act 1906 (as amended). This income is restricted as a result of the requirements of the Rugby Lower School (Transfer) Act 1906 (as amended) and the Trustees administer the funds paid by the Rugby School Estate accordingly.

b. Members' Liability

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

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

c. Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the current period was £2,800. (2019: £878)

d. Method of Recruitment and Appointment or Election of Governors

The management of the Academy trust is the responsibility of the Governors who are appointed or co opted under the terms of the Articles of Association. The Full Governing Body consists of:

- up to 12 appointed Governors
- 2 elected parent Governors
- The Headteacher, who is an ex officio Governor.

The total number of Governors as at the date of signing is 15.

The day to day running of the charitable company is carried out by the Headteacher, Dr Peter Kent, and the Senior Leadership Team.

e. Policies and Procedures adopted for the Induction and Training of Governors

The Charitable Company is controlled by the Governing Body. Governors are eligible for re election every 4 years and are appointed by the 5 members of the Academy, as stated in Article 12.

The induction and training provided for new Governors will depend on their existing experience. Where necessary, training will be provided on charity, educational, legal and financial matters. It is expected that the turnover in the composition of the Board will be low which will enable induction to be carried out informally and tailored specifically to each individual. All new Governors will be encouraged and assisted to familiarise themselves with the Academy. All Governors are provided with copies of the Academy's constitutional and policy documents. In addition, they are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles effectively.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

f. Organisational Structure

The management structure is on two levels: the Governors and the Senior Leadership Team.

The Senior Leadership Team comprises persons who are qualified and experienced in their individual fields. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors work in collaboration with the Senior Leadership Team to set general policies, adopt annual plans, budgets and targets, and monitor the performance of the Academy against the aims established. Jointly the Governors and the Senior Leadership Team make all major decisions about the direction and policies of the Academy.

The Full Governing Body meets three times (autumn, spring and summer term) plus AGM (autumn term) and Foundation Trustees and EGM (spring term).

The Governors' committees meet on one or more occasions in the lead up to each termly meeting of the Full Governing Body. Every Governor, bar one for work/distance reasons, is a member of at least one of the following groups:

- Finance and Asset Management Strategy Committee (six Governors including the Headteacher and the Senior Deputy Headteacher plus the Finance Director, in attendance).
- Pastoral Committee (four Governors, including the Senior Deputy Headteacher plus three staff members in attendance).
- Standing Committee (six Governors, including the Headteacher and the Senior Deputy Headteacher).
- Academic Strategy Committee (six Governors, including the Headteacher and the Senior Deputy Headteacher).
- Audit and Risk Assurance Committee (five Governors, plus the Headteacher, Senior Deputy Headteacher, Chair of Finance Committee and Finance Director, in attendance).

The Senior Leadership Team consists of the Headteacher, Senior Deputy Headteacher, Deputy Headteacher and Assistant Headteachers. This team controls the Academy at an executive level, implementing the policies established by the Governors and reporting back to them at board meetings. The Senior Leadership Team meets weekly to discuss emerging matters and to help to develop strategies for future development. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Lawrence Sheriff School is an equal opportunities employer and endeavours to give full and fair consideration to all applications for employment, training and promotion, irrespective of disability, gender, race, colour or sexual orientation.

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

It is the responsibility of the Board of Governors to approve annual pay increases for key management personnel. Key management personnel will be paid at a rate that is commensurate with the position held and the level of responsibility. Annual pay reviews are linked to performance, with appropriate incremental progression and 'cost of living' increases. In very rare cases, increases will be withheld, where the performance of the individual in terms of standards of teaching and student progress and attainment is unsatisfactory.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

h. Related parties and other connected charities and organisations

The Lawrence Sheriff School Foundation is a charitable entity that owns the land and buildings from which the academy operates. The Trustees of the Lawrence Sheriff School Foundation (established separately under Charity Number 528770) are the same as those of the Academy Trust. As such, the activities of both entities are included within these financial statements.

Objectives and Activities

a. Objects and Aims

The Charitable Company's objects are generally to advance for the public benefit education in Rugby and the surrounding areas by establishing, maintaining, managing and developing an Academy offering a broad curriculum with a strong emphasis on academic excellence.

b. Objectives, Strategies and Activities

The main objectives of the Charitable Company are to:

- Raise the standard of educational achievement of all students;
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- Improve the effectiveness of the Charitable Company by keeping the curriculum and organisational structure under continuous review;
- Provide value for money for the funds expended;
- Comply with all statutory and national curriculum requirements;
- Maintain close links with industry and commerce.

c. Public Benefit

In setting the objectives and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The school is committed to being the school of choice for the most able students in our locality by developing and maintaining an educational community in which we:

- Provide the context to allow all individuals to achieve success in all aspects of school life;
- Create a safe and secure environment in which self-confidence and respect for oneself and for others is valued;
- Encourage each individual to fulfil their academic potential by placing particular emphasis on challenge, teamwork, independence, creativity and enjoyment;
- Appreciate the value of extracurricular activities and encourage – equally – wide participation and excellence;
- Use open lines of communication and engagement across all interested parties to ensure we are a self-evaluative school, which constantly looks to improve.

We seek to prepare our students for rewarding lives, aware of their obligation to serve the local, national and international communities in a fast changing world, and to inculcate in them a sense of pride in the unique character of the school.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and Activities (continued)

Strategic Report

a. Achievements and Performance

2019-20 has been another highly successful year for Lawrence Sheriff School. Examination results, awarded through a nationally agreed process of centre assessed grades, remained high, with 100% of students achieving 5 or more GCSEs at grade 4 or above including English and Mathematics and 75% achieving grades 7-9. Progress data from FFT indicates that results are around a grade above predictions and highlighted both high attainment and very high progress. Post 16 results were similarly high, with 79% of students gaining A*-B grades at A level and over 90% of students progressing on to higher education. Our BTec results for Engineering continue to be impressively high. The first three years of co-education have been a great success with girls continuing to make up 20% of Years 12 and 13. In accordance with the first part of the government's Grammar School Expansion scheme, places in Year 7 were increased to 150 (facilitated through five forms of entry and the creation of a new house) and we look forward to the continuing growth of the school over the coming years. Work continues on the new teaching block and wider refurbishment which will facilitate this expansion.

