

Company Registration Number: 07567230 (England & Wales)

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 11
<b>Governance Statement</b>	12 - 14
<b>Statement on Regularity, Propriety and Compliance</b>	15
<b>Statement of Trustees' Responsibilities</b>	16
<b>Independent Auditor's Report on the Financial Statements</b>	17 - 19
<b>Independent Reporting Accountant's Report on Regularity</b>	20 - 21
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	22
<b>Balance Sheet</b>	23
<b>Statement of Cash Flows</b>	24
<b>Notes to the Financial Statements</b>	25 - 50

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	Mr P Brownsword Mr R Minott Mr T Davis Mr K Johnson Ms E Leck (resigned 6 December 2019)
<b>Trustees</b>	Mr P Brownsword, Chair Mrs D Sharples Mrs J Gotschel, Headteacher Mr T Coppins Mr D Inman Mr R Minott, Vice-chair Mrs J Lennon (appointed 1 December 2019)
<b>Company registered number</b>	07567230
<b>Company name</b>	Lordswood Academies Trust
<b>Principal and registered office</b>	Lordswood Girls' School and Sixth Form Centre Knightlow Road Birmingham B17 8QB
<b>Company secretary</b>	Mrs S Allport
<b>Chief executive officer</b>	Mrs J Gotschel
<b>Senior management team</b>	Mrs J Gotschel, Headteacher and Accounting Officer Ms S Foley, Finance Director Mrs D Dodd, HR Director Mrs L Finucane, Assistant Headteacher Mrs K Adamson, Assistant Headteacher Ms J Milward, Assistant Headteacher Mrs L Verma, Assistant Headteacher
<b>Independent auditor</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Road London EC2V 7HN

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Solicitors**

BrowneJacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

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

The Academy Trust operates a secondary academy in South West Birmingham. The academy has a pupil capacity of 1,170 (this takes account of the increase in PAN from 132 to 154 wef 1.9.2017) and had a roll of 926 in the school census in January 2019.

**Organisation Overview and Current Position**

During 2019-20, the Trust has continued its focus on improving its financial position and the repayment of the legacy deficit from Lordswood Boys' School. The Trust also commissioned an external review of governance in October 2019 and used the findings to inform development and succession planning. Some of this work was put on hold during the period of lockdown and has been resumed from September 2020.

**Structure, governance and management**

**a. Constitution**

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

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

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

The charitable company is known as Lordswood Academies Trust.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of Trustees**

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

**e. Policies adopted for the induction and training of Trustees**

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

**f. Organisational structure**

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

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

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

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

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

The Headteacher is the Accounting Officer.

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

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

**Paid trade union activities**

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

**i. Related parties and other connected charities and organisations**

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Objectives and activities**

**a. Objects and aims**

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

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

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

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

**b. Objectives, strategies and activities**

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

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

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

**Main priorities from 2019/20 School Improvement Plan for Lordswood Girls' School**

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

- i. To improve outcomes for KS5 students through a robust focus on attendance and behaviour and induction and transition support
- ii. To improve outcomes for targeted Pupil Premium students
- iii. To improve support for SEND students
- iv. To improve outcomes in GCSE Modern Languages
- v. To implement strategies to increase the level of challenge and student progress and develop students' long term memory
- vi. To improve the development of literacy across the curriculum
- vii. To improve the quality of intervention for targeted students
- viii. To strengthen the partnership with parents to support student learning



---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Objectives and activities (continued)**

**Priority 2: To continue to implement changes to curriculum & assessment**

- i. To evaluate and refine the curriculum across subject areas
- ii. To increase participation & engagement of students in extra-curricular & enrichment activities
- iii. To prepare for the introduction of the new RSE programme of study
- iv. To improve the delivery of CEIAG at all key stages

**Priority 3: To develop LGS as a centre of excellence**

- i. To continue to develop STEM provision throughout the school
- ii. To work towards achieving Rights Respecting School Silver Award
- iii. To work towards becoming a Youth Pride Network School
- iv. To improve students' attitudes to health & fitness and nurture a healthy, active lifestyle
- v. To develop a Football Academy for the school and sixth form
- vi. To strengthen the future position of Lordswood Academies Trust

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

The majority of these targets were achieved before the national lockdown in March; some have been carried forward to 2020-21.

