

Registration number: 09691946

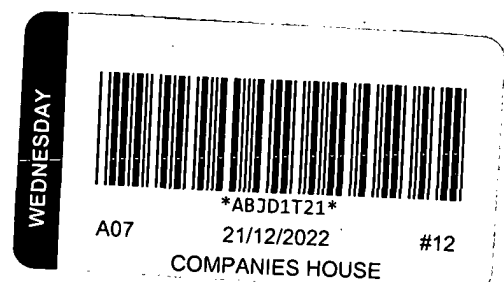
# Lincolnshire Wolds Community Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Forrester Boyd Chartered Accountants  
Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ



# **Lincolnshire Wolds Community Trust**

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## **Lincolnshire Wolds Community Trust**

### **Reference and administrative details**

<b>Members</b>	D Rhodes J Barton R Richmond R Lepley
<b>Trustees (Directors)</b>	S Clark J Hargrave L Mason (accounting officer) D Rhodes (Chair) C Stephenson L Thomes M Turner (resigned 6 October 2021)
<b>Company Secretary</b>	K Jacklin
<b>Senior Management Team</b>	L Mason, Chief Executive Officer K Jacklin, Chief Financial Officer and Business Manager K Smith, HR and Facilities Lead F Dall, Head Teacher, St Lawrence School T Stokes, Head Teacher, St Bernard's School
<b>Principal and Registered Office</b>	St Bernard's School Louth Lincolnshire LN11 8RS
<b>Company Registration Number</b>	09691946
<b>Auditors</b>	Forrester Boyd Chartered Accountants Waynflete House 139 Eastgate Louth Lincolnshire LN11 9QQ
<b>Solicitors</b>	Langley's Olympic House Doddington Road Lincoln LN6 3SE

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31/08/2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

#### **Structure, governance and management**

##### ***Constitution***

The 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 Trust.

Details of the Directors who served throughout the period are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

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

##### ***Trustees' indemnities***

The Directors benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Directors arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £5,000,000 in any one claim.

##### ***Method of recruitment and appointment or election of Trustees***

The Trust shall have the following Directors, as set out in its Articles of Association and Funding Agreement:

- Up to 1 Director who is appointed by the Members;
- Chief Executive Officer; and
- A minimum of 2 Parent Directors who are elected by the parents of registered pupils at the Academy Trust; unless there is representation of 2 parents on the Local Governing Body.
- Staff Directors appointed by the Members (provided that the total number of Directors, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Directors);
- The Executive Headteacher who is treated for all purposes as being an ex-officio Director.

Directors are appointed for a 4 year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Board of Directors will give consideration to the skills and experience mix of existing Directors in order to ensure the Board of Directors has the necessary skills to contribute fully to the Academy Trust's ongoing development.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Policies and procedures adopted for the induction and training of Trustees***

The training and induction provided for new Directors will depend upon their existing experience but will always include a tour of the Schools and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. As there are normally only minimal new Director appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A Director's training day is organised each year which includes training sessions to keep the Directors updated on relevant developments impacting on their roles and responsibilities.

New Directors also have the opportunity to undertake National Governor Association training and all Directors receive regular National Governor Association updates.

A bespoke governance development program is operated throughout the year focused around coaching and mentoring skills, which also allows Directors to meet informally as a team for training, so as to keep them updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

#### ***Organisational structure***

At 31 August 2022, Lincolnshire Wolds Community Trust comprised the following individual academies:

- St Lawrence School, Horncastle
- St Bernard's School, Louth

The Directors have responsibility for setting and monitoring the overall strategic direction of the Academies, approving decisions and appointing key members of staff. The Directors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trust Board of Directors have met six times this year, convened by the clerk. The Board of Directors establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Directors and other groups. Schemes of Delegation are in place devolving some powers and responsibilities to the local governing body of each academy. The Scheme of Delegation is renewed by the trust board annually.

The Executive Headteacher is the Accounting Officer and works closely with the other Directors, the Local Governing Bodies and the senior staff of each academy.

The day to day management of the LWCT rests with the Executive Headteacher who has overall responsibility for the trust. The Executive Headteacher is responsible for establishing a Senior Leadership Team, including any Headteachers, Heads of School and Assistant Heads, or Teaching and Learning Leaders. The appointment, discipline and dismissal will be referred to the full board.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

The Executive Headteacher has delegated authority to appoint, discipline and dismiss with the exception of the Head Teacher, Heads of School and the Assistant Headteachers for whom the full Board holds this authority. Financial authority is delegated in line with the Scheme of Delegation and the Finance Policy that is approved by the full Board on an annual basis. If financial or other business decisions are required between meetings then electronic authority may be sought from the members of the Board. These are monitored throughout the year, in line with an agreed timetable, by the Local Governing Bodies.

Details of the LWCT Scheme of Delegation can be found on the academy trust website or on request.

The Trust Board receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two Committees of the Board of Directors as follows:

- Finance and Audit Committee
- Standards Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Directors:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Executive Headteacher.

The Board of Directors delegates a number of functions to the Local Governing Bodies ('LGB') for each of the Trust's Academies. The LGB reviews annual Academy Trust plans, monitors progress against targets and OFSTED standards and oversees parent and community liaison. The Chair of the LGB also sits on the main Board of Directors. The LGB implements policies laid down by the Directors and reports back to them on performance.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

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

The Directors consider the Board of Directors and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Directors give of their time freely and no Director received any remuneration in the current or prior year, other than those Directors' who are also employees of the Academy. Details of Directors' remuneration and expenses are disclosed in note 12 of the financial statements respectively. The pay of the senior management team is reviewed annually by the Finance and Audit Committee and finally approved by the Board of Directors in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

The performance review of the Executive Head teacher is undertaken by 3 directors annually, with an external facilitator. The Executive Head performance management committee will be able to consult with the external professional on matters relating to the Executive Headteacher's performance should it wish to do so.

Annual pay progression within the range, as identified in line with STPCD for this post is not automatic. The committee review significant improvements to the academies which may be reflected in, for example:

1. improved academic achievements of pupils
2. increased status within the Local Authority evidenced through feedback from officers and inspectors
3. feedback from the head teacher's performance management
4. a positive OfSTED report
5. positive feedback from parents and other stakeholders.

The Executive Headteacher's pay grade can be changed by the Trust Board at any time in order to attract or retain an Executive Headteacher or when there have been significant changes in the responsibilities of the role.

Heads of School performance reviews are undertaken by the Executive Headteacher and monitored against the objectives set and in line with the range agreed by directors against the group sizes of the respective schools.

The performance review of the CFO (Business Manager) is undertaken by the Executive Headteacher against targets set. Benchmarking is undertaken regularly with other local MATs, with all leadership roles.

All leadership pay recommendations are monitored and agreed by the trust board.

#### ***Connected organisations, including related party relationships***

The Lincolnshire Wolds Community Trust works in close partnership with the Lincolnshire Learning partnership and the Lincolnshire Teaching Schools Together network. Lea Mason is also a strategic lead for the Working Together team, a county wide provision for outreach for Autism and SEND. Please note that the organisations above are not considered to be related parties. The schools in the trust work within the INSPIRE alliance with other specialist settings. Lea Mason is also the strategic Lead within LWCT for the Workforce Development Project within LCC and also sits within the Lincolnshire Learning Partnership Board.