2019-20 was our sixth year as a National Teaching School, a status which was gained in recognition of the high standards of teaching within Lawrence Sheriff School. The school works closely with approximately 100 schools and universities across the West Midlands on a range of projects as diverse as training the next generation of Executive leaders, courses on outstanding teaching and offering consultancy advice on school improvement. The government is creating a new network of Teaching School hubs and Lawrence Sheriff plans to apply for this status during 2020-21.

Virus control measures have made it necessary to temporarily move to horizontal tutor groups and to amend the school's enrichment programme in order to preserve year group bubbles. However, as can be seen from the paragraphs above, they have not adversely affected the school's performance and key indicators such as attendance remain very high.

b. Key Performance Indicators

The Academy provides education for a total of 957 students, comprising 597 students under 16 years of age and 360 Sixth Form students. The Academy can accommodate a total of 960 pupils.

As detailed above, examination results for 2019-20 were very pleasing, with high attainment and high progress. As a result of the pandemic, national performance data for the year will not be published.

Regular internal and external monitoring of students' performances is taking place, in addition to formal examinations, and the Board is satisfied that the Academy is developing well, in line with the targets established.

c. Going Concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Whilst the pandemic has led to a projection of marginally reduced income from Rugby School for 2020-21, we are confident that the small reduction will not impact upon the running of the school, owing to the Governor's reserves policy and growing pupil numbers over the coming years. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

Financial Review

Lawrence Sheriff School has a reputation for high academic standards and an excellent extra curricular programme. As a result of its small size, Lawrence Sheriff School benefits from few economies of scale so its provision, judged to be outstanding by Ofsted, is based upon sound financial management and the willingness of staff to contribute beyond their contractual duties. The school also receives a direct payment from the Governors of Rugby School in accordance with a 1906 Act of Parliament. These funds, paid directly from the Governors of Rugby School to the Governors of Lawrence Sheriff School are allocated by the Governors to support the effective operation of the school. The school continues to strive to offer the fullest breadth of subjects and opportunities to all students, despite increasingly difficult financial constraints.

At the end of the current financial year the Academy Trust's funds stand at £15,336,771 (2019: £8,753,748). The Academy had an in year operating surplus of £121,384.

Income

The Academy has received, in the year, total ESFA and other grant funding of £11,236,348 relating to GAG funding of £4,219,188, other ESFA revenue grant funding of £75,661 and capital grant funding of £6,941,499. The capital funding largely consisted of the £6,920,000 award relating to the Selective Schools Expansion Fund.

Also included in charitable income is income from Rugby School of £797,287, school trip income of £100,947 and Leadership Live income £328,607.

Expenditure

Total staffing costs are £4,484,123. Of this £174,000 relates to the LGPS pension cost calculation with the remainder relating to actual salary and on-costs (accounting for 70.0% of total expenditure). The next largest items of expenditure, excluding depreciation, are educational supplies and examination fees which total £281,769. This equates to 4.6% of total expenditure.

The Academy trust held fund balances at 31 August 2020 of £15,336,771 comprising £8,855,226 of restricted fixed asset funds, £564,485 of restricted general funds (excluding the pension fund deficit of £2,411,000), restricted endowment funds of £8,563,461 and an unrestricted deficit fund of £235,401.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

a. Reserves Policy

The Governors continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and reserves.

The reserves policy of the Trustees of the Foundation is to maintain unrestricted reserves of at least £600,000.

The Governors have determined that the level of free reserves of the Lawrence Sheriff School of £329,084 (which comprise £564,485 of restricted funds and a deficit £235,401 of unrestricted funds) is adequate for immediate needs, representing approximately 1 month of recurrent payroll expenditure (before actuarial movements).

It is the Board's general policy to continue to maintain reserves, which can be used for future educational purposes whilst also ensuring that grant funding is spent on the pupils for which it is intended. It may be necessary to draw upon some of the Foundation's reserves during 2020-21 owing to projected reduction in income from Rugby School. We are confident that reserves are of a sufficient size for this not to impact upon the effective running of the Trust.

b. Investment Policy and Performance

Excess funds are invested in a manner commensurate with the perceived need. Short-term investments are made in interest bearing cash accounts. Funds set aside to meet longer-term needs are invested in term notice treasury deposit accounts at Lloyds bank. The pandemic has not had an adverse impact upon any investments or pension liability relating to the Trust.

Lawrence Sheriff School Foundation also holds £16,251 (2019: £17,575) of investments in listed securities.

The investments have generally performed in line with the Governors' expectations.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic Report (continued)

c. Principal Risks and Uncertainties

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those areas identified as being higher risk.

The Governors manage the major strategic, business and operational risks, which the Academy faces. They are reviewed annually in the autumn term and at any time, as necessary, to ensure that the major risks identified have been investigated as far as practicable, and with mitigating factors implemented.

The principal risks to which the Academy is exposed are:

- Issues related to unexpected or unpredictable events (the pandemic is an example of such risks)
- Issues relating to funding, either by loss of pupils or external funding cuts
- Issues around buildings or facilities preventing the delivery of education
- Loss of members of staff (either suddenly or gradually over time)
- Reputational risks arising from a variety of external sources
- Any issues that would undermine the successful day to day operation of the institution (such as a decline in examination results)
- Funding of pension deficits under the Local Government Pension Scheme (LGPS).

The Governors have considered these risks with policies and procedures having been put in place to minimise the risks. These mitigating factors include:

- Regularly reviewed policies which can be quickly acted upon, demonstrated by our successfully operationalised Business Continuity Plan
- Budget management and forecasting procedures
- The procurement of adequate insurance cover
- Investing in staff training and continued professional development
- Continued local marketing and advertising highlighting the achievement of our students
- The use of external consultants to advise on the operational efficiency of the organisation.