**c. Public benefit**

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

**Strategic report**

**Achievements and performance**

Lordswood Girls' School continues to focus on improving outcomes for all students and to deliver high quality teaching across all areas. The cancellation of Summer 2020 GCSE and A Level examinations was disappointing for both students and staff who had been working hard to ensure that students were on track to achieve at least their target grades in their different subjects. In spite of this, the school followed a very rigorous process in deriving centre assessed grades and the grades that students were awarded reflected historical performance.

SLEs and other staff have continued to support other schools both within the south west network and beyond and we were delighted that the Lead Professional in Art achieved SLE designation in 2019-20.

Up until lockdown, the school continued to offer curriculum enrichment through its partnership working with the Royal Birmingham Conservatoire and the Birmingham Hippodrome. The Duke of Edinburgh Award continued to attract students at both bronze and silver levels although COVID prevented them from completing the award and this is still on hold.

The school has now established a football academy to run alongside the Basketball and Cricket Academies. The former is now able to benefit from a recently completed all weather pitch which is also available for community hire. In spite of lockdown, the Basketball Academy were able to complete their league and competition programme and remain strong competitors within the premier division of the West Midlands Basketball league. The Academy had another successful season reaching the semi-finals of the Rosebowl Cup. The school also played host to the primary basketball network tournament of 10 schools.

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Key performance indicators**

Lordswood Girls' School continues to be oversubscribed. Due to the cancellation of public examinations in summer 2020, performance tables were suspended. Centre assessed grades which were ultimately awarded to students were, however, in line with historical results. Summer 2020 results were above national figures with improvements seen especially in the performance of pupil premium students. The expected increase in sixth form enrolments suffered as a result of not being able to offer live enrolments although there was an increase in the number of high performing students continuing their studies into the sixth form and the sixth form recruited well from its own students. The new T Level in Education, which is being delivered from September 2020, did not attract as many students as anticipated, in part due to the promotion of the qualification nationally and partly due to the BTec qualification, which has more currency amongst students, not being discontinued as originally expected.

The focus on developing the capacity of leadership and management at Lordswood Girls' School continues in order to support succession planning and the school is maintaining its focus on developing innovative and best practice. The school's core priority is to improve outcomes for all groups of students and to sustain improvements in targeted areas. The development of the sixth form, recruitment and raising post-16 levels of achievement remain a key priority for the school as does the focus on creating a centre of excellence.

**b. Going concern**

Although the Trust is currently showing a deficit in the budget for 2020-21, the Trust continues to strengthen its financial position so that a small surplus will be achieved in 2021-22 with further improvements in the following 2 years. This is achieved by the extra income generated from the increasing PAN and Sixth form growth whilst controlling costs. The Trust continues to work with the ESFA to enable the Trust to pay off the Boys' School's deficit and return to the strong financial position it enjoyed prior to the Boys' School joining the Trust. The ESFA loan to assist this has now been fully repaid which will provide additional cash availability of £100,000 per year.

In order to keep the School open and COVID Compliant, portable toilets are being hired at £90 per week, classroom tables have been replaced by exam desks and the former are being stored in containers at a cost of £75/week and we have employed an additional cleaner to clean "touch" points throughout the day at a cost of £180 per week. We are currently losing £1.6k per week in Lettings. These additional costs and loss of lettings are being constantly monitored and 6 months has been accounted for within our 2020-21 Budget. We have a Contingency Budget which is expected to increase each month with in-year savings to cover any additional expenses from March 21 onwards, if necessary.

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Strategic report (continued)**

**Financial review**

**a. Financial Performance**

The Trust began the financial year forecasting an increase in its deficit but its continued focus on reducing and monitoring expenditure enabled this to be revised and to work towards a balanced budget. All purchasing is continually monitored to ensure best value for money and we continue to review contracts and the contractors with whom the school works to enable further savings. The support staff restructure undertaken in 2018-19 has resulted in additional savings.

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

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

The School remained open during the pandemic for children of key workers and has spent £50k to ensure the School was as safe as possible to reopen to years 10 and 12 in June and all years from September. COVID expenditure has included the hiring of a toilet block and storage of tables, which were replaced by exam desks. Free Schools Meal Vouchers for the first two weeks of school closure were purchased for 186 eligible and vulnerable children at a cost of £5.4k; this cost was refunded by the DfE. The School remained open for vulnerable children and the children of key workers.

