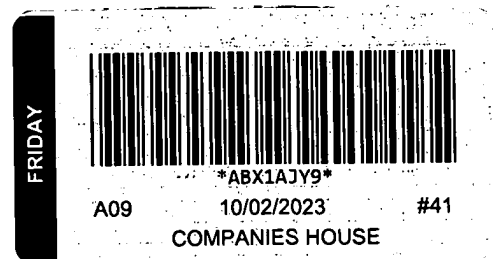

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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



LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Dr M Dunn Mrs A Edlin
The Governors	Parent Governors Mrs H Allison-Warby, Chair of Governors Mrs A Edlin Mr M Stapleton Staff Governors Mrs R Knowles (resigned 31 August 2022) Mr N Potter Dr S Rowland (resigned 31 August 2022) Mrs S Wilkinson (resigned 31 August 2022) Headteacher Mr M McKeown BSc (Hons), GIMA, PGCE, NPQH, Accounting Officer Appointed by the Foundation of Christ's Hospital At Lincoln Mrs J Daly (appointed 29 September 2021, resigned 14 March 2022) Mr S Edgar (appointed 29 September 2021) Mr D Gibbons Mr R Greenfield (resigned 3 September 2021) Mr J Hanrahan BA (Hons), MRTPI, MIEDO (resigned 29 September 2021) Mr C Milnes Mr P Watson (resigned 20 October 2021) Appointed by Bishop Grosseteste University Dr M Dunn Appointed by Dean and Chapter at the Cathedral Mr P Beighton (appointed 29 September 2021) Appointed by the Old Christ's Hospital Lincolnians Mr M Savage ACMA
Company Registered Number	07732027
Company name	Lincoln Christ's Hospital School
Principal and Registered Office	Wragby Road Lincoln Lincolnshire LN2 4PN
Clerk to the Governors	Mrs A Williams
Headteacher and Accounting Officer	Mr M McKeown

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

**Senior Leadership
Team**

Mr M McKeown, Headteacher
Mrs C Owens, Deputy Headteacher
Mr P Fragle, Deputy Headteacher
Mr G Gilbey, Assistant Headteacher
Mr B Middleton, Assistant Headteacher
Mrs E Garbutt, Assistant Headteacher
Mrs L Bedford, Finance Director (to February 2022)
Mrs C Sibley, HR Lead (from March 2022)

Independent Auditors

Streets Audit LLP
Chartered Accountants & Statutory Auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Bankers

Lloyds Bank plc
202 High Street
Lincoln
LN5 7AP

Solicitors

Chattertons Solicitors
St Swithin's Court
1 Flavian Road
Nettleham Road
Lincoln
LN2 4GR

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The academy trust operates as an independent secondary school serving a catchment area in north / central Lincoln and parts of its surrounding area.

Structure, Governance and Management

Constitution

The school is a charitable company limited by guarantee and was set up by a Trust deed on 8 August 2011. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Lincoln Christ's Hospital School and are also the directors of the charitable company for the purposes of company law.

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

Members Liability

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

Governors' Indemnities

Governors' indemnity insurance is currently taken out through the Department of Education's Risk Protection Arrangement (RPA).

Method of Recruitment and Appointment or Election of Governors

The articles of association require the members of the charitable company to appoint at least three governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the school.

The articles of association require that the members of the academy trust shall comprise:

- a) the signatories to the memorandum;
- b) one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose; and
- c) the Chair of the Governors.

The Governing Body may appoint additional governors. Governors may be removed by the person or persons who appointed them. No additional governors were appointed nor made by the Secretary of State.

The management of the school is the responsibility of the governors who are elected or nominated under the terms of the Trust deed.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Policies and Procedures Adopted for the Induction and Training of Governors

All governors are provided with copies of procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and governors.

All governors have access to a range of training programmes including in-house, outside or internet based.

The Induction Process is described as follows:

1. Letter of Welcome from the Clerk to the Governors (including governor contacts, meeting dates, terms of reference, protocol for governor confidentiality and protocol for governor visits).
2. A meeting at the School with the Headmaster, Chair, Vice Chairs and Clerk to discuss structure, purpose of the Governing Body, the relationship between the school and the foundation and how each committee works.
3. Soon after the first meeting the new governor should be given:
 - a) A copy of the Guide to the Law for Governors (if available).
 - b) A list of sources of external support e.g. Governance, DfE website, CfBT website, libraries with governor support section.
 - c) The attention of the new governor should be drawn to the School Website and especially the School Policy Section.
 - d) The link governor should approach the new governor to ascertain training needs and arrange for appropriate courses.
4. Finance Committee Governor - if the new governor is allocated to the Finance Committee then they should be given a copy of the school budget and the Academy Trust Handbook.

Organisational Structure

Strategic decisions are made by the governors and internal organisation and day to day running decisions are made by the Headmaster with support from the Senior Leadership Team.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Arrangements for setting the pay and remuneration of the school's key management personnel are reviewed by the Finance, Property, Audit and Risk Committee and approved by the Governing Body. The school follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The school's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The school adheres to Local Government pay arrangements for support staff and follows the Local Government / Local Authority pay spine.

Trade Union Facility Time

The school had more than 49 full-time equivalent staff during the reporting period so is within the scope of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

The school had no employees who were relevant union officials during the year. No further disclosures are required.

Related Parties and Other Connected Charities and Organisations

The school works closely with a separate charity, The Foundation of Christ's Hospital at Lincoln, which owns the buildings and other property and makes contributions to the school.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Objectives and Activities

Objects and Aims

The school's principle object is 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.