With effect from June 2022, Lea Mason has been providing formal support to Mayflower Specialist Academy Trust as their interim CEO. The ESFA have approved this arrangement and there is an approved service level agreement in place to support this arrangement.

The individual school fund accounts, which are separate registered charities in which Lea Mason and David Rhodes are Directors, has historically made donations and contributions to support particular projects and facilities of the Schools and their pupils. The balances of the school fund accounts of the registered charities have been brought into the accounts statement as funds inherited on conversion. Transactions of the individual school funds are now processed as part of the accounts package, PS Financials.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

The principal objects of the Lincolnshire Wolds Community Trust (LWCT), as set out in its Articles of Association, are to:

- Advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- Promote for the benefit of the inhabitants of East Lindsey and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the LWCT during the year ended 31 August 2022 are summarised below:

1. To ensure every student gains the same high quality education, resourcing, care and provide high quality teaching that challenges students and supports them for life long learning.
2. To provide an environment that supports and enables effective teaching and learning.
3. To promote, raise and recognise high standards of achievement and progress across aspects of activity for all students.
4. To improve the effectiveness of the academics, by keeping the curriculum offer and organisational structure under continual review.
5. To provide value for money for the funds expended and conduct the Academies business in accordance with the highest standards of integrity, probity and openness.
6. To encourage an equality of opportunity for all.

##### ***Objectives, strategies and activities***

The key priorities for the period are contained in the LWCT's Development Plan which is available from the Executive Headteacher.

The key activities of the LWCT for the period ended 31 August 2022 were focused as follows:

- To create a challenging trust that is fully self-supporting, that attracts good and outstanding schools, with strong partnership links.
- To create a trust that has the developing capacity to support other schools, through school to school support, focused leadership, high quality professional development and strong partnership working within local groups and teaching school alliances.
- Maintain continued professional development for staff, along with performance management structures, to impact on developing even more outstanding teaching practice in order to ensure all students reach their potential.

##### ***Public benefit***

LWCT aims to advance for the public benefit education in East Lindsey and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. LWCT also allows use of its facilities as appropriate, for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.



## Lincolnshire Wolds Community Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

#### Strategic Report

##### Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. Student places continue to increase due to the continued demand for places at the Academy Trust.

In 2021/ 2022 LWCT has maintained its proven track record of ensuring high standards and excellent outcomes for its students. Significant successes this year include the schools continuing work across Lincolnshire around SEND provision and working strategically with Lincolnshire County Council in developing and implementing a SEND strategy. LWCT is leading the workforce development project, for LCC and through the INSPIRE Alliance leading professional development across the sector within coaching and wellbeing, as well as playing active roles in Lincolnshire and regional SEND development programmes, focused on school improvement. We are extremely proud of our school-to-school support successes, with high challenge and high support, whilst also developing sufficient capacity around school leadership at all levels.

The particular achievements and performance of LWCT during the period ended 31 August 2022 were as follows:

##### The Quality of Education:

Teaching ensures students are challenged and make excellent progress based on their individual starting points.

All teaching is personalised, purposeful to each individual, informed by effective assessment practices and a strength in planning

The curriculum offer is strong, inspiring and progressive, to ensure personalisation is key to ensuring students are supported to overcome barriers, with a breadth of opportunities, focused on independence, self-esteem and aims, aspirations of adult hood.

Teaching involves opportunities for professional growth and innovation.

##### Leadership and Management:

Thorough and effective self and peer evaluation ensures academy priorities are secure.

All staff are valued and supported within a coaching culture, evidenced through Investors in People Gold in Jan 2020, including health and wellbeing award.

The effectiveness of leadership at all levels is developed through a strong focus enabling leadership capacity and growth across the academies, including access to external training programmes.

Outstanding inspection within the maples, residential provision.

##### Personal Development, Behaviour and Attitudes:

All students are valued, nurtured and supported around their emotional wellbeing and mental health, in every academy, through established Student wellbeing programmes and a highly effective pastoral structure.

Practices across the academies ensure students are well supported in personal growth towards adulthood.

Positive behaviour management within restorative and trauma informed practices, have been reviewed and re-established, ensuring it remains a strength across the trust in enabling students to build the skills in order to self-regulate.

Behaviour for learning is central across the provision.

Staff have access to a wealth of support around mental health and wellbeing, driven by experienced trainers within the trust.

All academies undergo an annual internal review working alongside external Head teachers:

Academy	Ofstead Grade	Trust and external Evaluation
St Lawrence	Good	Good with outstanding areas
St Bernard's	Good	Good with outstanding areas
St Bernard's Maples	Outstanding	Outstanding

## Lincolnshire Wolds Community Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

Due to the diversity of the students across LWCT, achievements are measured through a variety of activities. This includes a peer review process, reviewing the quality of teaching, learning and assessment, personal development, outcomes, performance reviews, NEET data, learning walks, outcomes for students, effectiveness of leadership and OfSTED reports. External moderation of the academies has firmly matched the trusts evaluation, working alongside other school leaders. Safeguarding reviews are also undertake, alongside the safeguarding director.

Students are to achieve targets, through a progressive curriculum that's offers a breath of opportunities to maximise progress, towards life ambitions and employment.

All students follow an assessment pathway that is relevant to their barriers to learning at any one time. The last data pull was June 2022.

#### St Bernard's

Area:		Monitor	Intervention	On track	Exceedin g
Nursery		0%	0%	100%	0%
EYFS		0%	0%	100%	0%
Key stage 1		0%	0%	100%	0%
Key stage 2		0%	22%	78%	27%
Key stage 3		2%	3%	95%	25%
Key stage 4		0%	22%	78%	0%
Post 16		0%	9%	91%	0%
Pupil Premium		0%	9%	91%	25%
LAC		0%	0%	100%	0%
EHCLP			12%	88%	
English		1%	17%	82%	18%
Maths		2%	9%	89%	27%
Subjects:					
English Writing					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	0%	100%	83%

# Lincolnshire Wolds Community Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

Key stage 3		0%	0%	100%	8%
Pupil Premium		0%	0%	100%	80%
English Reading					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	0%	100%	50%
Key stage 3		0%	17%	83%	17%
Pupil Premium		0%	0%	100%	60%
English Communication					
Key stage 1		0%	0	0	0
Key stage 2		0%	67%	33%	17%
Key stage 3		0%	8%	92%	25%
Pupil Premium		0%	60%	40%	40%
Functional skills English Key Stage 4	9	11%	22%	67%	
LAC		0%	0%	0%	
Pupil Premium		0%	17%	83%	
Maths Number					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	0%	100%	50%
Key stage 3		0%	0%	100%	17%
Pupil Premium		0%	0%	100%	80%
Maths Geometry					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	50%	50%	17%
Key stage 3		0%	0%	100%	75%
Pupil Premium		0%	60%	40%	20%
Maths Measure					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	17%	83%	33%
Key stage 3		0%	0%	100%	25%
Pupil Premium		0%	20%	80%	20%
Maths Statistics					
Key stage 1		0%	0%	0%	0%
Key stage 2		0%	17%	83%	17%
Key stage 3		0%	8%	92%	8%
Pupil Premium		0%	20%	80%	40%
Functional skills Maths Key Stage 4	9	11%	0%	89%	0%
Pupil Premium		0%	0%	100%	0%
KS4 WJEC	1 2	0%	0%	100%	0%
LAC		0%	0%	100%	0%

# Lincolnshire Wolds Community Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

Pupil Premium		0%	0%	100%	0%
MAPP	1	8%	25%	67%	0%
	1				
AET	1	0%	6%	94%	0%
	8				
Kay Stage 5					
AIM awards (PSD)	2	0%	5%	95%	0%
	2				
LAC		0%	0%	100%	0%
AIM award PSHE / Life skills	2	0%	5%	95%	0%
	2				
LAC		0%	0%	100%	0%
AIM awards functional skills	2	0%	5%	95%	0%
	2				
LAC		0%	0%	100%	0%

We continue to assess students in statutory assessment age groups:

- Year 1 - phonics screening Check
- Year 4 - Multiplication Check
- Year 6 - SATS

This year there were no statutory assessment for students as they were unable to access the full curriculum content and level required. Students in Year 2 and year 6 who have not accessed the statutory assessments have been assessed against Pre-Key Stage Standards.

