

**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2017**  
**THE LUTTERWORTH ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

Smith Hodge & Baxter  
Chartered Accountants  
& Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

**THE LUTTERWORTH ACADEMIES TRUST**

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**FOR THE YEAR ENDED 31 AUGUST 2017**

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**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	Leicester Diocese Educational Trust Mrs Elisabeth Baines Rev'd Charlie Styles Mr John Warren Mrs Sheila Titterington	Ex Officio
<b>Trustees</b>	Mrs Judith Briers Mrs Helen Christie Mr Mark Janssens Ms Viv Lawson Mr Russell Murch Rev'd Charlie Styles Mr John Taylor Mrs Sheila Titterington Mrs Elaine Turner Mr John Warren Ms Nina Woodcorck	Resigned 31 January 2017 Appointed 7 April 2017 Resigned 26 September 2017  Appointed 7 April 2017 Chair Resigned 18 March 2017 Vice Chair  Vice Chair
<b>Executive Principal</b>	Judith Briers	Accounting Officer - Resigned 31 January 2017
<b>Heads of School</b>		
Lutterworth College	Ben Solly Nick Summers	Resigned 28 August 2017 Acting Head - Appointed 23 August 2017
Sir Frank Whittle Studio School	Paul Hostead	Accounting Officer from 1 February 2017
<b>Deputy Heads of School</b>		
Lutterworth College Sir Frank Whittle Studio School	Nick Summers John Redmond	Until 23 August 2017
<b>Assistant Headteachers</b>		
Lutterworth College	Michelle Hadley Dominic Lane Abigail Lear Stewart Shovlin Viv Lawson	Resigned 23 August 2017 Appointed 23 August 2017 Appointed 23 August 2017
<b>Finance Director</b>	Laura Kendrick	
<b>Human Resources Director</b>	Jo Molyneux	Resigned 13 August 2017
<b>Principal and Registered office</b>	Lutterworth College Bitteswell Road Lutterworth LE17 4EW	
<b>Company Registration Number</b>	08038063 (England and Wales)	
<b>Independent Auditor</b>	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL	

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Bankers** Barclays Business Banking  
Barclays House  
Meridian Business Park  
Leicester

**Solicitors** Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their report together with the financial statements and auditors' report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust is a mixed multi-academy trust. It operates a voluntary controlled (Church of England) mixed comprehensive school, Lutterworth College, for students aged 11+ serving a catchment area in South Leicestershire. The Trust also operates a studio school, Sir Frank Whittle Studio School, for students aged 14+, which first opened to students on 1 September 2014 and has no designated religious character. The Trust has a pupil capacity of 2,347 and had a roll of 1,131 in the October 2016 school census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Lutterworth Academies Trust is a company, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of The Lutterworth Academies Trust are also the directors of the charitable company for the purposes of company law.

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

**Members' liability**

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

**Trustees' indemnities**

In accordance with normal commercial practice the Academy has purchased professional indemnity insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

**Principal activities**

The Trust's object and principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the forgoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Academies other than those designated Church of England, whether with or without a designated religious character; and
- Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of education,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

This is performed through the operations of Lutterworth College and the Sir Frank Whittle Studio School.

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

The articles of association require no fewer than three nor greater than twelve Trustees. On conversion from a single academy trust to a multi-academy trust the existing Trustees either remained in post or resigned. Subsequent Trustees of the multi-academy trust are to be appointed as follows:

- Up to eight Trustees can be appointed by the members and the Diocesan Board of Education:
  - Members shall appoint up to six Trustees
  - The Diocesan Board of Education shall appoint no fewer than two Trustees provided that the number of Trustees appointed by the Diocese does not exceed 25% of the total number of Trustees.
- One staff trustee who shall be appointed following a secret ballot of all staff employed by the Trust (excluding the Executive Principal and the two heads of school)
- The Chief Executive Officer (being the Executive Principal)

The term of office for any trustee, shall be four years except the Executive Principal who remains as trustee whilst in post.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

The training and induction provided for new Trustees will depend on their existing experience. Any new Trustees are supplied with an induction pack. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the Academies and the chance to meet with staff and students. All Trustees are given access to the intranet of both Academies where they can access copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. There is also the opportunity for mentoring by a more experienced trustee.

**Organisational structure**

The board of Trustees retains overall responsibility for the management of the affairs of the trust.

The board of Trustees meets six times during school term time. It continues to provide the strategic leadership of the trust. Financial, operational and staffing issues are reported directly to the board of Trustees. There are local governing bodies for each of the two Academies, which focus on teaching and learning within each school. The chair of each local governing body is appointed by the board of Trustees and is also appointed as vice chair of the board of Trustees. Local governing bodies appoint their own vice chairs.

There is a scheme of financial delegation to the Accounting Officer with the Finance Director performing the role of Chief Finance Officer.

The Senior Leaders are the Executive Principal (until date of resignation), Heads of Schools, Deputy Head of Schools, and, for Lutterworth College, the Assistant Principals. These managers control the two Academies at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff and are supported by the Human Resources Director and the Finance and Operations Director, both of whom work across the two Academies.

The Extended leadership team includes the Leadership team, Heads and Deputy Heads of Faculties. These leaders are responsible for the day to day operation of the faculties within each Academy.

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

The Trust has a pay policy which is reviewed annually and is relevant to all Teaching members of staff including Teaching Leadership Roles. Following completion of an annual appraisal, pay recommendations for these groups of staff can be made where applicable and when supported by the Headteacher (or relevant line manager if more senior) to the Pay Committee (a panel of 3 Directors). Support Staff (all levels) terms and conditions differ in that pay and performance are not linked and therefore not subject to the Pay Committee.

**Related Parties and other Connected Charities and Organisations**

**LASA**

Lutterworth College and Sir Frank Whittle Studio School are members of LASA (Lutterworth Area Schools Association); a group of schools from South Leicestershire. LASA aims to create an inclusive and productive partnership between Member Schools where all schools who are part of the association benefit from effective support to help pupils improve their learning outcomes and reach their full potential. Each school and academy within LASA contributes an amount based on pupil numbers each year to fund LASA, and Lutterworth College manages all the income and expenditure on behalf of LASA. Due to the level of surplus funds being carried forward from the previous year no contributions were made by the Trust to LASA during the year (2016: £Nil).