The pension scheme is reviewed by qualified actuaries on behalf of the Academy. There is currently a deficit on this scheme as disclosed in the notes to the financial statements. The Governors consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Scheme ("LGPS"). In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability. Since our existing risk register identifies unexpected issues such as the pandemic as one of the principal risks to which the academy is exposed, it was not necessary to make further changes to our risk register.

Fundraising

Fundraising activities of the academy are restricted to in-school activities such as summer fetes and dress down days, and are not bound by any voluntary scheme. These activities do not involve the use of professional fundraisers or commercial participants. Due to Covid, lettings income is reduced, but the impact on the Trust going forward is minimal.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for Future Periods

The Academy will continue to strive to encourage high levels of performance by all its students at all levels and will work to ensure that students find employment or a place in higher education once they leave. To date the outbreak has not had a major impact upon staff and pupils and has not constrained the Trust's planned activities for the year ahead. The expansion project continues to proceed as planned and the timeline for completion has not been affected by the pandemic.

Funds held as custodian on behalf of others

The academy acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities, as the Academy does not have control over the charitable application of the funds. In some instances, the Academy can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

Disclosure of information to auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- that Governors 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.

Auditor

The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 9 December 2020 and signed on its behalf by:



Sue Peach
Chair of Governors

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Governors 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 Lawrence Sheriff School Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 6 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Dennis Barnett	6	6
Stuart Baran	6	6
Matthew Canale-Parola	5	6
Janet Eastwood	4	6
Jeffrey Glenn	5	6
Peter Kent	5	6
Kevin Mahon	5	6
Carol Moor	4	6
Justin Muston	3	6
Ian Nichol (resigned 12 July 2020)	6	6
Sue Peach, Chair	6	6
Rebecca Rees	6	6
Balvinder Singh	4	6
Gwen Temple	6	6
Paula Whitfield	6	6

The Governing Body evaluates its effectiveness and impact as part of the Annual General Meeting each year. Whilst the continuing academic success of the school is one indicator of our success, we are also keen to develop and enhance the range of skills within the governing body so that we can respond to the increasingly broad and complex demands that are placed upon any school. We have recently again asked all Governors to complete an NGA skills audit form (last completed two years ago in 2018) and are currently analysing the forms to identify any gaps in our skill set.

The Governing Body receive good quality financial information on the academy on a regular basis which helps ensure strategic decisions are based on up-to-date financial performance and forecasts of the academy.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Asset Management Strategy Committee is a sub-committee of the main board of Governors. Its purpose is to ensure proper financial arrangements are in place to assist the Headteacher and the Governing Body to fulfil their statutory responsibilities for financial management and to develop and sustain its own financial understanding in order to carry out appropriate oversight.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Matthew Canale-Parola (Chair)	3	3
Janet Eastwood	3	3
Peter Kent	3	3
Carol Moor	0	3
Ian Nichol	2	3
Sue Peach (ex officio)	0	3
Gwen Temple	3	3
Paula Whitfield	3	3

The Academy Trust has a separate Audit and Risk Committee.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Paula Whitfield (Chair)	2	2
Jeff Glenn	2	2
Carol Moor	2	2
Rebecca Rees	2	2
Balvinder Singh	1	2

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

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

- We continue to regularly assess all contracts and purchases to ensure we are getting the best deal. For example, by following this strategy we have been able to reduce various areas of expenditure such as utilities, shredding costs, telephone charges and stationery costs.
- We continue to monitor the proportion of our income spent on staff costs. As a result of this, we have reinforced the policy of not always replacing staff who leave to try and ensure maximum efficiency in the use of human resources. Decisions continue to be taken on a case by case basis and, as a result, not all staff who left the academy in 2019-20 were replaced.
- In order to secure maximum efficiency we continue to operate our payroll function in house. This has enabled us to to maximum efficiencies and gain greater control, resulting in reduced external cost and overall cost savings for the Academy.

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 ongoing 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 Lawrence Sheriff School Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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 Governors

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

- Regular reviews by the Finance and Asset Management 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Warwickshire Country Council, to undertake the Responsible Officer (RO) role as an internal reviewer.

The appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular, the checks carried out in the year 2019-20 included:

- Proper & regular use of public funds – Checks were carried out to ensure that the spending of the Academy is for the purpose intended and that a competitive tendering policy is in place and applied for all purchases and renewal of contracts to ensure best value for money.
- Accounting systems – Checks were undertaken on the Academy's bank reconciliations, control accounts, aged debtors and creditors to ensure figures were correct, and reconciliations balanced.
- Financial plans & financial health – Checks were carried out to check that the Academy was producing a balanced budget and regularly monitoring actual expenditure against budget.
- HR & Payroll – Checks were made to ensure that a system of establishment control is in place including an appraisal and re-grading process including the review of senior leadership remuneration and that the payroll processes were robust.

It was concluded that the Academy has systems of internal financial control that are being effectively maintained. Moreover, resources are being managed in an effective manner with effective segregation of duties being upheld. Evidence supports that due financial consideration is given to strategic decisions.

On a semi-annual basis, the appointee reports to the Board of Governors through the Audit and Risk Assurance Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. During 2020, due to the Covid-19 pandemic, the appointee was only able to carry out one responsible officer visit.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

The Covid-19 pandemic meant that the school was closed to all students other than the vulnerable and those whose parents were key workers for a significant period of time from March 2020. Education took place for the vast majority of students through Google classroom and connection to the school community was maintained through weekly letters from the Headteacher, telephone calls to students and judicious use of email and social media. Since the return of face to face learning, subject leaders have evaluated the progress made by students and have found no evidence of significant gaps in learning or areas that require whole scale catch up. All pupils in Years 10 and 12 returned for at least a week's face to face teaching in June and July 2020 and the very positive response and high attendance indicates that the return to full opening in September 2020 will be successful. Virus control measures which followed DFE advice were successfully implemented to facilitate the return of these year groups and will remain in place for coming academic year. The school's risk assessment for re-opening was published on its website in June 2020 and will be updated regularly in line with government guidance from September 2020.