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

Lettings were cancelled from March 2020 with a loss of Income in the region of £60k which cannot be claimed back under Business Disruption Insurance. All educational visits were cancelled with the travel company refunding £5k and RPA paying out £11k to enable the school to refund parents. The Year 11 Prom and school production were cancelled and all funds are due to be refunded in 2020-21 Financial Year.

Lordswood Girls' School increased its PAN with effect from September 2017 by 22 pupils per year resulting in a further 110 pupils from 2021 onwards. This will result in additional funding of over £400k by 2022/23. In addition, we continue to promote the sixth form to increase the number of sixth form pupils and are aiming towards an additional 70 pupils by 2021, resulting in potential increased funding of £280k.

Improvements in the Trust's financial position have been hampered this year by the COVID pandemic. Despite a balanced budget, having to suspend school lettings cost the school £60k in income and additional costs in remaining open and COVID compliant throughout have caused additional expenditure of £40k. Due to this and the reduction in DfE funding, the Trust has completed the year with a carried forward deficit of £397k, due to £220k Depreciation and Increased Pension Service Costs of £186k. There has been by a series of significant reductions in expenditure as follows:

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

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

In addition, the Trust has repaid the loan of £100k to the ESFA and continued to make in year savings to create contingency.

The significant staffing restructure undertaken in 2017, combined with an increase in student numbers, will continue to reduce the percentage of GAG income spent on staffing. The teaching staff structure is deemed to be sufficient to accommodate growth in student numbers and there are no plans to increase staffing going forward.

#### **b. Reserves Policy**

The Trustees of the Academy Trust review the reserve levels on an annual basis. The Trust Finance and Audit Committee believe that reserves should provide sufficient working capital to cover delays between spending and receipt of grants and also allow for unexpected situations such as urgent maintenance work. From 2012-2017, the reserves held by Lordswood Girls' School were consumed in the support of falling rolls in the Boys' School.

The reserves total at 31 August 2020 was £5,328,316 (2019: £6,041,942) including the fixed asset reserve of £8,149,363 (2019: £8,363,535), pension reserve deficit of £2,855,000 (2019: deficit of £2,353,000), restricted reserves deficit of £207,879 (2019: deficit of £88,975), and unrestricted reserves had a balance of £241,832 (2019: £120,382). The Trust are continuing to work on the recovery plan to improve the reserve position.

#### **c. Investment Policy**

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

#### **d. Principal Risks and Uncertainties**

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

#### **Fundraising**

The Academy Trust does not use External Fundraisers, all charity fund raising is arranged and overseen by the School Council. The Approach is very much voluntary and the School has raised £3.3k during 2019-20 as Fundraising was postponed during the COVID Pandemic.

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Plans for future periods**

The School Improvement Plan for 2020/21 outlines the priorities for Lordswood Girls' School for the current academic year. The Trust has reviewed its Risk Register in light of COVID challenges and is working on its succession planning.

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

**SCHOOL IMPROVEMENT PLAN 2020-21**

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

- i. To address gaps in learning and student well-being following enforced school closure
- ii. To improve outcomes for KS5 students
- iii. To address underperformance in identified subject areas
- iv. To improve provision for SEND & EAL students
- v. To implement differentiated interventions to improve students' attitudes to learning and raise levels of achievement
- vi. To develop and embed teaching approaches to promote progress and sustain high quality teaching and learning

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

- i. To continue to develop the curriculum & assessment in light of school and national priorities
- ii. To deliver the new T Level in Education
- iii. To implement the revised programmes of study for RSE & CEIAG
- iv. To continue to develop STEM provision across the school

**Priority 3: To develop LGS as a centre of excellence**

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

**Funds held as custodian on behalf of others**

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

**Disclosure of information to auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 4 December 2020 and signed on its behalf by:



**Mr P Brownsword**  
Chair of Trustees

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lordswood Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Brownsword, Chair	10	11
Mrs D Sharples	11	11
Mrs J Gotschel	11	11
Mr T Coppins	9	11
Mr D Inman	11	11
Mr R Minott, Vice-chair	8	11
Mrs J Lennon	8	11

The Board has remained the same in composition. The main challenges have been around keeping a positive cash flow and managing a protracted building project.