**Lutterworth Upper School Endowment**

The Lutterworth Upper School Endowment is a capital endowment fund held in a separate charity managed by Leicestershire County Council. The capital element of the endowment is held in the Education Trust Fund Pooling Scheme with funds from other charities relating to different schools and academies across the county, and then invested as part of this larger pooled sum to achieve maximum return on the capital. Income is credited to the individual charities in the pooling scheme based on the value of units each charity holds. Income of £Nil was received by the Lutterworth Upper School Endowment in the year to 31 March 2017 (2016: £Nil).

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The Trust's object and principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the forgoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Academies other than those designated Church of England, whether with or without a designated religious character; and
- Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of education,

but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

This is performed through the operations of Lutterworth College and the Sir Frank Whittle Studio School.

Lutterworth College is a voluntary controlled (Church of England) mixed comprehensive school for students aged 11+. Formerly known as Lutterworth Grammar School, the Academy has a long tradition of providing a quality education with high expectations for all students both in and out of the classroom. Results are consistently above the national average; students benefit from an outstanding curriculum which offers extensive choice and meets their individual needs. The Academy promotes high quality teaching and learning. Staff are proud of the Academy which attracts talented, committed, and conscientious teachers who are "confident in their specialist subjects and provide interesting learning activities" (Ofsted) assisted by experienced support staff.

Sir Frank Whittle Studio School opened to students on 1 September 2014. It is a school for 14-19 year-olds specialising in business and engineering and providing students with a distinctive academic and vocational education. Features of the school include a personal coach for every student and high quality work experience with prestigious business partners. Ofsted commented in their report of March 2017 "The school is, quite simply, changing these pupils' lives".

Both Academies are inclusive, attaching great importance to understanding each student's individual needs and helping all students to make the most of their abilities. Both Academies strive for students to achieve well in exams but also for them to become well rounded people through leadership opportunities and participating in activities outside the classroom, and outside school.

**Objectives, strategies and activities**

The main objectives of the Trust during the period ended 31 August 2017 are summarised below:

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

The Trust's main strategy for carrying out its objects is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- offering the right mix of courses and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff so that they can continue to teach well;
- additional expert support for students with learning difficulties and disabilities to enable them to achieve well;
- arranging work experience placements with industrial and commercial partners;
- a programme of extra-curricular opportunities for all students including sporting and after school leisure activities and clubs;
- guidance and advice to help students obtain employment or move on to higher education or other training; and
- extensive pastoral support and mentoring programmes for all students.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**OBJECTIVES AND ACTIVITIES (continued)**

**Public Benefit**

The Trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The Trustees ensure that the Academies' activities, as described above, are undertaken in line with the charitable objects and aims. The Academies follow the school admissions criteria and policies of Leicestershire County Council to ensure that the basis for admissions is transparent and as fair as possible to all potential pupils applying to the Academies, and is comparable to other local state-funded Schools and Academies.

**Employee engagement and consultation**

There are regular staff announcements on the Academies' staff intranet sites to communicate a wide range of information to all employees on the Academies' activities. The Trustees and Senior Leadership Teams value greatly any constructive feedback from all teaching and support staff, and employees have been encouraged to respond to the formal consultations managed by the Academies which have taken place during the year.

**Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled persons**

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment where practical, by making support resources available and through training and career development.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The Trust challenges all students to make the best of their considerable talents and abilities. The Academies strive to provide an excellent curriculum, good teaching by committed staff and a culture of high aspirations to ensure students of all abilities achieve well and enjoy their learning.

**KEY PERFORMANCE INDICATORS**

In 2017 Lutterworth College students achieved the following GCSE headlines:

All GCSE KPI for Lutterworth College increased significantly against 2016 outcomes.

- Positive Progress 8 score of 0.1
- Attainment 8 score was 5.4 (The highest attaining school in Leicestershire)
- 89% of students achieved a Grade 4 or above in both English & Maths
- 24% of students achieved a Grade 7 or above in English
- 94% of students achieved a Grade 4 or above in English
- 20% of students achieved a Grade 7 or above in Maths
- 83% of students achieved a Grade 4 or above in Maths

In 2017 Lutterworth College students achieved the following Sixth Form headlines:

All Sixth Form KPI for Lutterworth College increased significantly against 2016 outcomes.

- A positive Academic progress score of 0.14
- A positive Vocational progress score of 0.87
- Average Point Score of 37.03
- Average A level Grade of a B-
- Average Vocational Grade achieved was a Distinction \*
- A\*-A cumulative grades = 29% of all student entries
- A\*-B cumulative grades = 58% of all student entries
- A\*-C cumulative grades = 87\* of all student entries

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**KEY PERFORMANCE INDICATORS (continued)**

**Sir Frank Whittle Studio School**

GCSE results Summary August 2017

- 58% of students achieved 4+ in English and Maths
- 16.7% of students achieved 5+ in English and Maths.
- Progress 8 score of -0.73 (under review due to incomplete data)
- 100% of students went on to their first choice destination at the end of Year 11

**Post 16: Vocational statistics**

Attainment in Level 3 BTEC Extended National Diploma

- 100% of results were at least a Level 3 Pass (2016: 100%).
- 77% of results were at Distinction\* or Distinction level (2016: 57%)

Attainment in Level 3 BTEC Extended National Diploma in Engineering

- 100% pass rate in Engineering (2016: 100%)
- 100% of students achieved the Level 3 Extended National Diploma (3 A Level equivalent)
- 77% of students achieved all Distinction\*/Distinction grades (2016: 50%)
- Results show a clear improvement on 2016 outcomes based on attainment with more Merit/Distinction and Distinction\* grades.