Covid 19 will have a small impact upon future income from Rugby School in 2020-21 but the Governors have planned for this eventuality and have adjusted budgets accordingly. The pandemic has not impacted upon the Trust's reserves policy.

Review of effectiveness

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

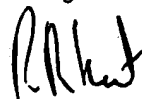
- The work of the Internal reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Sue Peach
Chair of Governors



Peter Kent
Accounting Officer

Date: 9 December 2020

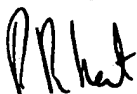
LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Lawrence Sheriff School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between 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 Governors are able to identify any material irregular or improper use of funds by the academy trust, or material non compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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 Governors and ESFA.



Peter Kent
Accounting Officer

Date: 9 December 2020

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who act as Governors of Lawrence Sheriff School Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors 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 2019 to 2020;
- 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 Governors 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 Governors 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 Governors 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 Governors and signed on its behalf by:



Sue Peach
Chair of Governors

Date: 9 December 2020

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Lawrence Sheriff School Academy Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAWRENCE SHERIFF SCHOOL ACADEMY TRUST (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LAWRENCE SHERIFF SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Academy trust or to cease operations, or have no realistic alternative but to do so.

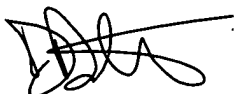
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Date: 11 December 2020

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 11 December 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lawrence Sheriff School Academy Trust during the year 1 September 2019 to 31 August 2020 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 Lawrence Sheriff School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lawrence Sheriff School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lawrence Sheriff School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lawrence Sheriff School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lawrence Sheriff School Academy Trust's funding agreement with the Secretary of State for Education dated March 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

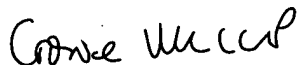
The work undertaken to draw our conclusion includes a review of the design and implementation of the Charitable Company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Charitable Company and specific transactions identified from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

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LAWRENCE
SHERIFF SCHOOL ACADEMY 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 2019 to 31 August 2020 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

Date: 11 December 2020

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:							
Donations and capital grants	3	-	30,025	6,848,232	-	6,878,257	253,948
Charitable activities	6	495,974	5,363,629	-	-	5,859,603	5,283,507
Teaching schools	31	14,872	38,000	-	-	52,872	104,354
Other trading activities		50,002	-	-	-	50,002	96,507
Investments	5	2,116	415	-	-	2,531	4,620
Total income and endowments		562,964	5,432,069	6,848,232	-	12,843,265	5,742,936
Expenditure on:							
Charitable activities		164,597	5,587,286	118,902	222,267	6,093,052	5,849,813
Teaching schools		2,330	59,536	-	-	61,866	65,323
Total expenditure		166,927	5,646,822	118,902	222,267	6,154,918	5,915,136
Net gains/(losses) on investments		265	(1,589)	-	-	(1,324)	553
Net income/(expenditure)		396,302	(216,342)	6,729,330	(222,267)	6,687,023	(171,647)
Transfers between funds	19	(411,072)	203,009	83,254	124,809	-	-

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net movement in funds before other recognised gains/(losses)	(14,770)	(13,333)	6,812,584	(97,458)	6,687,023	(171,647)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26 -	(104,000)	-	-	(104,000)	(505,000)
Net movement in funds	(14,770)	(117,333)	6,812,584	(97,458)	6,583,023	(676,647)
Reconciliation of funds:						
Total funds brought forward	(220,631)	(1,729,182)	2,042,642	8,660,919	8,753,748	9,430,395
Net movement in funds	(14,770)	(117,333)	6,812,584	(97,458)	6,583,023	(676,647)
Total funds carried forward	(235,401)	(1,846,515)	8,855,226	8,563,461	15,336,771	8,753,748

The notes on pages 29 to 58 form part of these financial statements.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 08963659**

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	13,081,122	12,877,372
Investments	15	628,084	478,762
		<u>13,709,206</u>	<u>13,356,134</u>
Current assets			
Debtors	16	6,237,777	690,208
Cash at bank and in hand		878,676	616,331
		<u>7,116,453</u>	<u>1,306,539</u>
Creditors: amounts falling due within one year	17	(1,032,959)	(1,599,351)
Net current assets / liabilities		<u>6,083,494</u>	<u>(292,812)</u>
Total assets less current liabilities		<u>19,792,700</u>	<u>13,063,322</u>
Creditors: amounts falling due after more than one year	18	(2,044,929)	(2,176,574)
Net assets excluding pension liability		<u>17,747,771</u>	<u>10,886,748</u>
Defined benefit pension scheme liability	26	(2,411,000)	(2,133,000)
Total net assets		<u><u>15,336,771</u></u>	<u><u>8,753,748</u></u>

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08963659

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy trust			
Endowment funds	19	8,563,461	8,660,919
Restricted funds:			
Fixed asset funds	19	8,855,226	2,042,642
Restricted income funds	19	564,485	403,818
Restricted funds excluding pension asset	19	9,419,711	2,446,460
Pension reserve	19	(2,411,000)	(2,133,000)
Total restricted funds	19	7,008,711	313,460
Unrestricted income funds	19	(235,401)	(220,631)
Total funds		<u>15,336,771</u>	<u>8,753,748</u>

The financial statements on pages 24 to 58 were approved and authorised for issue by the Governors and are signed on their behalf, by:



Sue Peach
Chair of Governors

Date: 9 December 2020

The notes on pages 29 to 58 form part of these financial statements.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	233,506	398,856
Cash flows from investing activities	23	257,761	(93,856)
Cash flows from financing activities	22	(228,922)	(228,056)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		262,345	76,944
Cash and cash equivalents at the beginning of the year		616,331	539,387
Cash and cash equivalents at the end of the year	24, 25	<hr/> 878,676 <hr/>	<hr/> 616,331 <hr/>

The notes on pages 29 to 58 form part of these financial statements

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Lawrence Sheriff School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Basis of accounting for the Lawrence Sheriff School Foundation

The Lawrence Sheriff School Foundation remains a separate entity with a common Board of Governors with Lawrence Sheriff School Academy Trust. The activities of the Lawrence Sheriff School Foundation have been included within these accounts within separate and clearly identifiable funds. This ensures that the legal position between the Lawrence Sheriff School Foundation and the Lawrence Sheriff School Academy Trust is accurately reflected, whilst giving a true and fair view of the financial position of the Academy Trust.