### St Lawrence

Area:		Monitor	Intervention	On track	Exceeding
EYFS		0%	0%	100%	0%
Key stage 1		0%	0%	100%	0%
Key stage 2		4%	19%	77%	22%
Key stage 3		5%	28%	67%	17%
Key stage 4		8%	14%	78%	0%
Pupil Premium		2%	29%	69%	11%
LAC		8%	20%	72%	11%
EHCLP			27%	73%	
Maths		3%	13%	84%	20%
English		4%	16%	80%	31%
Subjects:					
English Writing					
Key stage 1		0%	0%	100%	0%
Key stage 2		7%	11%	82%	25%
Key stage 3		7%	28%	65%	10%
Pupil Premium		3%	32%	65%	10%

# Lincolnshire Wolds Community Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

LAC		17%	16%	67%	17%
English Reading					
Key stage 1		0%	0%	100%	100%
Key stage 2		4%	21%	75%	18%
Key stage 3		6%	22%	72%	18%
Pupil Premium		3%	27%	70%	8%
LAC		0%	33% (2)	67%	17%
English Communication					
Key stage 1		0%	0%	100%	0%
Key stage 2		4%	14%	82%	0%
Key stage 3		4%	31%	65%	23%
Pupil Premium		2%	25%	73%	15%
LAC		0%	33%	67%	0%
Functional skills English Key Stage 4	55	2%	20%	78%	
LAC		14%	0%	86%	
Pupil Premium		3%	19%	78%	
Maths Number					
Key stage 1		0%	0%	100%	0%
Key stage 2		4%	7%	89%	18%
Key stage 3		6%	38%	56%	6%
Pupil Premium		2%	35%	63%	15%
LAC		0%	50%	50%	17%
Maths Geometry					
Key stage 1		0%	0%	100%	0%
Key stage 2		4%	7%	89%	25%
Key stage 3		7%	23%	70%	20%
Pupil Premium		3%	27%	70%	18%
LAC		0%	50%	50%	50%

# Lincolnshire Wolds Community Trust

## Trustees' report for the Year Ended 31 August 2022 (continued)

Maths Measure					
Key stage 1		0%	0%	100%	0%
Key stage 2		4%	7%	89%	46%
Key stage 3		4%	21%	75%	27%
Pupil Premium		2%	20%	78%	40%
LAC		0%	17%	83%	33%
Maths Statistics					
Key stage 1		0%	0	100%	0
Key stage 2		0%	7%	93%	57%
Key stage 3		3%	17%	80%	53%
Pupil Premium		0%	27%	73%	30%
LAC		0%	17%	83%	50%
Functional skills Maths Key Stage 4	55	2%	14%	84%	
LAC		14%	15%	71%	
Pupil Premium	37	3%	13%	84%	
OCR	16	0%	0%	100%	
MAPP	8			100%	
AET	6		17%	83%	

We continue to assess students in statutory assessment age groups:

- Year 1 - phonics screening Check
- Year 4 - Multiplication Check
- Year 6 - SATS

This year there were no statutory assessment for students as they were unable to access the full curriculum content and level required. Students in Year 2 and year 6 who have not accessed the statutory assessments have been assessed against Pre-Key Stage Standards.

Accreditation	Subject	Level	Number of students achieved.
Aim Awards	Independent Living Skills	EL1	4
Aim Awards	Independent Living Skills	EL2	3
Aim Awards	Independent Living Skills	EL3	1
Aim Awards	Skills for Working in Construction and Building Industries	EL1	1
Aim Awards	Extended Award in Skills for Working in Catering and Hospitality Industries	EL1	2
Aim Awards	Skills for Working in Catering and Hospitality Industries	EL2	2
Aim Awards	Skills for Working in Catering and Hospitality Industries	EL3	2
Aim Awards	Certificate in Personal Progress	EL1	1
Aim Awards	Extended Certificate in Personal and Social Development Skills (Maths, English and ICT units)	EL1	3

## Lincolnshire Wolds Community Trust

### Trustees' report for the Year Ended 31 August 2022 (continued)

Aim Awards	Extended Certificate in Personal and Social Development Skills (Maths, English and ICT units)	EL2	3
Aim Awards	Extended Certificate in Personal and Social Development Skills (Maths, English and ICT units)	EL3	1
Aim Awards	Extended Award in Skills for Working in Horticulture Industries	EL1	2
Functional Skills	Maths	L2	2
Functional Skills	Maths	L1	1
Functional Skills	Maths	EL3	1
Functional Skills	English	L1	1
Arts Award	Art	Discover	1
OCR	Skills for working life	EL1	8
OCR	Skills for working life	EL2	12
OCR	Skills for working life	EL3	3
D of E	Bronze		16

Although the Academy Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2022, the balance of the Restricted Fund was £1,107,688.

Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 264 which is a 1.5% from the previous census in October 2021.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to GAG funding for the period was 92%, while the percentage of staff costs to total costs was 79%. A large proportion of LWCT's funding comes directly from the Local Authority in the form of Special Educational Needs top-up funding in addition to the GAG funding it receives. This funding is allocated accordingly via banded funding which is in turn identified on the level of Special Educational Need.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Key non-financial performance indicators***

The Directors use the following key performance measures to assess the success of the activities of the trust:

##### **Quality of Education**

- Students to achieve targets, based on their individual starting points
- Students to be provided with a broad progressive curriculum to maximize their progress in all areas of need and towards appropriate qualification success, further study and employability
- Ensure internal assessment is robust, as well as external moderation processes
- Teaching challenges every student to make progress on prior learning, and achieve exceptional results over time
- Teaching is personalized and informed by the highest quality assessment and feedback
- Teaching engages and inspires, developing student's curiosity, imagination and love of learning
- Teaching enhances skills, attributes and attitudes, in line with individual barriers to learning, to prepare students to achieve great success in life
- Teaching involves a passion for innovation and professional improvement

##### **Personal Development, Behaviour and Attitudes**

- All students to be supported to self-regulate their behaviour and learning in every opportunity, through individualized positive behaviour support and a culture of restorative and trauma informed practices
- All groups of students feel safe across all the Academies within the Trust at all times
- Students are given opportunities to achieve in a wide range of activities
- Staff and students have access to high quality support, guidance for mental health and wellbeing.