Attainment in Level 3 BTEC Extended National Diploma in Business

- 100% pass rate (2016: 100%)
- 80% of students exceeded their 'Target' (2016: 83%)
- 100% of students achieved the Level 3 Extended Diploma (3 A Level equivalent) (2016: 100%)
- Three students out of five achieved all Distinction\* grades

Attainment in Level 3 BTEC Extended National Diploma in Sport

- 100% pass rate (2016: no results)
- 67% Distinction \* - Distinction
- 100% Distinction\* - Merit

**GOING CONCERN**

As at 31 August 2017, the Academy Trust had net current assets of £619,000, however £437,000 of this relates capital grants which have been received in advance of costs being incurred. The Academy Trust also incurred an operating deficit in the year of £488,000 (excluding restricted pension and restricted fixed asset funds) and is forecast to make an operating deficit in 2017/18. The key reasons for the current and planned operating deficit are:

- Significant reduction in number on roll for Lutterworth College following age range change in Leicestershire
- Costs associated with reducing in size
- Local Authority decisions around reducing levels of funding
- Increases in costs outside of the Trusts control such as employers pension and National Insurance contributions

In the short to medium term, recruitment of new or replacement staff members is being put under close scrutiny as this the Academy Trust's key cost. Where possible staff members are being reduced organically and necessary staffing replacements are being recruited at lower pay grades in order to maximise cost savings. However, there have also been an internal re-structures over the course of this and the previous financial year in order to re-align staff numbers with pupil numbers, the financial impact of this disclosed in Note 8 to the financial statements. The Trustees recognise that the key area in which to make future savings is in staff costs and are currently exploring further opportunities in this area.

The Trustees recognised the impending issue some time ago and have prepared 3 and 5 year budgets/forecasts which show, once student numbers improve across all year groups, the Trust returns to a surplus situation. These forecasts have been shared with the ESFA with a view to obtaining advance funding to secure the Academy Trust's financial position. The Trustees have a reasonable expectation that this funding should be available as and when required.

On this basis the Trustees have a reasonable expectation that the Trust will have adequate funding to continue to operate for the foreseeable future. As a result, the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**FINANCIAL REVIEW (continued)**

**Financial performance for the year**

Most of the Academy Trust's operating income is obtained from the Education and Skills Funding Agency (ESFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA/DfE during the year ended 31 August 2017, totalling £5.8m (2016: £8.6m), and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA/DfE. These totalled £0.8m in the period (2016: £0.7m). In accordance with the Charities Statement of Recommended Practice (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy Trust also generates additional income from catering, pupil trips and the hiring of school facilities to external parties. This income amounted to £0.7m (2016: 0.7m) in the year.

Total expenditure in the year was £8.0m (2016: £9.9m), however £0.6m (2016: £0.5m) related to depreciation, therefore underlying revenue expenditure was £7.4m (2016: £9.4m), of which £5.8m (2016: £7.6m) 78% (2016: 81%) was staff costs.

The net expenditure for the year was £0.6m (2016: Net Income £0.1m).

**Financial position**

At 31 August 2017 the Academy Trust held fund balances of £10.6m (2016: £9.6m) comprising £10.5m (2016: £9.23m) of restricted funds and £0.10m (2016: £0.35m) of unrestricted funds. These funds are represented in the main by fixed assets of £14.8m, debtors of £0.7m, cash balances of £0.5m, creditors of £0.8m (including £0.1m falling due after more than one year) and a pension scheme liability of £4.7m.

**Fixed assets**

At 31 August 2017 the net book value of tangible fixed assets was £14.8m (2016: £12.5m) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust. The bulk of the value of the assets lies in the leasehold land and buildings. These were valued (on the basis of depreciated replacement cost) on transfer from the local authority by a RICS registered valuer employed by Leicestershire County Council.

**Reserves policy**

The Trustees continually review the reserve levels and reserves policy of the Academy Trust with a view to the requirements of the forthcoming year and beyond. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, the nature of reserves, and the need to demonstrate regularity and propriety in the use of funds. The Trustees' principal aim is to maintain a positive reserves position and avoid any deficit. At 31 August 2017 the Academy Trust's unrestricted funds were £0.10m (2016: £0.35m), and restricted funds were £10.5m (£9.23m). The specific purposes of the funds are detailed in note 17 to the financial statements.

The Trust has a restricted fund in deficit of £4.7m (2016: £6.0m) relating to the Local Government Pension Scheme. This does not mean that an immediate liability will crystallise. This deficit has arisen on transfer of the liability from the local authority on achieving Academy status. This deficit will likely result in a cash flow effect for the Trust in the form of increased employer pension contributions over future years.

**Investment policy**

The Trust does not hold any investments other than cash. The Trust's policy is to review, on a continuing basis, the short-term operational cash requirements so that any surplus can be held in a higher interest deposit account to maximise interest receipts. Due to very low interest rates during the accounting year ended 31 August 2017, interest receivable has totalled only £1,000.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Financial and Risk Management Objectives and Policies**

The Trustees regularly review the risks faced by the Academy Trust and maintain a "Risk register" to identify the critical areas of concern. They have put in place reasonable and appropriate management controls to address these risks. Risk management is detailed further below in the Governance Statement.

The Trustees also have established financial management objectives and policies. The principal objective of financial management is to use the incoming resources available to the Academy in the most efficient and effective way to best achieve the Trust's objectives and aims.

Key financial management policies include:

- Setting detailed operational budgets at the beginning of each academic year and monitoring and managing of these budgets throughout the year.
- Close monitoring of the number and nature of students to ensure the correct level of funding is being received from the Education and Skills Funding Agency (ESFA)/Department for Education (DfE)
- Identifying and exploiting opportunities to raise additional income for the Academy, such as hire of premises and facilities to external parties
- Seeking competitive prices from suppliers
- Managing staff costs closely to ensure all staff are paid correctly
- Ensuring robust systems and controls are in place for cash handling across the organisation

**Risk management**

The Trustees have a responsibility to identify and review the major risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have implemented an ongoing process to identify, evaluate and manage the significant risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities, health and safety, other operational areas of the Trust, and in relation to the control of finance. In assessing the risks the Trustees consider the nature of each risk along with the likelihood and impact of it arising. The Trustees have developed systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to address and manage appropriately the risks identified. The efficacy of the process for risk management is reviewed regularly by the Trustees. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**Principal risks and uncertainties**

The directors consider the following items to be the principal risks facing the Academy Trust:

- Operational:
  - Competition risk to the two Academies arising from Age Range Changes in feeder schools from 11-14 to 11-16
  - Changes to the local authority school transport policy which means that many potential students who would previously have received free transport to Lutterworth College no longer do so. This could have an impact on recruitment of new students.
- Financial:
  - Fluctuating student numbers year on year impact directly on funding received from the ESFA. This, along with continuing change and instability in the formula for determining the funding at a county and national level, creates uncertainty around future income. This makes effective budgeting more challenging.
  - The defined benefit pension scheme liability stands at a deficit of £4.7m at 31 August 2017. Funding this deficit may lead to increased employer contributions from the Trust.
  - Other financial risks:
    - Credit risk – the Trust has healthy cash balances and is able to pay its suppliers in accordance with agreed credit terms. Therefore credit risk is considered to be low.
    - Cash flow and liquidity risks – Due to the front-loaded cash flow profile of funding received from the ESFA, the cash flow and liquidity risks of the Trust are considered to be low. Cash is held on deposit where possible to maximise interest receipts.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**PLANS FOR FUTURE PERIODS**

**Lutterworth College**

The College will continue to nurture and support its existing and future students, providing a quality education with high expectations for all students both in and out of the classroom.