The method of branch accounting has been used to reflect this.

On conversion to an academy trust the fair value of the net assets of The Lawrence Sheriff School Foundation were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities. These amounts have been analysed between restricted and endowment funds.

The endowment fund of the Lawrence Sheriff School Foundation includes the freehold land and buildings that have been provided, by way of a Supplemental Agreement, to the Lawrence Sheriff School Academy Trust for educational use on a permanent endowment basis. Legal title to the freehold land and buildings continues to be in the name of, and will remain within, The Lawrence Sheriff School Foundation. Within the endowment fund is the mortgage attached to these assets. During the period the depreciation charge relating to the assets and the capital reduction of the mortgage have been accounted for against these endowed funds.

The restricted fund includes the income from the Rugby School Estate which is payable to the Trustees of The Lawrence Sheriff School Foundation under the Rugby Lower School (Transfer) Act 1906. The income is restricted as a result of the object of the charity and is accounted for accordingly.

1.3 Company status

The academy is a company limited by guarantee, incorporated in England & Wales, registered number 08963659. The registered office is Clifton Road, Rugby, Warwickshire, CV21 3AG. The members of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Whilst the pandemic has led to a projection of marginally reduced income from Rugby School for 2020-21, we are confident that the small reduction will not impact upon the running of the school, owing to the Governor's reserves policy and growing pupil numbers over the coming years. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

1.5 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.

- **Legacies**

For legacies, entitlement is taken as when a distribution is received from the estate.

- **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.

- **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.

LAWRENCE SHERIFF SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.6 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.

1.7 Taxation

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

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

1.8 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 freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold buildings	- between 15 and 50 years
Fixtures, fittings and equipment	- over 10 years
Computer equipment	- over 5 years

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.

Legal title to the Freehold land and buildings remains with The Lawrence Sheriff School Foundation.

1.9 Investments

Investments include cash held in deposit accounts for long term appreciation and are stated at cost.

Lawrence Sheriff School Foundation also holds £16,251 (2019: £17,575) of investments in listed securities.

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

1.14 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)

1.15 Agency arrangements

The academy acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students and other organisations are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a percentage of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

1.16 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 Governors.

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 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	-	30,025	-	30,025
Capital Grants	-	-	(71,768)	(71,768)
Legacies	-	-	-	-
Selective Schools Expansion Fund Grant	-	-	6,920,000	6,920,000
	<u>-</u>	<u>30,025</u>	<u>6,848,232</u>	<u>6,878,257</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	-	31,069	-	31,069
Capital Grants	-	-	138,429	138,429
Legacies	84,450	-	-	84,450
	<u>84,450</u>	<u>31,069</u>	<u>138,429</u>	<u>253,948</u>

4. Activities for generating funds

	Unrestricted funds 2020 £	Total funds 2020 £
Other income	17,847	17,847
Hire of facilities and lettings	25,065	25,065
Provision of services	7,090	7,090
	<u>50,002</u>	<u>50,002</u>

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	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Other income	35,408	35,408
Hire of facilities and lettings	43,810	43,810
Provision of services	17,289	17,289
	<u>96,507</u>	<u>96,507</u>

5. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Interest/dividends receivable on investments	2,116	415	2,531
	<u>2,116</u>	<u>415</u>	<u>2,531</u>

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest/dividends receivable on investments	4,035	585	4,620
	<u>4,035</u>	<u>585</u>	<u>4,620</u>

6. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Funding for educational operations (note 7)	495,974	4,566,342	5,062,316
Rugby Lower School (Transfer) Act income	-	797,287	797,287
Total 2020	<u>495,974</u>	<u>5,363,629</u>	<u>5,859,603</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations (note 7)	499,024	4,057,865	4,556,889
Rugby Lower School (Transfer) Act income	-	726,618	726,618
Total 2019	499,024	4,784,483	5,283,507

7. Funding for Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General annual grant (GAG)	-	4,219,188	4,219,188
Other DfE/EFA grants	-	75,661	75,661
	-	4,294,849	4,294,849
Other government grants			
Local authority grants	-	271,493	271,493
	-	271,493	271,493
Other funding			
Special educational projects	24,202	-	24,202
Trip income	100,947	-	100,947
Music Tuition Fees	12,817	-	12,817
Provision of transport	29,401	-	29,401
Leadership Live	328,607	-	328,607
	495,974	-	495,974
	495,974	4,566,342	5,062,316

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Funding for Academy's educational operations (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General annual grant (GAG)	-	3,935,488	3,935,488
Other DfE/EFA grants	-	68,036	68,036
	-	4,003,524	4,003,524
Other government grants			
Local authority grants	-	54,341	54,341
	-	54,341	54,341
Other funding			
Special educational projects	36,103	-	36,103
Trip income	138,152	-	138,152
Music Tuition Fees	54,770	-	54,770
Provision of transport	38,280	-	38,280
Leadership Live	231,719	-	231,719
	499,024	-	499,024
	499,024	4,057,865	4,556,889

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Charitable Activities				
- Direct costs	3,556,927	350	462,541	4,019,818
- Support costs	867,660	446,919	724,096	2,038,675
- Support costs: Governance	-	-	34,559	34,559
Teaching school - Direct	59,536	-	2,330	61,866
	<u>4,484,123</u>	<u>447,269</u>	<u>1,223,526</u>	<u>6,154,918</u>

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Charitable activities:				
- Direct costs	3,196,810	1,929	604,001	3,802,740
- Support costs	828,696	443,743	729,778	2,002,217
- Support costs: Governance	-	-	44,856	44,856
Teaching schools - Direct	50,497	-	14,826	65,323
	<u>4,076,003</u>	<u>445,672</u>	<u>1,393,461</u>	<u>5,915,136</u>
Total 2019				

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9. Support costs

	2020 £	2019 £
Staff costs	867,660	828,696
Depreciation	341,169	308,861
Technology costs	12,009	11,867
Premises costs	446,919	443,743
Catering	95,054	88,021
Bank interest and charges	104,113	109,617
Other support costs	171,751	211,412
Governance costs	17,758	20,383
Legal costs	16,801	24,473
	<u>2,073,234</u>	<u>2,047,073</u>

During the year ended 31 August 2020, the academy incurred governance costs in relation to statutory audit services and other legal services.