##### **Leadership and Management**

- All students are valued, nurtured and supported, within their academy setting
- Individual academy priorities are determined by thorough and accurate self-evaluation and supported by a high challenge and support peer review process.
- All staff are valued and supported in their own career progression and professional development
- The trust board and academy advocates are effective in offering and receiving supportive challenge, alongside the leadership teams

#### ***Going concern***

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

#### **Financial review**

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') and the Local Authority in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and the Local Authority during the period ended 31 August 2022 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2022, the Academy Trust's total income excluding capital grants and the net assets transferred on conversion was £5,157,291 (2021: £5,070,015) while total expenditure (excluding the revaluation on land and buildings, depreciation and LGPS FRS102 pension cost charges) was £5,103,907 (2021: £4,651,220) resulting in a net surplus/(deficit) for the year of £53,384 (2021: £418,795).

The balance of reserves at 31 August 2022, excluding the restricted fixed asset funds and LGPS liability fund was £1,916,919 (2021: £1,767,493).



## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

Schools within the trust have been in receipt of the COVID catch-up funding and these monies have been used to support the recovery curriculum including delivery of emotional, social and positive behaviour support alongside addressing attendance where necessary. The funds have also enabled us to implement revised staffing to support a wider range of inclusive activities with a focus around mental health and wellbeing.

The national tutoring programme has enabled the schools to implement additional staff, to support experienced staff to deliver programmes of work, focusing on mental health and wellbeing, attendance, as well as academic progress.

At St Lawrence 136 students accessed an additional 25 hours of direct support and intervention and at St Bernard's 47 students accessed an additional 24 hours of support and intervention.

Financial procedures and internal controls have continued to operate fully during this time with no impact on the scheme of delegation.

The net book value of fixed assets at 31 August 2022 is £10,509,534. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The balance of total funds held at 31 August 2022 were £11,018,089 which comprised of the following:

Restricted Funds (excluding Pension Liability) - £1,107,688

Restricted Pension Liability Fund - (£1,456,000)

Restricted Fixed Asset Fund - £10,557,170

Unrestricted Funds - £809,231

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £1,456,000 which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. The pension reserve fund has a deficit balance at 31 August 2022 of £1,456,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives.

The Directors have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Directors, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

#### ***Reserves policy***

The Directors will review the reserve levels of the Academy Trust annually. This review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors will also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of reserves at 31 August 2022 is £11,018,089, of which £1,916,919 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds). Although the current level of free reserves of £1,916,919 is above the target level identified above, this is due to cash surplus transferred from the Local Authority on conversion, which the Directors expect to utilise in future years as they invest in the Academy's facilities and educational resources and to contribute towards impending capital works. The Director's expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Investment policy***

The Academy Trust operates an investment policy that seeks to minimise risk and maintain flexibility to access funds. Cash flow projections are undertaken by the Chief Financial Officer on a daily basis, who has the delegated authority to invest surpluses into a supplementary account.

#### ***Principal risks and uncertainties***

The Directors have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Register. Where significant financial risk still remains, the Directors have ensured the Academy Trust has adequate insurance cover in place. The Risk Register is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

#### **Educational**

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Education provision continues to be available via our website and educational links to support any home learning opportunities.

#### **Financial**

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 92.20% of the Academy Trust's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Continuing increases in employment costs, including pension costs with both Teachers' Pension Scheme and Local Government Pensions Scheme, and premises costs will also continue to place significant pressure on the Trusts financial position and its ability to deliver balanced budgets in the future.

The directors examine the financial health of LWCT formally every quarter, reviewing performance against budgets and overall expenditure by means of regular update records at full Directors and Finance & Audit Committee meetings.

The trust has made use of any COVID-19 premiums available from the ESFA, however, keeping the current control measures in place is now done through individual school revenue and are unfunded. This has impacted on the budgets for the new financial year and there has been a reduction in some areas e.g. educational resources as a result of the ongoing measures. Class bubbles and controls have continued to be in place as the students returned to school and have remained in place up to the end of the academic year. The trust has also invested in ICT infrastructure development across the schools to support the continued learning opportunities.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

#### Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

#### Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

CPD remains available and accessible virtually by all staff as well as continued face to face development opportunities internally and externally.

#### Fraud and mismanagement of funds

The Board of Directors has appointed a specific internal auditor this financial year, Red Rambler. Red Rambler will perform an annual audit for the purposes of internal assurance. The programme of works is driven by the Trust's risk register and alongside the areas identified by the board of directors e.g. review of risk management, cash flow and VAT in 2021/22 year. Red Rambler will perform additional checks to continue to ensure compliance with the Academies Financial handbook. This is in addition to Forrester Boyd, the external auditor, who perform additional checks and review the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Directors examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors and Finance and Audit Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Directors recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Directors consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

#### **Fundraising**

The trust has not undertaken material fundraising activities during the year ended 31 August 2022

The trusts approach to fundraising is to generate income for specific project areas that will enhance the learning experience and environment for existing and future students. During the period ended 31 August 2022, the specialist project continues to be the development of outdoor provision across the trust. The proceeds of the trusts virtual fundraising have contributed towards the specified projects e.g. outdoor equipment for break/lunchtime. The student parliament is actively involved in the decisions that are made around how/where the funds are spent. There is no pressure to donate and the trust do not use persistent fundraising approaches.

All fundraising activities are monitored appropriately within the trust accounts and operate within recognised standards.

Historically, a large amount of our fundraising has been done on the school site, the pandemic has forced us to think differently in our approaches, and this is something that will be carried forward in our fundraising efforts. Our social media presence has certainly increased during COVID -19 and will impact positively in the future.

## **Lincolnshire Wolds Community Trust**

### **Trustees' report for the Year Ended 31 August 2022 (continued)**

#### ***Plans for future periods***

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the skills and character to follow their chosen pathway, whether it be into further education, training or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- Having established itself as a multi academy trust, LWCT plans to:
- Continue to ensure excellent provision at its current academies
- Continue to share its expertise with local, regional and national fields.
- Develop staff training opportunities across the trust by attracting good and outstanding schools as well as supporting other struggling schools and academies in the East Midlands.
- Monitor building works and continue to work towards redrafting the educational provision for students across the academies.
- Continue to review and refine structures of leadership throughout trust, in order to continue to develop excellence.

Some of the control measures for COVID-19 that had been put into place as required in accordance with the risk assessment have continued as and where necessary into this financial year. Financial impact due to these continued control measures were minimal.

#### **Employment of disabled persons**

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always full considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Funds held as Custodian Trustee on behalf of others**

The Academy Trust and its Directors do not act as Custodian Directors of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the Education and Skills Funding Agency, which are distributed to students as required and in line with the terms and conditions of the funds.

#### **Auditor**

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 16 December 2022 and signed on its behalf by:



D Rhodes  
Chair of Trustees

## Lincolnshire Wolds Community Trust

### Governance statement

#### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to L Mason, 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 Lincolnshire Wolds Community Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
D Rhodes (Chair)	6	6
S Clark	5	6
M Turner (resigned 6 October 2021)	1	1
L Thornes	6	6
C Stephenson	4	6
J Hargrave	5	6
L Mason	2	6

LWCT continues to undertake an internal review of governance annually through conducting a skills audit to establish appropriate skill levels across the board of Directors and at local governing body level.