From the beginning of the 2016 academic year Lutterworth College became an all-through 11-19 school, having students in all year groups from Year 7 through to Year 13. It is not however until the academic year 2019-20 that our first Year 7 intake students will reach Year 11 and then Lutterworth College becomes a school with a full complement of home grown talent. The two-year period from 2017-19 present some strategic challenges in the low student numbers that are then available for Sixth Form recruitment into Year 12. The school continues to meet recruitment targets in Year 7 going forward with student numbers entering the school significantly over 200 per year.

**Sir Frank Whittle Studio School**

The Sir Frank Whittle Studio School opened on 1 September 2014 admitting students into Key Stage 4 (Year 10 students) and Key Stage 5 (Year 12 students). In December 2015 the School moved into a new building housing modern learning and IT facilities.

Sir Frank Whittle Studio School received its first Ofsted in March 2017 where the school was judged to be Good with Outstanding Features and the work of the Headteacher was recognised by Ofsted. The school also continues to be recognised nationally for its achievements and regularly provides support for other studio schools.

The Directors of the Trust will continue to invest time and resources in supporting the school and growing the school in future years. As with Lutterworth College there is a continued focus on promoting the school and recruiting students.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

- there is no relevant information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the 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.

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 27 November 2017 and signed on the board's behalf by:

Mr Russ Murch  
Trustee

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Lutterworth 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.

The board of Trustees has delegated the day-to-day responsibility to the Accounting Officer, for ensuring financial controls conform to 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 The Lutterworth 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 full Board of Trustees met 8 times. Attendance at these meetings of the board of Trustees was as follows:

	Meetings attended	Out of a possible
Mrs Judith Briers	3	3
Mr Mark Janssens	7	8
Rev'd Charlie Styles	8	8
Ms Viv Lawson	8	8
Mr John Taylor	5	5
Mrs Sheila Titterington	7	8
Mrs Elaine Turner	7	8
Mr John Warren	6	8
Ms Nina Woodcock	8	8
Mr Russ Murch	1	2
Mrs Helen Christie	2	2

The local governing body for Lutterworth College has met 5 times in the year. Attendance at these meetings was as follows:

	Meetings attended	Out of a possible
Ms Phillippa Denney	4	5
Mr Chris Skelton	3	5
Mr Ben Solly	5	5
Rev'd Charlie Styles	5	5
Mr John Taylor	1	3
Mr Graham Thomas	3	3
Mr John Warren	4	5
Ms Ana Aparicio	4	5
Mrs Helen Christie	5	5
Mrs Amanda McHugh	1	2
Mrs Ashley Pepper	2	2

In addition to the above the following directors also attended:

Mrs Judith Briers	2	2
Mr Mark Janssens	1	2
Ms Viv Lawson	2	5
Mrs Sheila Titterington	1	5
Ms Nina Woodcock	5	5

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**Governance (continued)**

The local governing body for Sir Frank Whittle Studio School has met 5 times in the year. Attendance at these meetings was as follows:

	Meetings attended	Out of a possible
Mr John Hibbard	0	1
Mr Paul Hostead	5	5
Mr Russ Murch	2	5
Ms Melanie Richmond	4	5
Mrs Sheila Titterington	4	5
Mrs Sophie Bird	2	5
Mrs Elaine Turner	4	5
Ms Nina Woodcock	5	5

In addition to the above the following directors also attended:

Mrs Judith Briers	2	2
Rev'd Charlie Styles	2	5
Mr John Taylor	1	3
Mr Mark Janssens	3	5

**Governance review**

Leading up to, and since the establishment of the multi-academy trust the role of the board of Trustees and the terms of reference of each local governing body and the audit committee have evolved to meet the continually changing needs of the Trust. Operational and financial policies and procedures have been reviewed and updated accordingly along with the systems and controls. The risk management policies and procedures have also been reviewed and updated to meet the changing risk environment. These updates have been made to ensure the Trust has robust policies in procedures in place to address current and future challenges and to meet all statutory and legal requirements.

**Review of Value for Money**

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

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

- Successful Condition Improvement Fund application for phase three of replacement roof works across the site to ensure the areas are watertight and sufficiently insulated. This will alleviate the need for expensive short term repairs and provide energy savings opportunities.
- Successful Condition Improvement Fund application for a replacement boiler. This will make the heating of a large part of the site more efficient and deliver savings on fuel costs.
- Closely monitoring staffing requirements to ensure the most efficient use of staff time aligned to group numbers.
- Working in collaboration with local educational establishments to review opportunities for joint procurement and conducted detailed cost comparisons with other organisations to benchmark key areas of spend.

**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 Trust 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 The Lutterworth Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2017 (continued)**

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period 1 September 2016 to 31 August 2017 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 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 board of Trustees 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 and investment guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Hodge & Baxter as internal auditor.

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

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of credit card payments
- testing of control account / bank reconciliations

On a quarterly basis the auditor reports to the board of the Trustees, through the Audit committee on the operations of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The Trustees are responsible for the design and selection of the internal checks. During the year, the quarterly checks were conducted and reports showed no significant issues. Other findings have been addressed as part of usual committee and trustee business.