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets - owned by the academy	341,169	308,861
Auditor's remuneration - audit	13,850	13,600
Auditor's remuneration - other services	2,050	1,950
Operating lease rentals	6,408	12,335
Bank loan interest	<u>104,113</u>	<u>107,996</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:

	2020 £	2019 £
Wages and salaries	3,200,238	3,050,645
Social security costs	316,577	304,100
Pension costs	941,943	717,227
	<u>4,458,758</u>	<u>4,071,972</u>
Agency staff costs	25,365	4,031
	<u>4,484,123</u>	<u>4,076,003</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	49	49
Administration and support	38	38
Management	7	7
	<u>94</u>	<u>94</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	4	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff (continued)

d. Key management personnel

The key management personnel of the Academy trust comprise the Governors 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 £708,920 (2019 £637,601).

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy trust. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		2020	2019
		£	£
Dr P Kent (Headteacher and trustee)	Remuneration	118,195	113,377
	Pension contributions paid	27,989	18,684
Ms G Temple (staff trustee)	Remuneration	90,826	87,028
	Pension contributions paid	21,508	14,342

Included within Dr P Kent's remuneration is a discretionary payment of £1,700 which has been approved by the Board and takes account of his work as an NLE offering support to Warwickshire LA, in addition to his annual salary of £116,495.

In addition to the Governors' remuneration disclosed above, Dr. P Kent and Ms G Temple received benefits in kind amounting to £1,710 in the current year (2019 - £1,692) in relation to healthcare insurance.

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £2,800 (2019 - £878). The cost of this insurance is included in the total insurance cost.

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14. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	13,759,851	-	161,729	438,033	14,359,613
Additions	(34,944)	479,442	16,128	89,451	550,077
Disposals	-	-	-	(8,867)	(8,867)
At 31 August 2020	13,724,907	479,442	177,857	518,617	14,900,823
Depreciation					
At 1 September 2019	1,148,603	-	41,462	292,176	1,482,241
Charge for the year	280,551	-	18,363	42,255	341,169
On disposals	-	-	-	(3,708)	(3,708)
At 31 August 2020	1,429,154	-	59,825	330,723	1,819,702
Net book value					
At 31 August 2020	12,295,753	479,442	118,032	187,894	13,081,121
At 31 August 2019	12,611,248	-	120,267	145,857	12,877,372

Included in freehold land and buildings is freehold land of £1,545,000 which is not depreciated. The negative 'addition' to Freehold Property reflects a revision to the estimated property costs accrued last year.

The Academy utilises freehold land and buildings with a net book value amounting to £10,741,398 provided by The Lawrence Sheriff School Foundation on conversion to an academy trust.

15. Fixed asset investments

At the end of the year, £628,084 (2019: £478,762) of cash held on deposit was earmarked for long term investment by the Trustees of the Foundation and so is shown within long term investments. The cash is readily accessible, within 3 months of the request for funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	41,774	40,200
Other debtors	84,567	61,044
Prepayments and accrued income	490,436	500,723
Accrued capital grants	5,621,000	88,241
	<u>6,237,777</u>	<u>690,208</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	133,008	126,172
Trade creditors	240,099	397,423
Other taxation and social security	83,986	73,958
Other creditors	285,263	236,499
Accruals and deferred income	290,603	765,299
	<u>1,032,959</u>	<u>1,599,351</u>

	2020 £	2019 £
Deferred income at 1 September 2019	136,245	112,733
Resources deferred during the year	96,030	136,245
Amounts released from previous periods	(136,245)	(112,733)
Deferred income at 31 August 2020	<u>96,030</u>	<u>136,245</u>

Included in deferred income are grants and other income (including school trip income) received in advance of the following academic year.

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18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>2,044,929</u>	<u>2,176,574</u>

Included within the above are amounts falling due as follows:

Between two and five years

Bank loans	<u>543,139</u>	<u>536,025</u>
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Over five years

Bank loans	<u>1,501,790</u>	<u>1,640,549</u>
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The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Repayable by instalments	<u>1,501,790</u>	<u>1,640,549</u>
	<u>1,501,790</u>	<u>1,640,549</u>

A term loan facility of £3m was taken out with Barclays Bank in 2009. The loan capital is repayable in monthly instalments and is secured on the main school property at Clifton Road. £2m of the facility is at a fixed rate of 6.2557% repayable by September 2033 and £1m of the facility is on a variable rate of 0.8557% over base repayable by March 2023. The term loan is secured on the land and buildings of The Lawrence Sheriff School Foundation Endowment Fund.