The internal assurance works have focused on governance and LWCT have had a full review. The report indicated risks to the trust as Low and the board were found to be effective. The board of Directors has sufficient breadth of skills to provide positive impact and effectiveness.

The FMGS was reviewed in line with internal audit guidance around continued best practice. The school resources self-assessment tool was also completed in advance of the ESFA deadline. The Academy Trust continues to be fully compliant.

Following COVID-19 control measures, Directors meetings have continued to operate both virtually and face to face. All meetings have happened as per the organised schedule for the year, these have taken place virtually and have not been adversely affected by the pandemic.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to provide oversight, guidance and assistance to the Board of Directors on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the LWCT's Audit Committee. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Directors and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

The key issues dealt with by the Finance & Audit committee during the year was the review of the Academy Trust's 5 year financial forecasts and the actions required to address the reduced funding expected over this period. Attendance at meetings during the year was as follows:

## Lincolnshire Wolds Community Trust

### Governance statement (continued)

Trustee	Meetings attended	Out of a possible
S Clark	5	5
M Turner (resigned 6 October 2021)	1	1
D Rhodes (Chair)	5	5
L Thornes	1	2

#### Review of value for money

As accounting officer, L Mason has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Best Value through the principals of:

- Challenge - do we require the service, can it be delivered differently?
- Compare - how does this compare to similar schools and schools nationally?
- Consult - gain views of stakeholders
- Compete - are the services of the appropriate quality? Are the services efficient and effective?

Improving Educational Results:

- To target resources in line with development planning.
- Implement initiatives and interventions to ensure the learning is individualised, purposeful and challenging.
- Initiatives to accelerate the progress of all students.
- Maintain impact of pupil premium, Looked after children and other vulnerable groups, including sports premium.

Financial Oversight:

- Ensure delegation of authority and segregation of duties to ensure robust financial procedures.
- Comprehensive budgeting and regular monitoring by the Board of Directors, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes. Regular financial reports and monthly management accounts are produced and presented to the Executive Head and The Board.
- Decisions are challenged within the trust to ensure costs effectiveness.

Purchasing:

- Clearly defined purchasing guidelines, communicated for all members of the Trust.
- Exploration of alternative purchasing options both online and through suppliers to find best value.

Income Generation:

Income generation is maximised by -

- Lettings of the facilities to community use wherever possible.

Reviewing Controls and Managing risk:

- Clear identification and management of risks.
- Appropriate level of authorisation for all financial transactions at every required stage.
- Independent professional inspection through internal audit functions to develop internal controls.
- Health and Safety reviews and inspections are carried out annually with an external professional and recommendations forming an action plan that is implemented swiftly.
- The Academies have comprehensive insurance cover for all students, staff, advocates, governors, property, assets, in order to ensure the continuation of education provision in any unforeseen circumstances.

## **Lincolnshire Wolds Community Trust**

### **Governance statement (continued)**

#### **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 the Academy Trust's 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 at LWCT for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The checks in the current period included:

- Risk management
- Cash flow
- VAT

The audit provided LWCT with an in-depth report of any areas to address, actions required and timescales. The report was discussed with the AO, CFO and Finance committee and actions agreed with set timescales.

#### **Capacity to handle risk**

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

#### **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 Directors;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

As a result of the changes, introduced by the Financial Reporting Councils revised Ethical Standard for Auditors, the Directors, via the Finance & Audit Committee, appointed another organisation to undertake the internal scrutiny work for LWCT for the 2020/21 academic year onwards. The directors have previously appointed the external auditors to undertake the internal scrutiny services for the academy trust.

The role of Red Rambler includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current year included a review of governance.

On an annual basis, the Red Rambler provide a written report to the Board of Directors through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

Red Rambler has delivered the schedule of works as planned.

As detailed above, the Directors have previously appointed the external auditors to undertake the internal scrutiny services for the Trust.

There were no material control or other issues reported by the Responsible Officer to date.

## **Lincolnshire Wolds Community Trust**

### **Governance statement (continued)**

#### **Review of effectiveness**

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

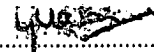
- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the Business Manager for L.WCT who has responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 16th December 2022 and signed on its behalf by:



.....  
D Rhodes  
Chair of Trustees



.....  
L Mason  
Accounting Officer



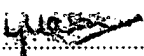
## **Lincolnshire Wolds Community Trust**

### **Statement of regularity, propriety and compliance**

As Accounting Officer of Lincolnshire Wolds Community Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the academy trust Governing Body 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 Trust Handbook 2021.

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 Governing Body and ESFA.

  
L. Mason  
Accounting Officer

16 December 2022

## **Lincolnshire Wolds Community Trust**

### **Statement of Trustees' Responsibilities**

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

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

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

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

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

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

Approved by order of the members of the Board on 16 December 2022 and signed on its behalf by:

 .....

D Rhodes

Chair of Trustees

## **Lincolnshire Wolds Community Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lincolnshire Wolds Community Trust**

#### **Opinion**

We have audited the financial statements of Lincolnshire Wolds Community Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

#### **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 responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information (covers the Reference and administrative details, the Trustees' report and Strategic Report and the Governance statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## **Lincolnshire Wolds Community Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lincolnshire Wolds Community Trust (continued)**

#### **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 Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 24], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation, and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Lincolnshire Wolds Community Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Lincolnshire Wolds Community Trust (continued)**

#### **Use of our report**

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



.....  
Adam Millson ACA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants, Statutory Auditor

Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

16 December 2022

## **Lincolnshire Wolds Community Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Lincolnshire Wolds Community Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 25 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lincolnshire Wolds Community Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 3 July 2015 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

## **Lincolnshire Wolds Community Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to Lincolnshire Wolds Community Trust and the Education and Skills Funding Agency (continued)**

The work undertaken to draw to our conclusion includes:

- evaluation the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming the activities of the Academy are in keeping with the Academy's framework and the charitable objectives; and
- and obtaining representations from the Accounting Officer and Key Management Personnel.

#### **Conclusion**

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



.....  
Adam Millson ACA

For and on behalf of Forrester Boyd Chartered Accountants

Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

16 December 2022

# Lincolnshire Wolds Community Trust

## Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	27,917	-	78,643	106,560
Other trading activities	4	158,372	127,347	-	285,719
Investments	5	207	-	-	207
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,753,879	-	4,753,879
Teaching school hub		-	10,926	-	10,926
Total income		186,496	4,892,152	78,643	5,157,291
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	29,142	5,584,930	284,511	5,898,583
Teaching school hub		-	4,150	-	4,150
Total expenditure		29,142	5,589,080	284,511	5,902,733
Net income/(expenditure)		157,354	(696,928)	(205,868)	(745,442)
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	5,209,000	-	5,209,000
Gains/losses on revaluation of fixed assets		-	-	5,114,650	5,114,650
Net movement in funds		157,354	4,512,072	4,908,782	9,578,208
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		651,877	(4,860,384)	5,648,388	1,439,881
Total funds/(deficit) carried forward at 31 August 2022		809,231	(348,312)	10,557,170	11,018,089