The Vision of the governors is that all students should achieve an outstanding education and to achieve this we will ensure that:

- All students reach their full potential.
- All students have a thirst for knowledge.
- All students have access to a stimulating learning environment.
- All teaching will be of the highest order.
- All students will learn in a safe and nurturing environment.
- All students will have the opportunity for and be encouraged to take part in enrichment and extracurricular activities.
- All staff and students will be respected, valued and included.

Objectives, Strategies and Activities

The main objectives of the school during the year ended 31 August 2022 are summarised below:

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care.
- To raise the standard of educational achievement of all pupils.
- To improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with industry and commerce.
- To conduct the school's business in accordance with the highest standards of integrity, probity and openness.

Public Benefit

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the school's objectives and aims and in planning future activities for the year. Given the activities of the school and the student population that it services, the governors consider that the school's aims are demonstrably to the public benefit.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Achievements and Performance

Review of Activities including Key Performance Indicators

The following figures represent a combination of external data where available and our internal school data, where possible compared to other schools nationally through collaborative work within SISRA at KS4 and KS5.

Post 16 Results 2021/2022:

For our Year 13 students, the overall average grade per entry was B- and 67% gained at least one grade A* B or equivalent and 37% gained at least 2 A* B or equivalent. The overall pass rate was 100% with 66% gaining at least 3 qualifications.

For A Level only, the average grade was grade B- with 61% gaining at least 1 A* B, 34% gaining 2 A* B. 100% of our students left with at least 1 A Level and 52% have left with 3 A-Levels. The percentage of students achieving at least AAB in 3 A levels (33%) was significantly above national and in the highest 20% of schools in 2022

GCSE Results 2021/2022:

Please note, guidance from the DfE indicates "Performance data for 2022 should not be directly compared with 2019 and earlier. Nor should comparisons be made between schools. This is because schools may have been affected differently by COVID-19."

However, Progress 8 scores have been calculated and published, 2022 has seen a decrease from -0.20 in 2019 to -0.34 in 2022. Internal data would suggest with removal of outliers that Progress 8 would be in the region of -0.19. Our Basics indicator at 4+ is at 58% and at 5+ is at 30%.

Our entry for the English Baccalaureate is higher than the vast majority of other schools – promoting a rigorous and academic curriculum providing cultural capital for our students.

The performance of Pupil Premium students in the Basics figure declined slightly to 45% in 2022 but still maintains its upward trend compared to 2016 - 2018.

The Governing Body seeks to deliver effective value for money in its delivery of education at Lincoln Christ's Hospital School. It is reviewing centrally held ESFA benchmarking data to compare performance against the following:

- KS4 and 5 results.
- Teaching staff expenditure per pupil.
- Education support staff expenditure per pupil.
- Premises / estate costs per pupil.

The schools most recent Ofsted inspection graded all areas of the school as 'Good' and overall as 'Good' which is an exceptionally rapid improvement grading on the judgement of the previous year.

The schools results at both key stages and Ofsted grading now places the school amongst the most improved schools in the County.

The areas for improvement from the 2018 Ofsted remain areas of focus in the schools development plan and the school is aiming for aspirational targets based on FFT 20 and 5 for most students.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the school 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 Accounting Policies.

Financial Review

The school held fund balances at 31 August 2022 of £13,652,527 comprising £773,243 of restricted funds, a pension reserve of £nil (see below) and restricted fixed asset funds of £12,879,284.

Most of the school's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

The school's non teaching staff are entitled to membership of the Local Government Pension Scheme. The school's share of the scheme's assets is currently assessed to be greater than its liabilities in the scheme with the actuarial report indicating an asset of £283,000. On the basis that the balance will not be recouped by reduced contributions or a refund from the scheme, the asset has not been recognised in the accounts.

Reserves Policy

Subject to the ESFA's constraints on permitted balances, the school's policy is to carry forward a prudent level of resources. The level of free reserves held as at 31 August 2022 is £773,243.

The governors continue to review the reserve levels of the school regularly to ensure there is always sufficient funds / working capital to cover any delays between spending and receipt of income / grants.

Cash monitoring, long term financial plans and cash forecasting will continue to be undertaken. Staffing structure reviews and reviews of non-staffing contracts have been undertaken and have led to cost savings.

Of the restricted fixed asset fund, the amount that can only be realised by disposing of tangible fixed assets is £12,940,476.

Investment Policy

The school operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

The governors will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Principal Risks and Uncertainties

The governors have assessed the major risks to which the school is exposed, in particular those related to the operations and finances of the school, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Most of the factors are outside of the scope of the school to make changes. These include the previous attainment level of pupils before entering the school, home socio economic factors, the level of Government funding and Government initiatives, the availability of good quality teachers and the birth rate ten years before children enter the school.

The Headmaster and the governors have adopted a comprehensive Risk Register outlining the number of risks and uncertainties to be reviewed annually. The Risk Register identifies specific preventative actions which should mitigate any potential negative impact on the school from identified risks.

The principal risks facing the school are:

- meeting requisite standards of education for students;
- maintaining high standards in student outcomes and favourable external inspection outcomes;
- recruiting a suitable number of pupils through the admission process;
- complying with government legislative requirements and guidance with regard to employment / human resource issues, data protection, child protection, safeguarding and other statutory bodies;
- operating within the allocated annual budget and remaining financially secure, fluctuations in education funding and potential for financial fraud and/or insufficient financial controls and systems; and
- reputational or operational risks derived from employee behaviour or performance.

The key controls used by the school are formal written policies are kept up to date, schemes of delegation and formal financial regulations, close budget monitoring and accountable systems in place, detailed terms of reference for all committees and clear authorisation and approval levels.