**Review of effectiveness**

The Accounting Officer and Board of Trustees has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the senior leadership team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustee on 27 November 2017 and signed on its behalf by:

Mr Russ Murch  
*Trustee*

Paul Hostead  
*Accounting Officer*

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2017**

As accounting officer of The Lutterworth Academies Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Multi-Academy Trust board of Trustees are able to identify any material irregularity or improper use of funds by the Trust, or any material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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

Paul Hostead  
*Accounting Officer*

27 November 2017

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees, (who act as governors for charitable activities of The Lutterworth Academies Trust and 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 Annual 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 the 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 in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that 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 on 27 November 2017 and signed on its behalf by:

Mr Russ Murch  
*Trustee*

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS  
OF THE LUTTERWORTH ACADEMIES TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017**

**Opinion**

We have audited the financial statements of The Lutterworth Academies Trust (the 'academy trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017, 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 2015 and the Academies Accounts Direction 2016 to 2017 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that without the financial support of the ESFA the academy trust would not be able to continue as a going concern. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS  
OF THE LUTTERWORTH ACADEMIES TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017**

**Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 15, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS  
OF THE LUTTERWORTH ACADEMIES TRUST  
FOR THE YEAR ENDED 31 AUGUST 2017**

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Paul Tyler (Senior Statutory Auditor)  
for and on behalf of Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
NN15 6BL

27 November 2017

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO THE LUTTERWORTH ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2017**

In accordance with the terms of our engagement letter dated 7 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Lutterworth Academies Trust during the period 1 September 2016 to 31 August 2017 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 The Lutterworth Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Lutterworth 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 The Lutterworth Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Lutterworth Academies Trust's funding agreement with the Secretary of State for Education dated 30 April 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 period 1 September 2016 to 31 August 2017 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 2016 to 2017 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 to our conclusion includes:

- Assessment of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
  - Sample test of delegated authority procedures
  - Enquiry and review of transactions with connected persons
  - Review of governance procedures including inspection of Trustee and relevant Board minutes
  - Sample test of procurement procedures
- Communication with the accounting officer

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant  
Smith Hodge & Baxter  
Chartered Accountants & Statutory Auditors  
Thorpe House  
93 Headlands  
KETTERING  
Northamptonshire  
NN15 6BL

27 November 2017

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Restricted	Total	Total
	Note	Funds	Pension	General	Asset	2017	2016
		£000s	Reserve	Funds	Funds	£000s	£000s
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Donations and capital grants</b>	2	-	-	9	798	807	698
<b>Charitable activities</b>							
Funding for the academy trust's educational operations	3	414	-	6,145	-	6,559	9,271
<b>Other trading activities</b>	4	69	-	-	-	69	49
<b>Investments</b>	5	1	-	-	-	1	3
<b>Total</b>		484	-	6,154	798	7,436	10,021
<b>EXPENDITURE ON:</b>							
<b>Raising funds</b>	6	4	-	-	-	4	10
<b>Charitable activities:</b>							
Academy trust's educational operations	7	371	308	6,751	555	7,985	9,903
<b>Other</b>		-	-	-	36	36	-
<b>Total</b>		375	308	6,751	591	8,025	9,913
<b>Net income/(expenditure)</b>		109	( 308)	( 597)	207	( 589)	108
<b>Transfers between funds</b>		( 357)	-	280	77	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		( 248)	( 308)	( 317)	284	( 589)	108
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes		-	1,615	-	-	1,615	(1,339)
<b>Net movement in funds</b>		( 248)	1,307	( 317)	284	1,026	(1,231)
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward	17	349	( 6,038)	317	14,955	9,583	10,814
<b>Total funds carried forward</b>	17	101	( 4,731)	-	15,239	10,609	9,583

All of the Academy Trust's activities derive from continuing operations in the above two financial periods.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**BALANCE SHEET AS AT 31 AUGUST 2017**

		<u>2017</u> £000s	<u>2016</u> £000s
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	12	14,837	14,433
<b>CURRENT ASSETS</b>			
Stocks	13	27	35
Debtors	14	749	492
Cash at bank and in hand		520	1,695
		1,296	2,222
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	15	( 677)	(1,034)
<b>NET CURRENT ASSETS</b>		619	1,188
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,456	15,621
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	( 116)	-
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		15,340	15,621
<b>DEFINED BENEFIT PENSION SCHEME LIABILITY</b>	26	( 4,731)	(6,038)
<b>TOTAL NET ASSETS</b>		10,609	9,583
<b>FUNDS OF THE ACADEMY TRUST</b>	17		
Restricted funds:			
Fixed asset fund		15,239	14,955
Restricted income fund		-	317
Pension reserve		( 4,731)	( 6,038)
Total restricted funds		10,508	9,234
Unrestricted income funds		101	349
<b>TOTAL FUNDS</b>		10,609	9,583

The financial statements on pages 20 to 39 were approved by the Board of Trustees and authorised for issue on 27 November 2017 and are signed on their behalf by:

Mr Russ Murch  
Trustee

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	<u>2017</u> £000s	<u>2016</u> £000s
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	( 814)	241
Cash flows from investing activities	22	( 361)	(388)
		—	—
Change in cash and cash equivalents in the reporting period		( 1,175)	(147)
		=====	=====
Cash and cash equivalents at 1 September 2016		1,695	1,842
		—	—
Cash and cash equivalents at 31 August 2017	23	520	1,695
		=====	=====

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES**

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

**Basis of Preparation**

The financial statements of the Academy Trust, which is a mixed multi-Academy Trust operating a comprehensive school and a studio school in Lutterworth, is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in Sterling (£)

The Lutterworth Academies Trust meets the definition of a public benefit entity under FRS 102. The Academy Trust is a charitable company, limited by guarantee, incorporated and domiciled in England. The address of the registered office is Lutterworth College, Bitteswell Road, Lutterworth, LE17 4EW.

**Going Concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

As at 31 August 2017, the Academy Trust had net current assets of £619,000, however £437,000 of this relates capital grants which have been received in advance of costs being incurred. The Academy Trust also incurred an operating deficit in the year of £488,000 (excluding restricted pension and restricted fixed asset funds) and is forecast to make an operating deficit in 2017/18. The key reasons for the operating deficit are outlined in the Trustees Report but relate to recent age range changes and subsequent impact on student numbers. The Trustees have concluded that the combination of these circumstances represents a material uncertainty that may cast doubt upon the trust's ability to continue as a going concern.

Notwithstanding the above the Trustees have prepared the financial statements on the going concern basis. The Trustees recognised the impending issue some time ago and have prepared 3 and 5 year budgets/forecasts which show, once student numbers improve across all year groups, the Academy Trust returns to a surplus situation. These forecasts have been shared with the ESFA with a view to obtaining advance funding to secure the Academy Trust's financial position. The Trustees have a reasonable expectation that this funding should be available as and when required.