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Minot	2	3
Mr T Coppins	3	3
Ms J Lennon	3	3
Mr S Aykroyd	2	3
Mrs D Sharples	1	3
Mrs J Gotschel	3	3

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Review of value for money**

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

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

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

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

**The purpose of the system of internal control**

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

The system of internal control has been in place in Lordswood Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**The risk and control framework (continued)**

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

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

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


**Review of effectiveness**

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on their behalf by:

  
**Mr P Brownsword**  
Chair of Trustees

  
**Ms J Gotschel**  
Accounting Officer



---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of Lordswood Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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

  
**Mrs J Gotschel**  
Accounting Officer  
Date: 4.12.2019

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

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

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

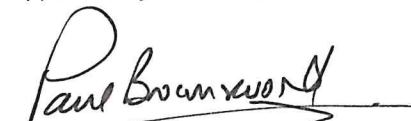
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Mr P Brownsword**  
Chair of Trustees

Date: 4/12/20.

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Opinion**

We have audited the financial statements of Lordswood Academies Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**Dave Darlaston (Senior Statutory Auditor)**

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor  
Black Country House  
Rounds Green Road

Oldbury  
West Midlands  
B69 2DG

Date: *16 December 2020*

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

In accordance with the terms of our engagement letter dated 20 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lordswood Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Lordswood Academies Trust's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Crowe UK LLP*

**Crowe U.K. LLP**  
Reporting Accountant

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: *4 December 2020*

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	4	-	1,314	20,847	22,161	307,878
Charitable activities	5	182,685	5,477,027	-	5,659,712	5,525,696
Other trading activities	6	53,312	-	-	53,312	46,952
Investments	7	453	-	-	453	637
<b>Total income</b>		<b>236,450</b>	<b>5,478,341</b>	<b>20,847</b>	<b>5,735,638</b>	<b>5,881,163</b>
<b>Expenditure on:</b>						
Charitable activities	8	115,000	5,797,330	220,934	6,133,264	5,907,893
<b>Total expenditure</b>		<b>115,000</b>	<b>5,797,330</b>	<b>220,934</b>	<b>6,133,264</b>	<b>5,907,893</b>
<b>Net income/(expenditure)</b>		<b>121,450</b>	<b>(318,989)</b>	<b>(200,087)</b>	<b>(397,626)</b>	<b>(26,730)</b>
Transfers between funds	17	-	14,085	(14,085)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>121,450</b>	<b>(304,904)</b>	<b>(214,172)</b>	<b>(397,626)</b>	<b>(26,730)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(316,000)	-	(316,000)	(228,000)
<b>Net movement in funds</b>		<b>121,450</b>	<b>(620,904)</b>	<b>(214,172)</b>	<b>(713,626)</b>	<b>(254,730)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		120,382	(2,441,975)	8,363,535	6,041,942	6,296,672
<b>Total funds carried forward</b>		<b>241,832</b>	<b>(3,062,879)</b>	<b>8,149,363</b>	<b>5,328,316</b>	<b>6,041,942</b>

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

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

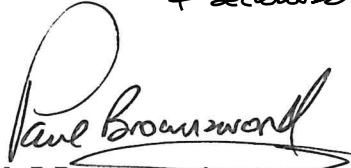


**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07567230**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	8,149,363	8,141,979
<b>Current assets</b>			
Debtors	15	132,727	426,330
Cash at bank and in hand		160,999	549,258
		<u>293,726</u>	<u>975,588</u>
Creditors: amounts falling due within one year	16	(259,773)	(722,625)
<b>Net current assets</b>		<u>33,953</u>	<u>252,963</u>
<b>Net assets excluding pension liability</b>		<u>8,183,316</u>	<u>8,394,942</u>
Defined benefit pension scheme liability	25	(2,855,000)	(2,353,000)
<b>Total net assets</b>		<u><u>5,328,316</u></u>	<u><u>6,041,942</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	8,149,363	8,363,535
Restricted income funds	17	(207,879)	(88,975)
Restricted funds excluding pension asset	17	7,941,484	8,274,560
Pension reserve	17	(2,855,000)	(2,353,000)
<b>Total restricted funds</b>	17	<u>5,086,484</u>	<u>5,921,560</u>
<b>Unrestricted income funds</b>	17	<u>241,832</u>	<u>120,382</u>
<b>Total funds</b>		<u><u>5,328,316</u></u>	<u><u>6,041,942</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 4 December 2020 and are signed on their behalf, by:

  
**Mr P Brownsword**  
 Chair of Trustees

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

---

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	(181,241)	209,837
<b>Cash flows from investing activities</b>	20	(207,018)	(235,518)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		(388,259)	(25,681)
Cash and cash equivalents at the beginning of the year		549,258	574,939
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<u>160,999</u>	<u>549,258</u>

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**1. General information**

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registered number 07567230). The address of the registered office is Lordswood Girls' School and Sixth Form Centre, Knightlow Road, Birmingham, B17 4QB.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**2.2 Going concern**

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**2. Accounting policies (continued)**

**2.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**2. Accounting policies (continued)**

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets**

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

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

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

The estimated useful lives are as follows:

Leasehold land	- 125 years
Long-term leasehold property	- 50 years
Furniture and equipment	- 10 years
Computer equipment	- 3 years

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

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

**2.7 Debtors**

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

**2.8 Cash at bank and in hand**

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**2. Accounting policies (continued)**

**2.9 Liabilities**

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

**2.10 Financial instruments**

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

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

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2.11 Operating leases**

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**2. Accounting policies (continued)**

**2.12 Pensions**

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

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

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

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

**2.13 Agency arrangements**

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**2. Accounting policies (continued)**

**2.14 Fund accounting**

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

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

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

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

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**4. Income from donations and capital grants**

	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations	1,314	-	1,314
Grants	-	20,847	20,847
	<u>1,314</u>	<u>20,847</u>	<u>22,161</u>



**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**4. Income from donations and capital grants (continued)**

	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	2,693	-	2,693
Grants	-	305,185	305,185
	<u>2,693</u>	<u>305,185</u>	<u>307,878</u>

**5. Funding for the Academy Trust's educational operations**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	4,926,869	4,926,869
Other DfE/ESFA grants	-	534,646	534,646
	<u>-</u>	<u>5,461,515</u>	<u>5,461,515</u>
<b>Other government grants</b>			
Local Authority grants	-	10,101	10,101
	<u>-</u>	<u>10,101</u>	<u>10,101</u>
<b>Other funding</b>			
Other incoming resources	182,685	-	182,685
	<u>182,685</u>	<u>-</u>	<u>182,685</u>
<b>Exceptional government funding</b>			
Coronavirus exceptional support	-	5,411	5,411
	<u>-</u>	<u>5,411</u>	<u>5,411</u>
	<u>182,685</u>	<u>5,477,027</u>	<u>5,659,712</u>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

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

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	4,984,119	4,984,119
Other DfE/ESFA grants	-	270,918	270,918
	-	5,255,037	5,255,037
<b>Other government grants</b>			
Local Authority grants	-	19,143	19,143
	-	19,143	19,143
<b>Other funding</b>			
Other incoming resources	156,275	95,241	251,516
	156,275	95,241	251,516
	156,275	5,369,421	5,525,696

**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Hire of facilities	45,806	45,806
Other income	7,506	7,506
	53,312	53,312

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**6. Income from other trading activities (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	46,018	46,018
Other income	934	934
	46,952	46,952
	46,952	46,952

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Short term deposits	453	453
	453	453
	453	453

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Short term deposits	637	637
	637	637
	637	637

**8. Expenditure**

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

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**8. Expenditure (continued)**

	<i>Staff Costs</i> 2019 £	<i>Premises</i> 2019 £	<i>Other</i> 2019 £	<i>Total</i> 2019 £
Academy Trust's educational operations:				
Direct costs	4,080,625	-	356,950	4,437,575
Allocated support costs	751,829	240,157	478,332	1,470,318
<i>Total 2019</i>	<u>4,832,454</u>	<u>240,157</u>	<u>835,282</u>	<u>5,907,893</u>