Fundraising

Minimal fundraising activities were undertaken at the school.

Plans for Future Periods

Lincoln Christ's Hospital School is planning to use its academy status as an opportunity to utilise governance freedom to further improve both the educational provision and the estate within the school.

The school will continue to develop and build on its existing strengths by:

- i) To ensure the school has a high level of qualified staff to provide an excellent, caring environment in which students can learn and flourish safely.
- ii) To continue to bring teaching and learning up to date in line with enhanced technologies.
- iii) To ensure that students can go on to achieve excellent results at age 16 and 18.
- iv) To provide an excellent curriculum and nurture talent to help all of its students to achieve personal excellence.

LINCOLN CHRIST'S HOSPITAL SCHOOL
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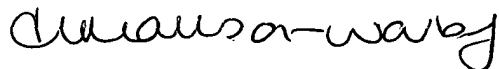
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

Insofar as the governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 14/12/22 and signed on its behalf by:



Mrs H Allison-Warby
Chair of Governors

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The board of governors has delegated the day-to-day responsibility to the Headmaster, 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 Lincoln Christ's Hospital School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The board of governors has formally met 5 times during the year.

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

Governor	Meetings attended	Out of a possible
Mrs H Allison-Warby	4	5
Mrs A Edlin	4	5
Mr M Stapleton	4	5
Mrs R Knowles	1	5
Mr N Potter	5	5
Dr S Rowland	3	5
Mrs S Wilkinson	3	5
Mr M McKeown	5	5
Mrs J Daly	1	1
Mr S Edgar	2	3
Mr D Gibbons	4	5
Mr R Greenfield	0	0
Mr J Hanrahan	0	0
Mr C Milnes	5	5
Mr P Watson	2	2
Dr M Dunn	4	5
Mr P Beighton	3	3
Mr M Savage	5	5

There were 3 appointments made in the year, one of whom also resigned during the year. There were 6 further resignations during the year.

Conflicts of Interest

The school maintains an up-to-date register of interests which is visible on its website. Declarations of any interest in any agenda items are made at the beginning of any meetings. Governors are excluded from any decision-making where any interest exists.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance Review

A review of the expertise of the Governing Body has been undertaken and no areas of concern were identified. As the school is a member of the National Governors Association, all our governors are given the opportunity and are encouraged to undertake the free online training courses offered via their learning link portal and in line with our Governor Training Action Plan. In addition, all governors have completed the governance effectiveness modules and completed additional training and modules for safeguarding.

In addition, financial information has been provided to the governors on a sufficiently regular basis to ensure that adequate oversight is maintained over the school funds.

The Finance, Property, Audit and Risk Committee is a sub-committee of the main board of governors. Its purpose is:

1. To recommend to the full Governing Body approval of the annual budget plan and cash flow forecasts for the forthcoming financial year in accordance with the timescales dictated by the Lincolnshire Scheme for financing Schools.
2. To determine the school's financial priorities through the School Development Plan (SDP) and the 5 year site management plan.
3. To review annually the school's Financial Regulations and Scheme of Delegation.
4. To ensure the Register of Business Interests is kept up to date.
5. To review the various leasing agreement schemes and options available to the school.
6. To award contracts by tender up to a specific limit.
7. To monitor all spending and income received in the school, including Delegated / Devolved Budgets and School Private Fund(s).
8. To ensure that funding from the ESFA and other sources is used only in accordance with any conditions attached.
9. To agree and determine appropriate charges for lettings of the premises, in line with the school's lettings policy.
10. To ensure the school adheres to the policies and procedures as specified by the Department for Education and its Schools' Financial Value Standard.
11. To ensure the school has appropriate internal financial controls in place.
12. To ensure that all financial controls are adhered to via regular testing and management checks in order to protect against fraudulent or improper use of public money and assets and enable satisfactory completion of the Statement of Internal Control (SIC).
13. To review and monitor budget projections / medium term financial plans to ensure the school's budget is realistic and any financial decisions are sustainable.

Meetings:

The Clerk will make a record of all proceedings at each meeting. Minutes will be circulated to members within seven days of the meeting (or as agreed) and presented with the agenda for the next full Governing Body meeting.

The Chair of the Finance, Property, Audit and Risk Committee will report the work of the committee to the full Governing Body. The committee will liaise with such other committees and invite members of other committees to attend its meetings as should be deemed appropriate.

Any matters which may be in conflict with the work of another committee must be referred to the Governing Body.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings of the Finance, Property, Audit and Risk Committee was as follows:

Governor	Meetings attended	Out of a possible
Mrs H Allison-Warby	5	6
Mr P Beighton	6	6
Mrs J Daly	2	3
Mr S Edgar	5	6
Mrs A Edlin	4	6
Mrs R Knowles	3	6
Mr M McKeown	5	6
Mr N Potter	6	6
Mr M Savage	5	6
Mr M Stapleton	5	6
Mr P Watson	1	1
Mrs S Wilkinson	2	6

Review of value for money

As accounting officer, the Headmaster has responsibility for ensuring that the school 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 school's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the school has delivered improved value for money during the year by:

All school contracts such as cleaning, photocopiers, utilities and transport / IT leases are reviewed on a regular basis to ensure they are fit for purpose and represent best value for money.

The school obtains quotations / tenders for all significant expenditure outlays to ensure that the best quality of service / value for money is achieved.

The school will continue to host graduate trainee teachers and receive schools direct income which will ensure the correct supervision / training is given to staff which in the longer term will benefit the pupils who attend the school.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of school policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lincoln Christ's Hospital School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The board of governors has decided to employ Assurance Lincolnshire as internal auditor.