Should the funding not be received the Academy Trust would no longer be a going concern, adjustments would be required to the carrying value of assets, provision would also be required for the future liabilities arising as a consequence of the Academy Trust ceasing business and assets and liabilities currently classified as non-current would be reclassified as current.

**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 year 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 (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Donated fixed assets**

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

Upon Lutterworth College's conversion the Academy Trust entered into a 125 year lease with Leicestershire County Council for the Academy Trust's land and buildings. The rental charge under this lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the lease is treated as a finance lease and the asset capitalised and depreciated over the period of the lease, in accordance with the tangible fixed assets accounting policy below.

**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 expenditure 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.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Tangible Fixed Assets (continued)**

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

Long leasehold land and buildings	over the period of the 125 year lease
Leasehold improvements	10% of cost
Furniture and equipment	25% of cost
Computer equipment	33% of cost
Motor vehicles	25% of cost

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

**Liabilities**

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

**Provisions**

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

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

**Leased Assets**

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

**Financial Instruments**

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement basis 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 14. Prepayments are not financial instruments.
- **Cash at Bank**  
Is classified as a basic financial instrument and is measured at face value.
- **Financial Liabilities**  
Trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in notes 15 and 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.

**Stock**

Stocks are valued at the lower of cost or net realisable value.

**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**Pension Benefits**

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

The TPS is an unfunded scheme and contributions are calculated 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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.

**Fund Accounting**

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

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

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

Restricted pension reserve funds represent the Academy Trust's share of the assets and liabilities of the Local Government Pension Scheme.

**Critical accounting estimates and areas of judgement**

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

*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 next cost (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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s	£000s	£000s
Capital grants	-	798	798	693
Other donations	-	9	9	5
	<u>-</u>	<u>807</u>	<u>807</u>	<u>698</u>

The income from donations and capital grants was £807,000 (2016: £698,000) of which £Nil was unrestricted (2016: £Nil), £9,000 restricted general funds (2016: £5,000) and £798,000 restricted fixed asset fund (2016: £693,000)

**3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s	£000s	£000s
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,735	5,735	8,412
Start Up grants	-	43	43	85
Other DfE/ESFA grants	-	63	63	108
	<u>-</u>	<u>5,841</u>	<u>5,841</u>	<u>8,605</u>
Other Government grants				
Local authority grants	-	5	5	15
	<u>-</u>	<u>5</u>	<u>5</u>	<u>15</u>
Other income from the academy trust's educational operations	414	299	713	651
	<u>414</u>	<u>6,145</u>	<u>6,559</u>	<u>9,271</u>

The income from funding for the academy trust's educational operations was £6,559,000 (2016: £9,271,000) of which £414,000 was unrestricted (2016: £501,000) and £6,145,000 was restricted (2016: £8,770,000).

**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s	£000s	£000s
Hire of facilities	69	-	69	49
	<u>69</u>	<u>-</u>	<u>69</u>	<u>49</u>

The income from other trading activities was £69,000 (2016: £49,000) of which £69,000 was unrestricted (2016: £49,000) and £Nil was restricted (2016: £Nil).

**5. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s	£000s	£000s
Bank deposits	1	-	1	3
	<u>1</u>	<u>-</u>	<u>1</u>	<u>3</u>

Investment income was £1,000 (2016: £3,000) of which £1,000 was unrestricted (2016: £3,000) and £Nil was restricted (2016: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**6. EXPENDITURE**

	<b>Staff Costs</b>	<b>Non pay Premises</b>	<b>Expenditure Other Costs</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s	£000s	£000s	£000s
Expenditure on raising funds	3	-	1	4	10
Academy's educational operations:					
Direct costs	4,567	555	730	5,852	7,287
Allocated support costs	1,226	348	559	2,133	2,616
Other	-	-	36	36	-
	<u>5,796</u>	<u>903</u>	<u>1,326</u>	<u>8,025</u>	<u>9,913</u>

Expenditure was £8,025,000 (2016: £9,913,000) of which £5,796,000 was staff costs (2016: £7,629,000), £903,000 was premises (2016: £981,000) and £1,326,000 other costs (2016: £1,303,000)

<b>Net income/(expenditure) for the period includes:</b>	<b>2017</b>	<b>2016</b>
	£000s	£000s
Fees payable to auditor - audit	10	13
- other services	2	3
Depreciation - owned assets	455	315
- assets subject to finance leases	100	203
Operating leases rentals - other leases	35	49
Income from operating leases	12	18
Stocks recognised as an expense	246	348
Loss on disposal of fixed assets	36	-
	<u>          </u>	<u>          </u>

Included within expenditure are the following transactions:

	<b><u>Individual items above £5,000</u></b>		
	<b>Total</b>	<b>Amount</b>	<b>Reason</b>
	£000s	£000s	
Fixed asset losses	36	36	Sale of used temporary classrooms surplus to requirements
Unrecoverable debts	19	19	The debtor has ceased trading and recovery is considered remote.
	<u>          </u>	<u>          </u>	

**7. CHARITABLE ACTIVITIES**

	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s
Direct Costs - educational operations	5,852	7,287
Support Costs - educational operations	2,133	2,616
	<u>7,985</u>	<u>9,903</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**7. CHARITABLE ACTIVITIES (continued)**

	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s
<b>Analysis of Support Costs - educational operations</b>		
Support staff costs	1,226	1,594
Premises costs	399	535
Other support costs	488	463
Governance costs	20	24
	<hr/>	<hr/>
<b>Total support costs</b>	<b>2,133</b>	<b>2,616</b>
	<hr/> <hr/>	<hr/> <hr/>

Expenditure on charitable activities was £7,985,000 (2016: £9,903,000) of which £371,000 was unrestricted funds (2016: £433,000), £308,000 was restricted pension reserve (2016: £288,000), £6,751,000 was restricted general funds (2016: £8,664,000) and £555,000 restricted fixed asset funds (2016: £518,000).