# Lincolnshire Wolds Community Trust

## Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2020/21 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	5,436	-	135,311	140,747
Other trading activities	4	47,775	45,451	-	93,226
Investments	5	177	-	-	177
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,795,615	-	4,795,615
Teaching school hub		-	40,250	-	40,250
Total income		<u>53,388</u>	<u>4,881,316</u>	<u>135,311</u>	<u>5,070,015</u>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	15,515	5,042,522	154,131	5,212,168
Teaching school hub		-	54,183	-	54,183
Total expenditure		<u>15,515</u>	<u>5,096,705</u>	<u>154,131</u>	<u>5,266,351</u>
Net income/(expenditure)		37,873	(215,389)	(18,820)	(196,336)
<b>Other recognised gains and losses</b>					
Actuarial gains/(loss) on defined benefit pension schemes	23	-	(948,000)	-	(948,000)
Net movement in funds/(deficit)		37,873	(1,163,389)	(18,820)	(1,144,336)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		<u>614,004</u>	<u>(3,696,995)</u>	<u>5,667,208</u>	<u>2,584,217</u>
Total funds/(deficit) carried forward at 31 August 2021		<u>651,877</u>	<u>(4,860,384)</u>	<u>5,648,388</u>	<u>1,439,881</u>

# Lincolnshire Wolds Community Trust

(Registration number: 09691946)  
Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	10,509,534	5,394,795
<b>Current assets</b>			
Debtors	13	177,302	230,480
Cash at bank and in hand		<u>2,118,632</u>	<u>1,931,898</u>
		2,295,934	2,162,378
Creditors: Amounts falling due within one year	14	<u>(331,379)</u>	<u>(141,292)</u>
Net current assets		<u>1,964,555</u>	<u>2,021,086</u>
Total assets less current liabilities		<u>12,474,089</u>	<u>7,415,881</u>
Net assets excluding pension liability		12,474,089	7,415,881
Pension scheme liability	23	<u>(1,456,000)</u>	<u>(5,976,000)</u>
Net assets including pension liability		<u>11,018,089</u>	<u>1,439,881</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		1,107,688	1,115,616
Restricted fixed asset fund		10,557,170	5,648,388
Pension Reserve		<u>(1,456,000)</u>	<u>(5,976,000)</u>
		10,208,858	788,004
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>809,231</u>	<u>651,877</u>
Total funds		<u>11,018,089</u>	<u>1,439,881</u>

The financial statements on pages 30 to 52 were approved by the Trustees, and authorised for issue on 16 December 2022 and signed on their behalf by:



.....  
D Rhodes (Chair)  
Trustee

# **Lincolnshire Wolds Community Trust**

## **Statement of Cash Flows for the year ended 31 August 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	217,799	298,119
Cash flows from investing activities	19	<u>(31,065)</u>	<u>19,469</u>
Change in cash and cash equivalents in the year		186,734	317,588
Cash and cash equivalents at 1 September		<u>1,931,898</u>	<u>1,614,310</u>
Cash and cash equivalents at 31 August	20	<u><u>2,118,632</u></u>	<u><u>1,931,898</u></u>

## **Lincolnshire Wolds Community Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022**

#### **1 Accounting policies**

The Trust is a company limited by guarantee and is an exempt charity incorporated in England & Wales. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The company registration number is 09691946.

The address of its registered and principal office is:

St Bernard's School Louth,  
Wood Lane,  
Louth,  
Lincolnshire,  
United Kingdom.  
LN11 8RS

These financial statements cover the individual entity, Lincolnshire Wolds Community Trust.

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

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements have been prepared in sterling, the functional currency, and have been rounded to the nearest pound.

#### **Going concern**

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

#### **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.

## **Lincolnshire Wolds Community Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### ***Grants***

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

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

Capital grants are recognised 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### ***Sponsorship income***

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

##### ***Donations***

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 period it is receivable and to the extent the academy trust has provided the goods or services.

##### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### ***Donated fixed assets***

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

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 1 Accounting policies (continued)

##### *Expenditure on raising funds*

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### *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.

##### **Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost or revaluation, 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, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long-term leasehold land	Straight line basis over the 125 year lease
Leasehold property	2% per annum straight line
Furniture and equipment	10% per annum straight line
Computer equipment	25% per annum straight line
Buildings	2% per annum straight line

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### *Provisions*

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

## **Lincolnshire Wolds Community Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Leased assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

##### **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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pension benefits**

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 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 based on 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 net income/(expenditure) 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.

##### **Fund accounting**

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

Restricted fixed asset funds are resources, which are to be applied to specific capital purposes imposed by 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.

##### **Critical accounting estimates and areas of judgement**

Estimates and judgements 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.

# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 'Member Liability', will impact on 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 31/08/2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Agency accounting*

The academy trust acts as an agent in distributing bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

### 2 Donations and capital grants

	Unrestricted Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Educational trips and visits	14,676	-	14,676	-
Capital grants	-	78,643	78,643	135,311
Other donations	13,241	-	13,241	5,436
	<u>27,917</u>	<u>78,643</u>	<u>106,560</u>	<u>140,747</u>

The income from donations and capital grants was £106,560 (2021: £140,747) which was allocated between the funds as follows; £27,917 unrestricted funds (2021: £5,436), £78,643 restricted fixed asset funds (2021: £135,311).

### 3 Funding for the Academy Trust's educational operations

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
<b>Educational operations</b>			
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	2,230,000	2,230,000	2,420,000
Pupil Premium	176,110	176,110	173,305
Other DfE/ESFA Revenue Grants	413,221	413,221	39,625
	<u>2,819,331</u>	<u>2,819,331</u>	<u>2,632,930</u>
<b>Other government grants</b>			
Other Local Authority Revenue Grants	1,882,787	1,882,787	2,053,305



# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 3 Funding for the Academy Trust's educational operations (continued)

	Restricted General Funds £	2021/22 Total £	2020/21 Total £
<b>Covid-19 additional funding (DfE/ESFA)</b>			
Recovery premium	40,310	40,310	59,280
Mass testing	11,451	11,451	50,100
	<u>51,761</u>	<u>51,761</u>	<u>109,380</u>
Total grants	<u>4,753,879</u>	<u>4,753,879</u>	<u>4,795,615</u>

The Trust received £40,310 of COVID catch-up premium funding this year (2021: £59,280) and £11,451 of COVID mass testing income this year (2021: £Nil). The costs incurred in respect of this funding totalled £51,761 (2021: 59,280).