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

- governance reviews;
- payroll procedures;
- budget management and financial planning;
- purchasing procedures, tendering arrangements and the use of school charge cards; and
- cash management, income and banking arrangements.

On an annual basis, the internal auditor reports to the board of governors through the Finance, Property, Audit and Risk Committee on the operation of the systems of control and on the discharge of the governors' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. The report did not identify any high risk issues. Other matters identified have been reviewed by the finance team and a plan of agreed actions has been put in place.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

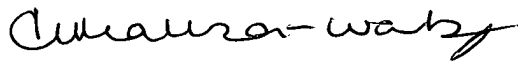
- the work of the internal auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the school who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditors.

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

Approved by order of the members of the board of governors on
on their behalf by:

14/12/22

and signed



Mrs H Allison-Warby
Chair of Governors



Mr M McKeown
Accounting Officer

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Lincoln Christ's Hospital School I have considered my responsibility to notify the school board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the school, under the funding agreement in place between the school and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the school board of governors are able to identify any material irregular or improper use of all funds by the school, or material non-compliance with the terms and conditions of funding under the school's funding agreement and the Academy 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 board of governors and ESFA.



Mr M McKeown
Accounting Officer

Date: 14/12/22

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

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

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


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

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

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

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

Approved by order of the members of the board of governors on
14/12/22 and signed on its behalf by:


Mrs H Allison-Warby
Chair of Governors

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLN CHRIST'S HOSPITAL SCHOOL**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 school's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLN CHRIST'S HOSPITAL SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the school and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

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

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

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLN CHRIST'S HOSPITAL SCHOOL (CONTINUED)**

Responsibilities of governors

As explained more fully in the Statement of governors' responsibilities, the governors (who are also the directors of the school for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the school through discussions with the governors and other management, and from our commercial knowledge and experience of the school and the education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the school, including relevant DfE and ESFA guidance, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety and safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the school's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLN CHRIST'S HOSPITAL SCHOOL (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed significant income streams in the year to agree accurate allocation and to ensure accurate recognition;
- agreed a sample of employees on the school payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the school's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLN CHRIST'S HOSPITAL SCHOOL (CONTINUED)**

Use of our report

This report is made solely to the charitable school's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable school's members those matters we are required to state to them in an Auditors' 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 charitable school and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House

Lucy Tower Street

Lincoln

LN1 1XW

Date: 15/12/22

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN
CHRIST'S HOSPITAL SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter 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 Lincoln Christ's Hospital School during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Lincoln Christ's Hospital School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lincoln Christ's Hospital School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the school's systems and controls and confirmation of the operation and effectiveness during the year.
- A review of expenditure to confirm the appropriateness and value for money.
- A review of connected party arrangements, transactions and balances.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN
CHRIST'S HOSPITAL SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Robert Anderson
Streets Audit LLP
Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 15/12/22

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	4	-	49,668	26,660	76,328	52,372
Other trading activities	5	73,030	-	-	73,030	9,686
Investments	6	126	-	-	126	100
Charitable activities	7	240,158	8,266,782	-	8,506,940	7,768,950
Total income		313,314	8,316,450	26,660	8,656,424	7,831,108
Expenditure on:						
Charitable activities	8,9	313,806	8,389,593	36,150	8,739,549	7,944,025
Total expenditure		313,806	8,389,593	36,150	8,739,549	7,944,025
Net expenditure		(492)	(73,143)	(9,490)	(83,125)	(112,917)
Transfers between funds	19	492	(91,671)	91,179	-	-
Net movement in funds before other recognised gains/(losses)		-	(164,814)	81,689	(83,125)	(112,917)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	4,839,000	-	4,839,000	(279,000)
Defined benefit pension scheme asset not recognised	27	-	(283,000)	-	(283,000)	-
Net movement in funds		-	4,391,186	81,689	4,472,875	(391,917)

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Reconciliation of funds:					
Total funds brought forward	-	(3,617,943)	12,797,595	9,179,652	9,571,569
Net movement in funds	-	4,391,186	81,689	4,472,875	(391,917)
Total funds carried forward	-	773,243	12,879,284	13,652,527	9,179,652

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 59 form part of these financial statements.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07732027

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	12,940,476	12,858,846
		<u>12,940,476</u>	<u>12,858,846</u>
Current assets			
Stocks	15	5,560	-
Debtors	16	377,303	175,625
Cash at bank and in hand		1,108,251	1,001,782
		<u>1,491,114</u>	<u>1,177,407</u>
Creditors: amounts falling due within one year	17	(722,660)	(669,943)
Net current assets		<u>768,454</u>	<u>507,464</u>
Total assets less current liabilities		<u>13,708,930</u>	<u>13,366,310</u>
Creditors: amounts falling due after more than one year	18	(56,403)	(66,658)
Net assets excluding pension asset / liability		<u>13,652,527</u>	<u>13,299,652</u>
Defined benefit pension scheme asset / liability	27	-	(4,120,000)
Total net assets		<u><u>13,652,527</u></u>	<u><u>9,179,652</u></u>

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07732027

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Funds of the school			
Restricted funds:			
Fixed asset funds	19	12,879,284	12,797,595
Restricted income funds	19	773,243	502,057
Restricted funds excluding pension asset	19	13,652,527	13,299,652
Pension reserve	19	-	(4,120,000)
Total restricted funds	19	13,652,527	9,179,652
Unrestricted income funds	19	-	-
Total funds		13,652,527	9,179,652

The financial statements on pages 24 to 59 were approved by the governors, and authorised for issue on and are signed on their behalf, by:

14/12/22

Mrs H Allison-Warby
Chair

H Allison-Warby

The notes on pages 29 to 59 form part of these financial statements.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	21	166,177	366,310
Cash flows from investing activities	23	(49,453)	25,573
Cash flows from financing activities	22	(10,255)	(5,128)
Change in cash and cash equivalents in the year		106,469	386,755
Cash and cash equivalents at the beginning of the year		1,001,782	615,027
Cash and cash equivalents at the end of the year	24, 25	<u><u>1,108,251</u></u>	<u><u>1,001,782</u></u>

The notes on pages 29 to 59 form part of these financial statements

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Lincoln Christ's Hospital School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors 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 school to continue as a going concern. The governors 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 school has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the school's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Taxation

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

1.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- No Depreciation
Furniture and equipment	- 10% straight line
Plant and machinery	- 10% straight line
Computer equipment	- 25% straight line

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.

The school incurs significant repair and replacement costs such that the governors believe residual value of the freehold property is not materially different to the valuation as at 31 August 2012. Accordingly no depreciation is charged on the grounds of immateriality given the governors also consider the freehold property to have a long useful economic life. The governors consider the need for impairment at each period end.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand represents amounts held in current bank accounts only and cash physically held at the school.

1.11 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 school 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

LINCOLN CHRIST'S HOSPITAL SCHOOL
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the school in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Agency arrangements

The school acts as agent in respect of the 16-19 Bursary funding received. Income and expenditure are accounted for through the Balance Sheet with the unspent balance included in other creditors.

1.16 Fund accounting

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

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

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

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

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the school's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the school was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The school has not exceeded these limits during the year ended 31 August 2022.

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4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	-	49,668	-	49,668
Capital Grants	-	-	26,660	26,660
	<u>-</u>	<u>49,668</u>	<u>26,660</u>	<u>76,328</u>
	<u><u>-</u></u>	<u><u>49,668</u></u>	<u><u>26,660</u></u>	<u><u>76,328</u></u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	749	26,150	-	26,899
Capital Grants	-	-	25,473	25,473
	<u>749</u>	<u>26,150</u>	<u>25,473</u>	<u>52,372</u>
	<u><u>749</u></u>	<u><u>26,150</u></u>	<u><u>25,473</u></u>	<u><u>52,372</u></u>

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Lettings Income	73,030	73,030	9,686
	<u>73,030</u>	<u>73,030</u>	<u>9,686</u>
	<u><u>73,030</u></u>	<u><u>73,030</u></u>	<u><u>9,686</u></u>

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6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank Interest Received	126	126	100

7. Funding for the school's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational Operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	7,384,808	7,384,808
Other DfE/ESFA Grants			
Pupil Premium	-	364,997	364,997
Teachers Pension Grant	-	40,154	40,154
Teachers Pay Grant	-	14,209	14,209
Supplementary Grant	-	86,363	86,363
Others	-	48,052	48,052
	-	7,938,583	7,938,583
Other Government Grants			
Local Authority Income	-	205,038	205,038
Other Income from the School's Educational Operations	240,158	58,836	298,994
COVID-19 Additional Funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 Funding	-	45,574	45,574
COVID-19 Additional Funding (non-DfE/ESFA)			
Other COVID-19 Funding	-	18,751	18,751
	240,158	8,266,782	8,506,940

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7. Funding for the school's charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational Operations			
DfE/ESFA Grants			
General Annual Grant (GAG)	-	6,491,338	6,491,338
Other DfE/ESFA Grants			
Pupil Premium	-	367,841	367,841
Teachers Pension Grant	-	238,554	238,554
Teachers Pay Grant	-	84,422	84,422
Others	-	54,353	54,353
	-	7,236,508	7,236,508
Other Government Grants			
Local Authority Income	-	157,015	157,015
Other Income from the School's Educational Operations	132,482	33,565	166,047
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	85,200	85,200
Other DfE/ESFA COVID-19 funding	-	45,160	45,160
	-	130,360	130,360
COVID-19 additional funding (non-DfE/ESFA)			
Other COVID-19 funding	-	79,020	79,020
	132,482	7,636,468	7,768,950

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Operations:				
Direct Costs	4,551,683	-	509,768	5,061,451
Support Costs	2,181,439	872,569	624,090	3,678,098
	6,733,122	872,569	1,133,858	8,739,549

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8. Expenditure (continued)

	<i>Staff Costs</i> 2021 £	<i>Premises</i> 2021 £	<i>Other</i> 2021 £	<i>Total</i> 2021 £
Educational Operations:				
Direct Costs	4,426,769	-	412,336	4,839,105
Support Costs	1,833,568	654,645	616,707	3,104,920
	<u>6,260,337</u>	<u>654,645</u>	<u>1,029,043</u>	<u>7,944,025</u>

9. Analysis of expenditure by activities

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Educational Operations	<u>5,061,451</u>	<u>3,678,098</u>	<u>8,739,549</u>

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational Operations	<u>4,839,105</u>	<u>3,104,920</u>	<u>7,944,025</u>

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff Costs	4,376,673	4,356,883
Educational Supplies	198,241	146,062
Exam Fees	94,816	111,558
Other Staff Costs	189,382	84,839
Other Direct Costs	202,339	139,763
	<u>5,061,451</u>	<u>4,839,105</u>