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Provision of education	<u>4,673,135</u>	<u>1,460,129</u>	<u>6,133,264</u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Provision of education	<u>4,437,575</u>	<u>1,470,318</u>	<u>5,907,893</u>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2020 £</b>	<b>Total funds 2020 £</b>
Staff costs	701,918	<b>701,918</b>
Depreciation	220,934	<b>220,934</b>
Premises costs	191,640	<b>191,640</b>
Governance costs	17,708	<b>17,708</b>
Technology costs	29,652	<b>29,652</b>
Other support costs	298,277	<b>298,277</b>
	<u>1,460,129</u>	<u><b>1,460,129</b></u>
	<i>Activities 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	751,829	751,829
Depreciation	166,838	166,838
Premises costs	240,157	240,157
Governance costs	21,411	21,411
Technology costs	71,328	71,328
Other support costs	218,755	218,755
	<u>1,470,318</u>	<u>1,470,318</u>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	12,440	13,636
Depreciation of tangible fixed assets	215,934	236,468
Fees paid to auditor for:		
- audit	9,500	10,500
- other services	2,750	4,175
	9,250	14,675

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	3,573,652	3,654,673
Social security costs	321,093	319,070
Pension costs	977,227	796,627
	4,871,972	4,770,370
Agency staff costs	53,910	57,571
Staff restructuring costs	42,504	4,513
	4,968,386	4,832,454

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	12,504	3,060
Severance payments	30,000	1,453
	42,504	4,513

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2019: £1,453). Individually, the payment was: £30,000.

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**11. Staff (continued)**

**c. Staff numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Teachers	70	73
Administration and support	32	35
Management	7	8
	<b>109</b>	<b>116</b>
	<b>109</b>	<b>116</b>

**d. Higher paid staff**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	3	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	-	1
	<b>-</b>	<b>1</b>
	<b>-</b>	<b>1</b>

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £614,064 (2019: £672,708).

**12. Trustees' remuneration and expenses**

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

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Mrs J Gotschel, Headteacher	Remuneration	<b>95,000 -</b>	<i>105,000 -</i>
		<b>100,000</b>	<i>110,000</i>
	Pension contributions paid	<b>0 - 5,000</b>	<i>15,000 -</i> <i>20,000</i>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**12. Trustees' remuneration and expenses (continued)**

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

**13. Trustees' and Officers' insurance**

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

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Assets under construction £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	8,025,788	310,936	240,138	593,108	9,169,970
Additions	-	-	12,510	215,808	228,318
Disposals	-	-	(137,493)	-	(137,493)
At 31 August 2020	<u>8,025,788</u>	<u>310,936</u>	<u>115,155</u>	<u>808,916</u>	<u>9,260,795</u>
<b>Depreciation</b>					
At 1 September 2019	631,745	203,244	193,002	-	1,027,991
Charge for the year	153,016	36,041	31,877	-	220,934
On disposals	-	-	(137,493)	-	(137,493)
At 31 August 2020	<u>784,761</u>	<u>239,285</u>	<u>87,386</u>	<u>-</u>	<u>1,111,432</u>
<b>Net book value</b>					
At 31 August 2020	<u><u>7,241,027</u></u>	<u><u>71,651</u></u>	<u><u>27,769</u></u>	<u><u>808,916</u></u>	<u><u>8,149,363</u></u>
At 31 August 2019	<u><u>7,394,043</u></u>	<u><u>107,692</u></u>	<u><u>47,136</u></u>	<u><u>593,108</u></u>	<u><u>8,141,979</u></u>

Following a detailed review of Fixed Assets and reconciliation to the fixed asset register various inaccuracies were noted. A prior year adjustment has been processed that has amended the opening cost and depreciation balances above. Details are disclosed in note 24.



**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**15. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	119	3,855
Other debtors	43,345	30,812
Prepayments and accrued income	89,263	391,663
	<b>132,727</b>	<b>426,330</b>

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
ESFA loan	-	100,000
Trade creditors	61,037	132,330
Other taxation and social security	84,122	87,740
Other creditors	2,480	233
Accruals and deferred income	112,134	402,322
	<b>259,773</b>	<b>722,625</b>

	2020 £	2019 £
Deferred income at 1 September 2019	33,576	30,774
Resources deferred during the year	53,462	33,576
Amounts released from previous periods	(28,018)	(30,774)
	<b>59,020</b>	<b>33,576</b>