The bank loan had been entered into before the date of conversion by The Lawrence Sheriff School Foundation and ESFA approval has been obtained for the loan as part of the conversion process. No ESFA funding is used in settling the loan liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	(396,513)	548,092	(164,597)	(389,536)	265	(402,289)
Teaching school	91,432	14,872	(2,330)	(21,536)	-	82,438
Legacies	84,450	-	-	-	-	84,450
	<u>(220,631)</u>	<u>562,964</u>	<u>(166,927)</u>	<u>(411,072)</u>	<u>265</u>	<u>(235,401)</u>
Endowment funds						
Freehold land and buildings	10,963,665	-	(222,267)	-	-	10,741,398
Bank loans	(2,302,746)	-	-	124,809	-	(2,177,937)
	<u>8,660,919</u>	<u>-</u>	<u>(222,267)</u>	<u>124,809</u>	<u>-</u>	<u>8,563,461</u>
Restricted general funds						
General Annual Grant (GAG)	(74,944)	4,219,188	(4,374,974)	155,786	-	(74,944)
Other DfE/ESFA grants	-	75,661	(64,316)	-	-	11,345
LA grants	-	271,493	(271,493)	-	-	-
Teaching School	-	38,000	(59,536)	21,536	-	-
Rugby School Income	-	797,287	(672,478)	(124,809)	-	-
Donations	-	30,025	(30,025)	-	-	-
Foundation investments	478,762	415	-	150,496	(1,589)	628,084
Pension reserve	(2,133,000)	-	(174,000)	-	(104,000)	(2,411,000)
	<u>(1,729,182)</u>	<u>5,432,069</u>	<u>(5,646,822)</u>	<u>203,009</u>	<u>(105,589)</u>	<u>(1,846,515)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. 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						
Restricted fixed assets	1,913,707	-	(118,902)	544,919	-	2,339,724
Capital grants	128,935	(71,768)	-	17,777	-	74,944
Selective Schools Expansion Fund	-	6,920,000	-	(479,442)	-	6,440,558
	<u>2,042,642</u>	<u>6,848,232</u>	<u>(118,902)</u>	<u>83,254</u>	<u>-</u>	<u>8,855,226</u>
Total Restricted funds	<u>313,460</u>	<u>12,280,301</u>	<u>(5,765,724)</u>	<u>286,263</u>	<u>(105,589)</u>	<u>7,008,711</u>
Total funds	<u>8,753,748</u>	<u>12,843,265</u>	<u>(6,154,918)</u>	<u>-</u>	<u>(105,324)</u>	<u>15,336,771</u>

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

Restricted general funds will be used for educational purposes in line with the academy's objects and its funding agreement with the DfE.

Restricted funds relating to the Lawrence Sheriff School Foundation will be held for educational purposes in line with the charity's objects.

Restricted fixed asset funds represent the carrying value of fixed assets that have either been received upon conversion or have been purchased out of grants received from the ESFA. It also represents capital grants that have been received from the ESFA that remain unspent at the year end.

Unrestricted funds are available for use at the discretion of the Governors for the furtherance of the academy's charitable objects.

Transfers between funds represent capital expenditure from funds other than the restricted fixed asset fund, reclassifications of certain funds between restricted and unrestricted and reclassification of funds between the entities of the Foundation and the academy trust.

Endowment funds represent freehold land and buildings that are permanently endowed. They can be used for educational purposes at the discretion of the Governors. There is also a mortgage attached to the assets which has been shown within endowment funds. The mortgage has been pre-approved by the ESFA.

The Selective Schools Expansion Fund relates to the capital grant received from the ESFA to support the academy's expansion project.

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

Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Lawrence Sheriff School Foundation - Endowment	8,563,461	8,660,919
Lawrence Sheriff School Foundation - Restricted investments	628,084	478,762
Lawrence Sheriff School Foundation - Unrestricted	27,909	152,718
Lawrence Sheriff School - Unrestricted	(263,310)	(373,349)
Lawrence Sheriff School - Restricted	(63,599)	(74,944)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	8,892,545	8,844,106
Restricted fixed asset fund	8,855,226	2,042,642
Pension reserve	(2,411,000)	(2,133,000)
	<hr/>	<hr/>
Total	15,336,771	8,753,748

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
Unrestricted funds	(392,160)	599,566	(225,150)	(379,514)	745	(396,513)
Teaching school	52,402	54,247	(14,827)	(390)	-	91,432
Legacies	-	84,450	-	-	-	84,450
	<u>(339,758)</u>	<u>738,263</u>	<u>(239,977)</u>	<u>(379,904)</u>	<u>745</u>	<u>(220,631)</u>
Endowment funds						
Freehold land and buildings	11,185,932	-	(222,267)	-	-	10,963,665
Bank loans	(2,422,838)	-	-	120,092	-	(2,302,746)
	<u>8,763,094</u>	<u>-</u>	<u>(222,267)</u>	<u>120,092</u>	<u>-</u>	<u>8,660,919</u>
Restricted general funds						
General Annual Grant (GAG)	-	3,935,488	(4,395,829)	385,397	-	(74,944)
Other DfE/ESFA grants	-	68,036	(68,036)	-	-	-
LA grants	-	54,341	(54,341)	-	-	-
Teaching School	-	50,107	(50,497)	390	-	-
Rugby School Income	-	726,618	(606,526)	(120,092)	-	-
Donations	-	31,069	(31,069)	-	-	-
Foundation investments	515,130	585	-	(36,761)	(192)	478,762
Pension reserve	(1,468,000)	-	(160,000)	-	(505,000)	(2,133,000)
	<u>(952,870)</u>	<u>4,866,244</u>	<u>(5,366,298)</u>	<u>228,934</u>	<u>(505,192)</u>	<u>(1,729,182)</u>

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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted fixed assets	692,939	-	(86,594)	1,307,362	-	1,913,707
Capital grants	1,266,990	138,429	-	(1,276,484)	-	128,935
	<u>1,959,929</u>	<u>138,429</u>	<u>(86,594)</u>	<u>30,878</u>	<u>-</u>	<u>2,042,642</u>
Total Restricted funds	<u>1,007,059</u>	<u>5,004,673</u>	<u>(5,452,892)</u>	<u>259,812</u>	<u>(505,192)</u>	<u>313,460</u>
Total funds	<u>9,430,395</u>	<u>5,742,936</u>	<u>(5,915,136)</u>	<u>-</u>	<u>(504,447)</u>	<u>8,753,748</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,339,724	10,741,398	13,081,122
Fixed asset investments	-	628,084	-	-	628,084
Current assets	589,606	11,345	6,515,502	-	7,116,453
Creditors due within one year	1,219,922	(74,944)	-	(2,177,937)	(1,032,959)
Creditors due in more than one year	(2,044,929)	-	-	-	(2,044,929)
Provisions for liabilities and charges	-	(2,411,000)	-	-	(2,411,000)
Total	<u>(235,401)</u>	<u>(1,846,515)</u>	<u>8,855,226</u>	<u>8,563,461</u>	<u>15,336,771</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	1,913,707	10,963,665	12,877,372
Fixed asset investments	-	478,762	-	-	478,762
Current assets	1,177,604	-	128,935	-	1,306,539
Creditors due within one year	(1,398,235)	(74,944)	-	(126,172)	(1,599,351)
Creditors due in more than one year	-	-	-	(2,176,574)	(2,176,574)
Provisions for liabilities and charges	-	(2,133,000)	-	-	(2,133,000)
Total	(220,631)	(1,729,182)	2,042,642	8,660,919	8,753,748