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension Finance Cost	66,000	58,000
Staff Costs	2,181,439	1,833,568
Depreciation	9,490	8,973
Maintenance and Security	267,748	254,914
Cleaning	190,959	179,667
Utilities	320,598	152,346
Rates	68,108	42,192
Insurance	25,156	25,526
ICT Costs	185,164	162,723
Transport	82,909	61,784
Catering	169,464	190,489
Other Support Costs	96,360	122,150
Governance Costs	14,703	12,588
	<u>3,678,098</u>	<u>3,104,920</u>

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10. Net expenditure

Net expenditure for the year includes:

	2022 £	2021 £
Operating lease rentals	94,840	74,807
Depreciation of tangible fixed assets	9,490	8,973
Fees paid to auditors for:		
- audit	6,000	5,400
- other services	1,650	1,500
	<u> </u>	<u> </u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	4,645,126	4,466,041
Social security costs	467,005	434,465
Pension costs	1,445,981	1,289,945
	<u>6,558,112</u>	<u>6,190,451</u>
Agency staff costs	162,562	52,422
Staff restructuring costs	4,326	10,000
Apprenticeship levy	8,122	7,464
	<u>6,733,122</u>	<u>6,260,337</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	4,326	10,000
	<u>4,326</u>	<u>10,000</u>

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11. Staff (continued)

b. Special staff severance payments

Included in staff restructuring costs is one non-statutory / non-contractual severance payment totalling £4,326 (2021 - one payment of £10,000).

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	86	87
Support Staff	82	72
	<u>168</u>	<u>159</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	85	84
Support Staff	63	61
	<u>148</u>	<u>145</u>

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	3
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the school comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the school was £840,500 (2021 - £790,500).

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12. Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the school. The Headmaster and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headmaster and staff members under their contracts of employment. The value of governors' remuneration and other benefits for the period they were governors was as follows:

		2022	2021
		£	£
Mr M McKeown	Remuneration	100,000 - 105,000	100,000 - 105,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mrs R Knowles	Remuneration	50,000 - 55,000	50,000 - 55,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Mr N Potter	Remuneration	45,000 - 50,000	40,000 - 45,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Dr S Rowland	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs S Wilkinson	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

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

13. Governors' and Officers' insurance

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

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14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	12,844,617	29,351	47,893	39,370	12,961,231
Additions	-	67,842	5,030	18,248	91,120
Disposals	-	-	-	(15,213)	(15,213)
At 31 August 2022	<u>12,844,617</u>	<u>97,193</u>	<u>52,923</u>	<u>42,405</u>	<u>13,037,138</u>
Depreciation					
At 1 September 2021	-	17,610	47,893	36,882	102,385
Charge for the year	-	5,686	252	3,552	9,490
On disposals	-	-	-	(15,213)	(15,213)
At 31 August 2022	<u>-</u>	<u>23,296</u>	<u>48,145</u>	<u>25,221</u>	<u>96,662</u>
Net book value					
At 31 August 2022	<u>12,844,617</u>	<u>73,897</u>	<u>4,778</u>	<u>17,184</u>	<u>12,940,476</u>
At 31 August 2021	<u>12,844,617</u>	<u>11,741</u>	<u>-</u>	<u>2,488</u>	<u>12,858,846</u>

Freehold property is owned by a charity who allow the school to use it for their operations, however the school both pre and post conversion has incurred significant build, repair and replacement costs which have been mostly met, previously by the Local Authority and since conversion, by the school.

As the freehold interest in the premises are held by the school on behalf of the Foundation, the school has decided to recognise the value of the buildings provided in the valuation supplied by the ESFA as part of the WGA exercise as at 31 August 2012 for the purposes of the accounts only.

15. Stocks

	2022 £	2021 £
Kitchen stock	<u>5,560</u>	<u>-</u>

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16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	13,474	13,438
Other debtors	271,984	63,546
Prepayments and accrued income	91,845	98,641
	<u>377,303</u>	<u>175,625</u>

Included in other debtors is VAT recoverable of £271,684 (2021 - £63,546).

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	10,255	10,255
Trade creditors	252,908	316,610
Other taxation and social security	114,345	108,915
Other creditors	197,106	152,362
Accruals and deferred income	148,046	81,801
	<u>722,660</u>	<u>669,943</u>
	2022 £	2021 £
Deferred income:		
Deferred income at 1 September	18,430	18,430
Resources deferred during the year	18,430	18,430
Amounts released from previous periods	(18,430)	(18,430)
Deferred income at 31 August	<u>18,430</u>	<u>18,430</u>

At the year-end, the school had received rates relief funding in advance of the expense being paid.

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

	2022	2021
	£	£
Other loans	56,403	66,658

Included within the above are amounts falling due as follows:

	2022	2021
	£	£
Between one and two years		
Other loans	10,255	10,255
Between two and five years		
Other loans	30,765	30,765
Over five years		
Other loans	15,383	25,638

Other loans represent a loan from the ESFA repayable by monthly instalments commencing in March 2021. Interest will be charged at 2.29%. The loan is unsecured.