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

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General Funds	120,382	236,450	(115,000)	-	-	241,832
<b>Restricted general funds</b>						
General Annual Grant	(88,975)	4,926,869	(5,059,858)	14,085	-	(207,879)
Other DfE/ESFA grants	-	534,646	(534,646)	-	-	-
Local Authority Grants	-	10,101	(10,101)	-	-	-
Coronavirus exceptional support	-	5,411	(5,411)	-	-	-
Donations	-	1,314	(1,314)	-	-	-
Pension reserve	(2,353,000)	-	(186,000)	-	(316,000)	(2,855,000)
	<u>(2,441,975)</u>	<u>5,478,341</u>	<u>(5,797,330)</u>	<u>14,085</u>	<u>(316,000)</u>	<u>(3,062,879)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	8,141,979	20,847	(220,934)	207,471	-	8,149,363
Local authority capital grants	221,556	-	-	(221,556)	-	-
	<u>8,363,535</u>	<u>20,847</u>	<u>(220,934)</u>	<u>(14,085)</u>	<u>-</u>	<u>8,149,363</u>
<b>Total Restricted funds</b>	<u>5,921,560</u>	<u>5,499,188</u>	<u>(6,018,264)</u>	<u>-</u>	<u>(316,000)</u>	<u>5,086,484</u>
<b>Total funds</b>	<u><u>6,041,942</u></u>	<u><u>5,735,638</u></u>	<u><u>(6,133,264)</u></u>	<u><u>-</u></u>	<u><u>(316,000)</u></u>	<u><u>5,328,316</u></u>

Following a detailed review of Fixed Assets and reconciliation to the fixed asset register various inaccuracies were noted. A prior year adjustment has been processed that has amended the opening Restricted and Restricted Fixed Asset Funds. Details are disclosed in note 24

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**17. Statement of funds (continued)**

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

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

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

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General Funds	64,675	203,864	(148,157)	-	-	120,382
<b>Restricted general funds</b>						
General Annual Grant	(229,932)	4,984,119	(4,990,903)	147,741	-	(88,975)
Pupil Premium	-	195,845	(195,845)	-	-	-
Other DfE/ESFA grants	-	192,150	(192,150)	-	-	-
Pension reserve	(1,911,000)	-	(214,000)	-	(228,000)	(2,353,000)
	<u>(2,140,932)</u>	<u>5,372,114</u>	<u>(5,592,898)</u>	<u>147,741</u>	<u>(228,000)</u>	<u>(2,441,975)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	7,760,106	103,344	(166,838)	445,367	-	8,141,979
Local authority capital grants	612,823	201,841	-	(593,108)	-	221,556
	<u>8,372,929</u>	<u>305,185</u>	<u>(166,838)</u>	<u>(147,741)</u>	<u>-</u>	<u>8,363,535</u>
<b>Total Restricted funds</b>	<u>6,231,997</u>	<u>5,677,299</u>	<u>(5,759,736)</u>	<u>-</u>	<u>(228,000)</u>	<u>5,921,560</u>
<b>Total funds</b>	<u><u>6,296,672</u></u>	<u><u>5,881,163</u></u>	<u><u>(5,907,893)</u></u>	<u><u>-</u></u>	<u><u>(228,000)</u></u>	<u><u>6,041,942</u></u>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

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

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	8,141,979	8,141,979
Current assets	120,382	293,074	562,132	975,588
Creditors due within one year	-	(382,049)	(340,576)	(722,625)
Provisions for liabilities and charges	-	(2,353,000)	-	(2,353,000)
<b>Total</b>	<b>120,382</b>	<b>(2,441,975)</b>	<b>8,363,535</b>	<b>6,041,942</b>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	<b>(397,626)</b>	<b>(26,730)</b>
<b>Adjustments for:</b>		
Depreciation	220,934	159,467
Capital grants from DfE and other capital income	(20,847)	(305,185)
Interest receivable	(453)	(637)
Defined benefit pension scheme cost less contributions payable	142,000	170,000
Defined benefit pension scheme finance cost	44,000	44,000
Decrease in debtors	293,603	153,799
(Decrease)/increase in creditors	(462,852)	15,123
<b>Net cash (used in)/provided by operating activities</b>	<b>(181,241)</b>	<b>209,837</b>

**20. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	453	637
Purchase of tangible fixed assets	(228,318)	(541,340)
Capital grants from DfE Group	20,847	305,185
<b>Net cash used in investing activities</b>	<b>(207,018)</b>	<b>(235,518)</b>