### 4 Other trading activities

	Unrestricted Funds £	Restricted General Funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	1,260	-	1,260	2,160
Catering income	12,285	-	12,285	9,723
Other activities for generating funds	<u>144,827</u>	<u>127,347</u>	<u>272,174</u>	<u>81,343</u>
	<u>158,372</u>	<u>127,347</u>	<u>285,719</u>	<u>93,226</u>

### 5 Investment income

	Unrestricted Funds £	2021/22 Total £	2020/21 Total £
Short term deposits	<u>207</u>	<u>207</u>	<u>177</u>

### 6 Expenditure

	Non Pay Expenditure			2021/22 Total £	2020/21 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	1,589,482	61,968	182,773	1,834,223	1,779,523
Allocated support costs	3,139,940	441,827	482,593	4,064,360	3,432,645
<b>Teaching school hub</b>					
Teaching school hub - Allocated support costs	<u>3,581</u>	<u>-</u>	<u>569</u>	<u>4,150</u>	<u>54,183</u>
	<u>4,733,003</u>	<u>503,795</u>	<u>665,935</u>	<u>5,902,733</u>	<u>5,266,351</u>

# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2021/22 £	2020/21 £
Operating lease rentals	26,877	16,980
Depreciation	109,826	154,131
Fees payable to auditor - audit	8,850	8,800
- other audit services	5,328	5,550

### 7 Charitable activities

	2021/22 £	2020/21 £
Direct costs - educational operations	1,834,223	1,779,523
Support costs - educational operations	4,064,360	3,432,645
Support costs - teaching school hub	4,150	54,183
	<u>5,902,733</u>	<u>5,266,351</u>

	Teaching school hub £	Educational operations £	2021/22 Total £	2020/21 Total £
Analysis of support costs				
Support staff costs	3,581	3,139,940	3,143,521	2,893,135
Depreciation	-	47,858	47,858	40,958
Technology costs	-	7,256	7,256	5,204
Premises costs	-	393,969	393,969	218,632
Other support costs	569	475,337	475,906	328,899
Total support costs	<u>4,150</u>	<u>4,064,360</u>	<u>4,068,510</u>	<u>3,486,828</u>

### 8 Staff

Staff costs

	2021/22 £	2020/21 £
Staff costs during the year were:		
Wages and salaries	3,123,825	3,110,703
Social security costs	277,486	259,256
Operating costs of defined benefit pension schemes	1,272,971	1,059,997
	<u>4,674,282</u>	<u>4,429,956</u>
Supply staff costs	58,721	14,982
	<u>4,733,003</u>	<u>4,444,938</u>

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2021/22	2020/21
	No	No
Teachers	26	24
Administration and support	107	102
Management	5	5
	<u>138</u>	<u>131</u>

##### Higher paid staff

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

	2021/22	2020/21
	No	No
£60,001 - £70,000	1	1
£130,001 - £140,000	1	1

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £463,600 (2021: £450,688).

#### 9 Central services

The academy trust has provided the following central services to its academies during the year:

- Finance
- Personnel / HR and operational services
- Technology
- Administrative
- Legal
- Maintenance

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 9 Central services (continued)

The academy trust charges for these services on the following basis:

- a set monetary amount based on the cost of the services provided split between the two schools in the Trust.

The actual amounts charged during the year were as follows:

	2021/22 £	2020/21 £
St Lawrence School	60,000	60,000
St Bernards School	60,000	60,000
	<u>120,000</u>	<u>120,000</u>

#### 10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

L. Mason :

Remuneration: £135,000 - £140,000 (2021 - £130,000 - £135,000)

Employer's pension contributions: £25,000 - £30,000 (2021 - £30,000 - £35,000)

During the year ended 31st August 2022, no travel and subsistence expenses were reimbursed or paid directly to trustees (2021 - £Nil).

Other related party transactions involving the trustees are set out in note 24.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was included in the total insurance cost.

# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	2021/22 Total £
<b>Cost</b>				
At 1 September 2021	5,916,628	409,584	81,787	6,407,999
Revaluations	4,819,372	-	-	4,819,372
Additions	-	40,590	69,325	109,915
At 31 August 2022	<u>10,736,000</u>	<u>450,174</u>	<u>151,112</u>	<u>11,337,286</u>
<b>Depreciation</b>				
At 1 September 2021	667,005	264,412	81,787	1,013,204
Revaluations	(295,278)	-	-	(295,278)
Charge for the year	61,968	41,320	6,538	109,826
At 31 August 2022	<u>433,695</u>	<u>305,732</u>	<u>88,325</u>	<u>827,752</u>
<b>Net book value</b>				
At 31 August 2022	<u>10,302,305</u>	<u>144,442</u>	<u>62,787</u>	<u>10,509,534</u>
At 31 August 2021	<u>5,249,623</u>	<u>145,172</u>	<u>-</u>	<u>5,394,795</u>
<b>Analysis of cost or valuation of land and buildings:</b>				

	2022 £	2021 £
Revalued Land & Buildings	4,385,677	-
Transferred in valuation of Land & Buildings	5,916,628	5,249,623
	<u>10,302,305</u>	<u>5,249,623</u>

A professional valuation was carried out by Kier Business Services Ltd, RICS Registered Valuer.

### 13 Debtors

	2022 £	2021 £
Trade debtors	7,580	24,552
VAT recoverable	120,817	18,829
Other debtors	16,276	23,349
Prepayments	3,030	600
Accrued grant and other income	29,599	163,150
	<u>177,302</u>	<u>230,480</u>

# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	187,827	59,922
Other taxation and social security	69,194	61,413
Other creditors	24,092	19,957
Accruals	18,689	-
Pension scheme creditor	31,577	-
	<u>331,379</u>	<u>141,292</u>

### 15 Funds

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General annual grant (GAG)	1,110,649	2,230,000	(2,274,303)	-	1,066,346
Pupil premium	-	176,110	(146,511)	-	29,599
Covid catch-up premium	-	40,310	(40,310)	-	-
Covid mass testing grant	-	11,451	(11,451)	-	-
Other DfE/ESFA grants	-	413,221	(413,221)	-	-
Local authority funding	-	1,882,787	(1,882,787)	-	-
Other income	-	127,347	(127,347)	-	-
Teaching school	<u>4,967</u>	<u>10,926</u>	<u>(4,150)</u>	<u>-</u>	<u>11,743</u>
	1,115,616	4,892,152	(4,900,080)	-	1,107,688
<b>Restricted fixed asset funds</b>					
Restricted fixed asset funds	5,648,388	78,643	(284,511)	5,114,650	10,557,170
<b>Restricted pension fund</b>					
Pension reserve	<u>(5,976,000)</u>	<u>-</u>	<u>(689,000)</u>	<u>5,209,000</u>	<u>(1,456,000)</u>
Total restricted funds	788,004	4,970,795	(5,873,591)	10,323,650	10,208,858
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>651,877</u>	<u>186,496</u>	<u>(29,142)</u>	<u>-</u>	<u>809,231</u>
Total funds	<u>1,439,881</u>	<u>5,157,291</u>	<u>(5,902,733)</u>	<u>10,323,650</u>	<u>11,018,089</u>

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 15 Funds (continued)

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

	Balance at 1 September 2020 £	Incoming resources £	Resources Expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General annual grant (GAG)	851,105	2,420,000	(2,160,456)	-	1,110,649
Pupil premium	-	173,305	(173,305)	-	-
Covid catch-up premium	-	59,280	(59,280)	-	-
Covid mass testing grant	-	50,100	(50,100)	-	-
Other DfE/ESFA grants	-	39,625	(39,625)	-	-
Local authority funding	-	2,053,305	(2,053,305)	-	-
Other income	-	45,451	(45,451)	-	-
Teaching school	18,900	40,250	(54,183)	-	4,967
	870,005	4,881,316	(4,635,705)	-	1,115,616
<b>Restricted fixed asset funds</b>					
Restricted fixed asset funds	5,667,208	135,311	(154,131)	-	5,648,388
<b>Restricted pension fund</b>					
Pension reserve	(4,567,000)	-	(461,000)	(948,000)	(5,976,000)
Total restricted funds	1,970,213	5,016,627	(5,250,836)	(948,000)	788,004
<b>Unrestricted funds</b>					
Unrestricted general funds	614,004	53,388	(15,515)	-	651,877
Total funds	2,584,217	5,070,015	(5,266,351)	(948,000)	1,439,881

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

General Annual Grant (GAG) must be used for the normal running costs of the Trust.