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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted Funds						
Other Income	-	313,314	(313,806)	492	-	-
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted General Funds						
General Annual Grant (GAG)	155,360	7,384,808	(6,977,338)	(91,120)	-	471,710
Pupil Premium	61,502	364,997	(365,582)	-	-	60,917
Teachers Pension Grant	-	40,154	(40,154)	-	-	-
Teachers Pay Grant	-	14,209	(14,209)	-	-	-
Supplementary Grant	-	86,363	(86,363)	-	-	-
Other ESFA Grants	-	48,052	(48,052)	-	-	-
COVID-19 Catch Up Premium	37,114	-	(37,114)	-	-	-
Other DfE/ESFA COVID-19 Funding	7,130	45,574	(23,940)	-	-	28,764
Other Government Grants	-	205,038	(205,038)	-	-	-
Other Government COVID-19 Funding	-	18,751	(18,751)	-	-	-
Other Restricted Income	10,020	53,668	(48,033)	(10,255)	-	5,400
School Funds	80,931	54,836	(89,019)	9,704	-	56,452
School Reserve	150,000	-	-	-	-	150,000

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19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Pension Reserve	(4,120,000)	-	(436,000)	-	4,556,000	-
	<u>(3,617,943)</u>	<u>8,316,450</u>	<u>(8,389,593)</u>	<u>(91,671)</u>	<u>4,556,000</u>	<u>773,243</u>
	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted Fixed Asset Funds						
NBV of Fixed Assets	12,858,846	-	(9,490)	91,120	-	12,940,476
ESFA Capital Income	5,466	26,660	(26,660)	-	-	5,466
Other Capital Income	10,196	-	-	(10,196)	-	-
Capital Loan	(76,913)	-	-	10,255	-	(66,658)
	<u>12,797,595</u>	<u>26,660</u>	<u>(36,150)</u>	<u>91,179</u>	<u>-</u>	<u>12,879,284</u>
Total Restricted Funds	<u>9,179,652</u>	<u>8,343,110</u>	<u>(8,425,743)</u>	<u>(492)</u>	<u>4,556,000</u>	<u>13,652,527</u>
Total Funds	<u>9,179,652</u>	<u>8,656,424</u>	<u>(8,739,549)</u>	<u>-</u>	<u>4,556,000</u>	<u>13,652,527</u>

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19. Statement of funds (continued)

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

Unrestricted Funds

General Funds represent those resources which may be used towards meeting any of the objects of the school at the discretion of the governors.

Restricted Funds

General Annual Grant (GAG) represents the annual funding to be used to cover the running costs of the school. The school is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the school, but any balance over 2% must be used for premises / capital purposes.

Other ESFA Grants - individually material grants have been split in the funds analysis above including separate disclosure of COVID-19 related funding with each to be spent for the specific purposes intended.

Other Government Grants - funding has been split between COVID-19 and non-COVID-19 grants with income received from the local authority and other government sources to be spent for the specific purposes intended.

School Funds represent other restricted funds received which must be used for the purpose intended.

School Reserve represent funds which must be used for the agreed purpose intended of any essential maintenance works identified with the express approval of the governors.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds

NBV of Fixed Assets represents the net book value of assets transferred on conversion and subsequently acquired.

ESFA and Other Capital Income represents funding received from the ESFA and other sources which have been received with specific capital purposes imposed by the funder which remain unspent at the year-end.

Capital Loan represents the loan balance outstanding in relation to loan finance from the ESFA to undertake essential maintenance works.

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted Funds						
Other Income	-	161,867	(213,002)	51,135	-	-
	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Restricted General Funds						
General Annual Grant (GAG)	(29,891)	6,491,338	(6,306,087)	-	-	155,360
Pupil Premium	61,502	367,841	(367,841)	-	-	61,502
Teachers Pension Grant	-	238,554	(238,554)	-	-	-
Teachers Pay Grant	-	84,422	(84,422)	-	-	-
Other ESFA Grants	-	54,353	(54,353)	-	-	-
COVID-19 Catch Up Premium	-	85,200	(48,086)	-	-	37,114
Other DfE/ESFA COVID-19 Funding	-	45,160	(38,030)	-	-	7,130
Other Government Grants	-	157,015	(157,015)	-	-	-
Other Government COVID-19 Funding	-	79,020	(79,020)	-	-	-
Other Restricted Income	-	34,170	(19,022)	(5,128)	-	10,020
School Funds	122,518	25,545	(15,997)	(51,135)	-	80,931
School Reserve	150,000	-	-	-	-	150,000

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19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Pension Reserve	(3,534,000)	-	(307,000)	-	(279,000)	(4,120,000)
	<u>(3,229,871)</u>	<u>7,662,618</u>	<u>(7,715,427)</u>	<u>(56,263)</u>	<u>(279,000)</u>	<u>(3,617,943)</u>
Restricted Fixed Asset Funds						
NBV of Fixed Assets	12,867,819	-	(8,973)	-	-	12,858,846
ESFA Capital Income	5,466	25,473	(25,473)	-	-	5,466
Other Capital Income	10,196	-	-	-	-	10,196
Capital Loan	(82,041)	-	-	5,128	-	(76,913)
	<u>12,801,440</u>	<u>25,473</u>	<u>(34,446)</u>	<u>5,128</u>	<u>-</u>	<u>12,797,595</u>
Total Restricted Funds	<u>9,571,569</u>	<u>7,688,091</u>	<u>(7,749,873)</u>	<u>(51,135)</u>	<u>(279,000)</u>	<u>9,179,652</u>
Total Funds	<u>9,571,569</u>	<u>7,849,958</u>	<u>(7,962,875)</u>	<u>-</u>	<u>(279,000)</u>	<u>9,179,652</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	12,940,476	12,940,476
Current assets	1,485,648	5,466	1,491,114
Creditors due within one year	(712,405)	(10,255)	(722,660)
Creditors due in more than one year	-	(56,403)	(56,403)
Total	773,243	12,879,284	13,652,527

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	12,858,846	12,858,846
Current assets	1,161,745	15,662	1,177,407
Creditors due within one year	(659,688)	(10,255)	(669,943)
Creditors due in more than one year	-	(66,658)	(66,658)
Provisions for liabilities and charges	(4,120,000)	-	(4,120,000)
Total	(3,617,943)	12,797,595	9,179,652