**21. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	160,999	549,258
<b>Total cash and cash equivalents</b>	<b>160,999</b>	<b>549,258</b>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**22. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	549,258	(388,259)	160,999
Debt due within 1 year	(100,000)	100,000	-
	<u>449,258</u>	<u>(288,259)</u>	<u>160,999</u>

**23. Capital commitments**

	2020 £	2019 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	232,878
	<u>-</u>	<u>232,878</u>

**24. Prior year adjustment**

The prior year adjustment of £69,630 is in respect of an errors identified in the fixed assets balances disclosed in last years financial statements; the Academy Trust has identified £77,001 of depreciation overcharged in prior years; £40,411 of additions incorrectly capitalised; £33,040 worth of additions incorrectly expensed; transfers between asset classes (assets under construction to land and buildings) in the 31 August 2019 financial statements were incorrectly overstated by £56,630 between assets under construction and land and buildings; cost and depreciation of assets transferred to Lordswood Boys' School at 31st August 2018 were both understated by £83,506 and; £5,907 of depreciation was allocated incorrectly to furniture and equipment rather than computer equipment.

As a result both Restricted Fixed Asset Funds and Fixed asset net book value have been reduced by £69,630 at 1 September 2019.

In previous years, transfers had not been made between the Restricted Funds and the Restricted Fixed Asset Funds, this has now been adjusted and has resulted in the opening position of each fund being adjusted by £196,741.

**25. Pension commitments**

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

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

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**25. Pension commitments (continued)**

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £599,000 (2019 - £430,000).

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

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



**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**25. 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 2020 was £241,000 (2019 - £251,000), of which employer's contributions totalled £192,000 (2019 - £198,000) and employees' contributions totalled £ 49,000 (2019 - £53,000). The agreed contribution rates for future years are 19.4 per cent for employers and per cent for employees.

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

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.65	1.85

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	25.1

**Sensitivity analysis**

	2020	2019
	£000	£000
Discount rate +0.1%	155	118
Discount rate -0.1%	(159)	(121)
Mortality assumption - 1 year increase	(221)	(102)
Mortality assumption - 1 year decrease	213	100
CPI rate +0.1%	(20)	(18)
CPI rate -0.1%	20	18

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**25. Pension commitments (continued)**

**Share of scheme assets**

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

	2020 £	2019 £
Equities	1,643,000	1,562,000
Gilts	317,000	246,000
Corporate bonds	114,000	98,000
Property	221,000	212,000
Cash and other liquid assets	194,000	94,000
Other	437,000	386,000
<b>Total market value of assets</b>	<b>2,926,000</b>	<b>2,598,000</b>

The actual return on scheme assets was £259,000 (2019 - £156,000).

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

	2020 £	2019 £
Current service cost	334,000	305,000
Past service cost	-	62,000
Interest income	(50,000)	(63,000)
Interest cost	92,000	107,000
Administrative expenses	2,000	1,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>378,000</b>	<b>412,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>4,951,000</b>	<b>4,402,000</b>
Current service cost	334,000	305,000
Interest cost	92,000	107,000
Employee contributions	49,000	53,000
Actuarial losses	368,000	34,000
Benefits paid	(13,000)	(12,000)
Past service costs	-	62,000
<b>At 31 August</b>	<b>5,781,000</b>	<b>4,951,000</b>

**LORDSWOOD ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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

**25. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,598,000</b>	<b>2,491,000</b>
Interest income	50,000	63,000
Actuarial gains/(losses)	52,000	(194,000)
Employer contributions	192,000	198,000
Employee contributions	49,000	53,000
Benefits paid	(13,000)	(12,000)
Administrative expenses	(2,000)	(1,000)
<b>At 31 August</b>	<b>2,926,000</b>	<b>2,598,000</b>

**26. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	11,032	5,335
Later than 1 year and not later than 5 years	17,848	2,971
	<b>28,880</b>	<b>8,306</b>

**27. 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.

---

**LORDSWOOD ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

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

---

**28. Related party transactions**

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

During the year the Trust paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust totalling £60,978 (2019: £54,870)

**29. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020, the trust received £38,329 (2019: £45,260) and disbursed £38,403 (2019: £45,746) from the fund. An amount of £74 (2019: £5,572) is included in accruals and deferred income relating to undistributed funds that are repayable to the ESFA.