Other DfE / ESFA grants is made up of income for Pupil Premium, rates relief, teachers' pay, teachers' pensions and Free School Meal supplementary grant (FSM).

Pupil Premium may be spent for the educational benefit of pupils registered at that Academy, or for the benefit of pupils registered at other Academies; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the Academy or their families, or people who live or work in the locality in which the Academy is situated. The grant does not have to be completely spent by Academies in the period.

Universal Infant Free School meals income must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

Devolved Formula Capital (DFC) either allocated direct by the DfE or transferred on conversion from the Local Authority must be spent on capital purposes.

Unrestricted funds represents other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

## **Lincolnshire Wolds Community Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

#### **15 Funds (continued)**

##### **Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
St Bernards School	512,012	524,010
St Lawrence School	1,195,858	1,073,130
Central services	<u>209,049</u>	<u>170,353</u>
Total before fixed assets and pension reserve	1,916,919	1,767,493
Restricted fixed asset fund	10,557,170	5,648,388
Pension reserve	<u>(1,456,000)</u>	<u>(5,976,000)</u>
Total	<u><u>11,018,089</u></u>	<u><u>1,439,881</u></u>



# Lincolnshire Wolds Community Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 15 Funds (continued)

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2022 £
St Bernards School	1,226,621	579,039	39,527	479,340	2,324,527
St Lawrence School	1,934,322	295,621	53,752	295,394	2,579,089
Central services	-	26,490	773	207,765	235,028
Academy Trust	<u>3,160,943</u>	<u>901,150</u>	<u>94,052</u>	<u>982,499</u>	<u>5,138,644</u>

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2021 £
St Bernards School	1,221,278	642,054	18,343	252,339	2,134,014
St Lawrence School	1,862,255	314,903	31,854	204,100	2,413,112
Central services	-	18,448	3,330	82,316	104,094
Academy Trust	<u>3,083,533</u>	<u>975,405</u>	<u>53,527</u>	<u>538,755</u>	<u>4,651,220</u>

### 16 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	10,509,534	10,509,534
Current assets	809,231	1,439,067	47,636	2,295,934
Current liabilities	-	(331,379)	-	(331,379)
Pension scheme liability	-	(1,456,000)	-	(1,456,000)
Total net assets	<u>809,231</u>	<u>(348,312)</u>	<u>10,557,170</u>	<u>11,018,089</u>

# **Lincolnshire Wolds Community Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

### **16 Analysis of net assets between funds (continued)**

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,394,795	5,394,795
Current assets	651,877	1,256,908	253,593	2,162,378
Current liabilities	-	(141,292)	-	(141,292)
Pension scheme liability	-	(5,976,000)	-	(5,976,000)
Total net assets	<u>651,877</u>	<u>(4,860,384)</u>	<u>5,648,388</u>	<u>1,439,881</u>

### **17 Long-term commitments, including operating leases**

#### ***Operating leases***

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	21,335	24,419
Amounts due between one and five years	<u>9,779</u>	<u>33,572</u>
	<u>31,114</u>	<u>57,991</u>

### **18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities**

	2022 £	2021 £
Net expenditure	(745,442)	(196,336)
Depreciation	109,826	154,131
Capital grants from DfE and other capital income	(78,643)	(135,311)
Interest receivable	(207)	(177)
Defined benefit pension scheme service cost	591,000	386,000
Defined benefit pension scheme finance cost	98,000	75,000
Decrease in debtors	53,178	80,490
Increase/(decrease) in creditors	<u>190,087</u>	<u>(65,678)</u>
Net cash provided by Operating Activities	<u>217,799</u>	<u>298,119</u>

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 19 Cash flows from investing activities

	2022 £	2021 £
Interest received	207	177
Purchase of tangible fixed assets	(109,915)	(116,019)
Capital funding received from DfE	78,643	135,311
Net cash (used in)/provided by investing activities	<u>(31,065)</u>	<u>19,469</u>

#### 20 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>2,118,632</u>	<u>1,931,898</u>
Total cash and cash equivalents	<u>2,118,632</u>	<u>1,931,898</u>

#### 21 Contingent liabilities

There is a potential liability for Lincolnshire Wolds Community Trust relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedent on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

#### 22 Member 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.

#### 23 Pension and similar obligations

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 Lincolnshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £(31,577) (2021 - £) were payable to the schemes at 31 August 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 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 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.

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 Pension and similar obligations (continued)

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £265,265 (2021: £251,289).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £532,000 (2021 - £507,000), of which employer's contributions totalled £429,000 (2021 - £408,000) and employees' contributions totalled £103,000 (2021 - £99,000). The agreed contribution rates for future years are 19.2 - 23.3 per cent for employers and 5.5 - 19.2 per cent for employees.

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

##### Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.20	3.20
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	<u>3.70</u>	<u>1.70</u>

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

	2022	2021
<b>Retiring today</b>		
Males retiring today	21.60	21.50
Females retiring today	23.90	23.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.60	22.50
Females retiring in 20 years	<u>25.30</u>	<u>25.30</u>

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 Pension and similar obligations (continued)

##### Sensitivity analysis

	2022	2021
	£	£
Discount rate +0.1%	146,000	261,000
Discount rate -0.1%	(150,000)	(269,000)
Mortality assumption – 1 year increase	163,000	-
Mortality assumption – 1 year decrease	(159,000)	-
CPI rate +0.1%	130,000	222,000
CPI rate -0.1%	(127,000)	(216,000)

The academy trust's share of the assets in the scheme were:

	2022	2021
	£	£
Equities	2,908,000	2,497,000
Other bonds	471,000	496,000
Property	504,000	360,000
Cash and other liquid assets	94,000	132,000
Total market value of assets	3,977,000	3,485,000

The actual return on scheme assets was £7,000 (2021 - (£474,000)).

## Lincolnshire Wolds Community Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2021/22 £	2020/21 £
Current service cost	(1,020,000)	(794,000)
Interest income	62,000	47,000
Interest cost	(158,000)	(120,000)
Admin expenses	(2,000)	(2,000)
Total amount recognized in the SOFA	<u>(1,118,000)</u>	<u>(869,000)</u>

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

	2021/22 £	2020/21 £
At start of period	9,461,000	7,091,000
Current service cost	1,020,000	794,000
Interest cost	158,000	120,000
Employee contributions	103,000	99,000
Actuarial (gain)/loss	(5,264,000)	1,469,000
Benefits paid	(45,000)	(112,000)
At 31 August	<u>5,433,000</u>	<u>9,461,000</u>

##### Changes in the fair value of academy's share of scheme assets:

	2021/22 £	2020/21 £
At start of period	3,485,000	2,524,000
Interest income	60,000	45,000
Actuarial gain/(loss)	(55,000)	521,000
Employer contributions	429,000	408,000
Employee contributions	103,000	99,000
Benefits paid	(45,000)	(112,000)
At 31 August	<u>3,977,000</u>	<u>3,485,000</u>

#### 24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

#### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £3,463 and disbursed £2,616 from the fund. An amount of £2,328 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £4,814 received, £3,359 disbursed and £2,664 included in other creditors.