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	6,687,023	(171,647)
Adjustments for:		
Depreciation charges	341,169	308,861
Interest receivable	(2,531)	(4,035)
Loss on the disposal of fixed assets	5,159	-
Interest payable	104,113	107,966
Increase in debtors	(113,260)	(101,871)
Increase/(decrease) in creditors	(113,935)	238,011
Capital grants receivable	(6,848,232)	(138,429)
Defined benefit pension scheme cost less contributions payable	134,000	118,000
Defined benefit pension scheme finance cost	40,000	42,000
Net cash provided by operating activities	233,506	398,856

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22. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowings	(124,809)	(120,090)
Interest paid	(104,113)	(107,966)
Net cash used in financing activities	(228,922)	(228,056)

23. Cash flows from investing activities

	2020 £	2019 £
Interest received	2,531	4,035
Purchase of tangible fixed assets	(910,921)	(1,042,991)
Capital grants received	1,315,473	908,732
Cash withdrawn from/(placed in) long term investments	(149,322)	36,368
Net cash provided by/(used in) investing activities	257,761	(93,856)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	878,676	616,331
Total cash and cash equivalents	878,676	616,331

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	616,331	262,345	-	878,676
Debt due within 1 year	(126,172)	124,809	(131,645)	(133,008)
Debt due after 1 year	(2,176,574)	-	131,645	(2,044,929)
	(1,686,415)	387,154	-	(1,299,261)

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26. 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 Warwickshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £101,285 were payable to the schemes at 31 August 2020 (2019 - £64,883) and are included within creditors.

Teachers' Pension Scheme

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

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

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.

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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £577,544 (2019 - £378,450).

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.

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 2020 was £220,000 (2019 - £209,000), of which employer's contributions totalled £180,000 (2019 - £170,000) and employees' contributions totalled £ 40,000 (2019 - £39,000). The agreed contribution rates for future years are 25.6 per cent for employers and 5.5 and 12.5 per cent for employees.

As described in note 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

	2020	2019
	%	%
Discount rate for scheme liabilities	1.70	1.80
Rate of increase in salaries	3.00	2.90
Rate of increase for pensions	2.20	2.30

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.6	21.4
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	22.5	22.4
Females	25.4	25.0

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26. Pension commitments (continued)

Sensitivity analysis - impact on obligation

	2020 £000	2019 £000
Discount rate - 0.5%	572,000	527,000
0.5% increase in salary increase rate	67,000	76,000
CPI rate +0.5%	494,000	439,000

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

	2020 £	2019 £
Equities	1,655,400	1,555,000
Bonds	689,750	663,000
Property	358,670	306,000
Cash	55,180	25,000
Total market value of assets	2,759,000	2,549,000

The actual return on scheme assets was £8,000 (2019 - £80,000).

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

	2020 £	2019 £
Interest on obligation	40,000	42,000
Current service cost	314,000	247,000
Past service cost	-	41,000
Total amount recognised in the Statement of Financial Activities	354,000	330,000

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	4,682,000	3,733,000
Interest cost	87,000	107,000
Employee contributions	40,000	39,000
Actuarial losses	112,000	585,000
Benefits paid	(65,000)	(70,000)
Current service cost	314,000	247,000
Past service costs	-	41,000
At 31 August	5,170,000	4,682,000

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

	2020 £	2019 £
At 1 September	2,549,000	2,265,000
Interest income	47,000	65,000
Actuarial gains	8,000	80,000
Employer contributions	180,000	170,000
Employee contributions	40,000	39,000
Benefits paid	(65,000)	(70,000)
At 31 August	2,759,000	2,549,000

27. Operating lease commitments

At 31 August 2020 the Academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,877	6,408
Later than 1 year and not later than 5 years	3,439	6,128
	10,316	12,536

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28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be 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.

29. Related party transactions

Owing to the nature of the Academy trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Governors 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.

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

The academy distributes bursary funds to students and trainee teachers as an agent for the ESFA and other DfE bodies. In the accounting period ending 31 August 2020 the following distributions took place:

The Trust received £13,709 (2019: £12,047) and disbursed £7,087 (2019: £6,119) from the fund. An amount of £24,564 (2019: £17,943) is included in other creditors relating to undistributed funds. The Trust also received £600,443 (2019: £571,602) and disbursed £607,733 (2019: £526,838) in relation to teacher training bursary and other bespoke training grants during the year. An amount of £5,299 (2019: £78,305) is included in other creditors relating in undistributed funds.

None of the above transactions are recognised in the academy's Statement of Financial Activities as they are considered to relate to agency arrangements.

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31. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Grant income	38,000		50,107	
Other income				
Additional income generated	14,872		54,247	
Total income		52,872		104,354
Expenditure				
Direct expenditure				
Direct staff costs	59,536		50,497	
Consultancy	964		7,455	
Total direct expenditure	60,500		57,952	
Other expenditure				
Catering and room hire	1,366		7,372	
Total expenditure		61,866		65,324
(Deficit)/surplus from all sources		(8,994)		39,030
Teaching school balances at 1 September 2019		91,432		52,402
Teaching school balances at 31 August 2020		82,438		91,432