**8. STAFF**

<b>a. Staff costs</b>	<b>Total 2017</b>	<b>Total 2016</b>
	£000s	£000s
Staff costs during the year were:		
Wages and salaries	4,335	5,718
Social security costs	384	435
Operating costs of defined benefit pension schemes	906	1,182
Apprenticeship levy	2	-
	<hr/>	<hr/>
	5,627	7,335
Supply staff costs	45	15
Staff restructuring costs	124	279
	<hr/>	<hr/>
	<b>5,796</b>	<b>7,629</b>
	<hr/> <hr/>	<hr/> <hr/>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,289 (2016: £27,785). Individually the payments were £23,141 and £6,148 (2016: £15,785 and £12,000).

**c. Staff numbers**

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable Activities</b>		
Teachers	74	91
Administration and support	140	196
Management	9	11
	<hr/>	<hr/>
	223	298
	<hr/> <hr/>	<hr/> <hr/>

**d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**8. STAFF (continued)**

**e. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team (Heads and Deputy Heads of School, Assistant Principals, Finance Director and Human Resources Director) as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £654,000 (2016: £774,000).

**f. Staff restructuring costs**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Voluntary redundancy costs	91	231
Voluntary reduction in hours costs	4	20
Non statutory/non-contractual severance payments	29	28
	<u>124</u>	<u>279</u>

Creditors at 31 August 2017 include £91,000 (2016: £231,000) in respect of voluntary redundancy costs, £4,000 (2016: £20,000) in respect of voluntary reduction in hours costs and £29,000 (2016: £Nil) in respect of non statutory/non-contractual severance payments.

**9. CENTRAL SERVICES**

The academy trust has provided the following central services to The Sir Frank Whittle Studio School during the year ended 31 August 2017:

- Human resources
- Financial services
- Educational staff and support services
- IT services
- Estates
- Catering and hospitality
- Development and marketing
- Transport

The trust charges for these services on the following basis:

- As a percentage of relevant costs based upon a number of factors, including:
  - Pupil numbers
  - Staff numbers
  - Size of premises
  - Usage

The actual amounts charged during the period from September 2016 to August 2017 were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000s</b>	<b>£000s</b>
The Sir Frank Whittle Studio School	<u>118</u>	<u>103</u>

**10. RELATED PARTY TRANSACTIONS - 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 Executive Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

J Briers (Former Executive Principal and Trustee):		
Remuneration	£10,000 - £15,000	(2016: £65,000 - £70,000)
Employer's pension contribution	£Nil	(2016: £Nil)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES (cont)**

V Lawson (Staff Trustee)		
Remuneration	£45,000 - £50,000	(2016: £40,000 - £45,000)
Employer's pension contribution	£5,000 - £10,000	(2016: £ 5,000 - £10,000)

During the year ended 31 August 2017 travel expenses totalling £251 (2016: £Nil) were reimbursed to 2 Trustees (2016: None).

Other related party transactions involving the Trustees are set out in note 27.

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 aggregate liability in any one year and the cost for the year ended 31 August 2017 was £1,584 (2016: £2,409). The cost of this insurance is included in the total insurance cost.

**12. TANGIBLE FIXED ASSETS**

	Assets in the Course of Construction £000s	Long Leasehold Land & Buildings £000s	Leasehold Improvements £000s	Furniture & Equipment £000s	Computer Equipment £000s	Motor Vehicles £000s	Totals £000s
<b>COST</b>							
At 1 September 2016	198	12,552	1,864	260	573	13	15,460
Additions	559	-	424	12	25	-	1,020
Disposals	-	-	( 86)	-	-	-	( 86)
Transfers	( 198)	-	198	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	559	12,552	2,400	272	598	13	16,394
<b>DEPRECIATION</b>							
At 1 September 2016	-	361	230	87	342	7	1,027
Eliminated in disposal	-	-	( 25)	-	-	-	( 25)
Charged in the year	-	100	248	66	138	3	555
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2017	-	461	453	153	480	10	1,557
<b>NET BOOK VALUE</b>							
At 31 August 2017	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	559	12,091	1,947	119	118	3	14,837
<b>NET BOOK VALUE</b>							
At 31 August 2016	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	198	12,191	1,634	173	231	6	14,433

The long leasehold land and buildings are held under a 125 year finance lease with Leicestershire County Council who are the legal owners of the property.

**13. STOCKS**

	2017 £000s	2016 £000s
Student supplies and equipment	16	16
Catering	9	15
Stationery	2	4
	<hr/>	<hr/>
	27	35
	<hr/>	<hr/>

**THE LUTTERWORTH ACADEMIES TRUST (REGISTERED NUMBER: 08038063)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**14. DEBTORS**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Trade debtors	25	10
VAT recoverable	138	89
Other debtors	32	34
Prepayments and accrued income	554	359
	<u>749</u>	<u>492</u>

Prepayments and accrued income at 31 August 2017 include £466,000 (2016: £249,000) in respect of capital grants due to the Academy Trust.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Trade creditors	140	207
Taxation and social security	92	121
ESFA Creditor: abatement of GAG	23	94
Accruals and deferred income	201	298
Other creditors	221	314
	<u>677</u>	<u>1,034</u>

See note 16 for details of Salix loan included within other creditors.

**Deferred income**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Deferred income at 1 September 2016	18	15
Resources deferred in the year	14	18
Amounts released from previous periods	( 18)	(15)
	<u>14</u>	<u>18</u>

At 31 August 2017 the Academy Trust deferred pupil premium income of £14,000 which had been received in respect of the period September 2017 to 2018 (2016: Deferred rates relief grant income of £18,000 which had been received in respect of the period September 2016 to March 2017).

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Other creditors	116	-
	<u>116</u>	<u>-</u>

Included within other creditors is a Salix loan of £133,000 (2016: £Nil), £17,000 (2016: £Nil) is due within one year and £116,000 (2016: £Nil) is due after more than one year. The Salix loan is interest free and repayable in six monthly instalments over the remaining eight years of the loan as at 31 August 2017.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. FUNDS**

	Balance at 1 September 2016 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31 August 2017 £000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	317	5,735	( 6,332)	280	-
Start Up Grant	-	43	( 43)	-	-
Pupil Premium	-	68	( 68)	-	-
Other restricted general funds	-	308	( 308)	-	-
Pension Reserve	(6,038)	-	( 308)	1,615	( 4,731)
	<u>(5,721)</u>	<u>6,154</u>	<u>( 7,059)</u>	<u>1,895</u>	<u>( 4,731)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	4,442	798	( 217)	( 61)	4,962
Capital expenditure from own funds	1,077	-	( 43)	138	1,172
Other capital grants	18	-	( 1)	-	17
Assets transferred on conversion	9,418	-	( 330)	-	9,088
	<u>14,955</u>	<u>798</u>	<u>( 591)</u>	<u>77</u>	<u>15,239</u>
<b>Total restricted funds</b>	<u>9,234</u>	<u>6,952</u>	<u>( 7,650)</u>	<u>1,972</u>	<u>10,508</u>
<b>Total unrestricted funds</b>	<u>349</u>	<u>484</u>	<u>( 375)</u>	<u>( 357)</u>	<u>101</u>
<b>TOTAL FUNDS</b>	<u><u>9,583</u></u>	<u><u>7,436</u></u>	<u><u>( 8,025)</u></u>	<u><u>1,615</u></u>	<u><u>10,609</u></u>

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy Trust together with other restricted general funds. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it should carry forward at 31 August 2017.