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(83,125)	(112,917)
Adjustments for:		
Depreciation	9,490	8,973
Capital grants from the ESFA and other capital income	(26,660)	(25,473)
Interest receivable	(126)	(100)
Defined benefit pension scheme administration cost	4,000	3,000
Defined benefit pension scheme cost less contributions payable	366,000	246,000
Defined benefit pension scheme finance cost	66,000	58,000
Increase in stocks	(5,560)	-
Increase in debtors	(201,678)	(33,520)
Increase in creditors	37,836	222,347
Net cash provided by operating activities	166,177	366,310

22. Cash flows from financing activities

	2022 £	2021 £
Repayments of borrowing	(10,255)	(5,128)
Net cash used in financing activities	(10,255)	(5,128)

23. Cash flows from investing activities

	2022 £	2021 £
Bank interest received	126	100
Purchase of tangible fixed assets	(76,239)	-
Capital grants from the ESFA	26,660	25,473
Net cash (used in)/provided by investing activities	(49,453)	25,573

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24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,108,251	1,001,782
Total cash and cash equivalents	1,108,251	1,001,782

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,001,782	106,469	-	1,108,251
Debt due within 1 year	(10,255)	10,255	(10,255)	(10,255)
Debt due after 1 year	(66,658)	-	10,255	(56,403)
	924,869	116,724	-	1,041,593

26. Contingent liabilities

In the event of Lincoln Christ's Hospital School ceasing to operate as an academy, provisions are included in the funding agreement relating to the claw back of assets and monies paid to the school.

27. Pension commitments

The school'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 County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £122,139 were payable to the schemes at 31 August 2022 (2021 - £120,367) and are included within creditors.

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27. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £774,000 (2021 - £773,500).

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

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £371,000 (2021 - £340,000), of which employer's contributions totalled £297,000 (2021 - £271,000) and employees' contributions totalled £74,000 (2021 - £69,000). The agreed contribution rates for future years are 21.2% for employers and a maximum of 12.5% for employees.

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

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

Principal actuarial assumptions

	2022	2021
	%	%
Pension Increase Rate (CPI)	2.95	2.90
Salary Increase Rate	3.25	3.20
Discount Rate	4.25	1.65

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

	2022	2021
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.2
Females	23.7	23.6
<i>Retiring in 20 years</i>		
Males	22.1	22.0
Females	25.1	25.1

Sensitivity analysis

	2022	2021
	£000	£000
0.1% Decrease in Discount Rate	148	248
0.1% Increase in Salary Increase Rate	18	32
0.1% Increase in Pension Increase Rate	131	213

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27. Pension commitments (continued)

The defined benefit pension scheme balance is based on the principal actuarial assumptions disclosed above as at the 31 August 2022. These can and do change after the year end. The sensitivity analysis above shows how the year-end position would change based on increases / decreases to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme liability by next year-end. Post year-end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts and would not be value for money.

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	5,046,000	4,809,000
Bonds	816,000	954,000
Property	874,000	693,000
Cash	162,000	255,000
Total market value of assets	6,898,000	6,711,000

The actual return on scheme assets was £13,000 (2021 - £1,131,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022 £	2021 £
Current service cost	(656,000)	(517,000)
Past service cost	(7,000)	-
Interest income	112,000	92,000
Interest cost	(178,000)	(150,000)
Administrative expenses	(4,000)	(3,000)
Total amount recognised in the Statement of financial activities	(733,000)	(578,000)

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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	10,831,000	8,781,000
Current service cost	656,000	517,000
Interest cost	178,000	150,000
Employee contributions	74,000	69,000
Changes in actuarial assumptions	(4,938,000)	1,318,000
Benefits paid	(193,000)	(4,000)
Past service costs	7,000	-
At 31 August	6,615,000	10,831,000

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

	2022 £	2021 £
At 1 September	6,711,000	5,247,000
Interest income	112,000	92,000
Return on assets excluding interest	(99,000)	1,039,000
Employer contributions	297,000	271,000
Employee contributions	74,000	69,000
Benefits paid	(193,000)	(4,000)
Administration cost	(4,000)	(3,000)
At 31 August	6,898,000	6,711,000

The actuarial report valued a pension scheme surplus of £283,000 as set out by the disclosures above. This balance has not been recognised on the basis that the balance is not deemed to be recoverable through reduced contributions in the future or through refunds from the plan.

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28. Operating lease commitments

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

	2022 £	2021 £
Amounts payable:		
Not later than 1 year	96,241	90,637
Later than 1 year and not later than 5 years	171,039	228,745
	<u>267,280</u>	<u>319,382</u>

29. Members' liability

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

30. Related party transactions

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

Income Related Party Transaction:

Foundation of Christ's Hospital at Lincoln:

The Foundation of Christ's Hospital at Lincoln is a registered charity in which some of the governors are trustees. During the year, the charity made donations to the school totalling £48,268 (2021 - £21,599) for the hire of school facilities, recharge of staff costs and other contributions. The balance outstanding at the year-end is £12,292 (2021 - £5,795) which is included in trade debtors.

Expenditure Related Party Transaction:

Relatives of Governors:

J Hancock, spouse of D Gibbons, a governor, is employed by the school as a teacher. The governors confirm that the member of staff was fairly recruited and their performance has been managed in the normal way; their employment is considered to be of benefit to the school. J Hancock is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a governor.

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31. Agency arrangements

During the year, the school acted as agent in respect of the 16-19 Bursary. Income for the year was £25,330 and expenditure including administrative costs was £23,090. Including the brought forward balance of £10,488, the remaining balance is £12,728 which is included in other creditors.