During the year a transfer of £280,000 was made from unrestricted funds to restricted general funds in respect of the GAG expenditure in excess of GAG income.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the Academy's share of the assets and liabilities of the Local Government Pension Scheme.

**Analysis of academies by fund balance:**

Fund balances at 31 August 2017 were allocated as follows:

	Total £000s 2017	Total £000s 2016
Lutterworth College	61	568
The Sir Frank Whittle Studio School	40	98
	<u>101</u>	<u>666</u>
Total before fixed assets and pension reserve	101	666
Restricted fixed asset fund	15,239	14,955
Pension reserve	(4,731)	(6,038)
	<u>10,609</u>	<u>9,583</u>
Total	<u><u>10,609</u></u>	<u><u>9,583</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**17. FUNDS (continued)**

**Analysis of academies by cost**

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

	<b>Teaching and Educational Support Staff Costs</b>	<b>Other Support Staff Costs</b>	<b>Educational Supplies</b>	<b>Other costs (excluding Depreciation)</b>	<b>Total</b>
	£000s	£000s	£000s	£000s	£000s
Lutterworth College	4,104	1,310	410	980	6,804
The Sir Frank Whittle Studio School	463	42	22	78	605
<b>Academy Trust</b>	<b>4,567</b>	<b>1,352</b>	<b>432</b>	<b>1,058</b>	<b>7,409</b>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2017 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted Pension Reserve</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds 2017</b>
	£000s	£000s	£000s	£000s	£000s
Tangible fixed assets	-	-	-	14,837	14,837
Current assets	101	-	656	539	1,296
Current liabilities	-	-	( 540)	( 137)	( 677)
Non-current liabilities	-	-	( 116)	-	( 116)
Pension scheme liability	-	( 4,731)	-	-	( 4,731)
<b>Total Net Assets</b>	<b>101</b>	<b>( 4,731)</b>	<b>-</b>	<b>15,239</b>	<b>10,609</b>

**19. CAPITAL COMMITMENTS**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Contracted for, but not provided in the financial statements	386	464

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Amounts due within one year	34	35
Amounts due between one and five years	26	60
	<b>60</b>	<b>95</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	( 589)	108
Adjusted for:		
Depreciation	555	518
Loss on disposal of fixed assets	36	-
Capital grants from DfE and other capital income	( 798)	(693)
Interest receivable (note 5)	( 1)	(3)
Defined benefit pension scheme cost less contributions payable (note 26)	185	122
Defined benefit pension scheme finance costs (note 26)	123	166
Decrease/(increase) in stocks	8	(8)
(Increase)/decrease in debtors	( 15)	146
(Decrease)/(increase) in creditors	( 318)	(115)
<b>Net cash provided by Operating Activities</b>	<b>( 814)</b>	<b>241</b>

**22. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
Dividends, interest and rents from investments	1	3
Purchase of tangible fixed assets	( 944)	(2,552)
Capital grants from DfE/ESFA	582	2,161
<b>Net cash used in investing activities</b>	<b>( 361)</b>	<b>(388)</b>

**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>At 31</b>	<b>At 31</b>
	<b>August</b>	<b>August</b>
	<b>2017</b>	<b>2016</b>
	£000s	£000s
Cash in hand and at bank	520	1,695
<b>Total cash and cash equivalent</b>	<b>520</b>	<b>1,695</b>

**24. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the Academy Trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy Trust site and premises and other assets held for the purpose of the Academy Trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**25. 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 cease to be a member.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**26. PENSION AND SIMILAR OBLIGATIONS**

The Academy'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 Hymans Robertson LLP. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £88,889 (2016: £108,762) were payable to the schemes at 31 August 2017 and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contribution along with those made by employers 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. 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 actual valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pension currently in payment and the estimate cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which were payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £462,000 (2016: £585,000).

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

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £384,000 (2016: £443,000) of which employer's contributions totalled £315,000 (2016: £354,000) and employees' contributions totalled £69,000 (2016: £89,000). The agreed contribution rates for future years are 23.39% for employers for the year to 31 March 2018 and between 5.5% and 12.5% 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**

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	3.4%	3.1%
Rate of increase for pensions in payment/inflation	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.4%	2.1%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<i>Retiring today</i>		
Males	22.1	22.2
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.3	24.2
Females	26.2	26.6

**Sensitivity Analysis**

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	£000s	£000s
Discount rate +0.1%	( 227)	( 258)
Discount rate -0.1%	227	258
Mortality assumption - 1 year increase	379	303
Mortality assumption - 1 year decrease	( 379)	(303)
CPI rate +0.1%	93	85
CPI rate -0.1%	( 93)	( 85)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>Fair value at 31 August 2017</b>	<b>Fair value at 31 August 2016</b>
	£000s	£000s
Equities	3,148	2,916
Bonds	940	729
Property	376	364
Cash	235	41
	<hr/>	<hr/>
<b>Total market value of assets</b>	<b>4,699</b>	<b>4,050</b>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £84,000 (2016: £117,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2017</b>	<b>2016</b>
	£000s	£000s
Current service cost	( 471)	( 432)
Past service cost	( 29)	( 44)
Interest income	84	117
Interest cost	( 207)	( 283)
	<hr/>	<hr/>
Total amount recognised in the SOFA	<b>( 623)</b>	<b>(642)</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2017</b>	<b>2016</b>
	£000s	£000s
At 1 September	10,088	7,384
Current service cost	471	432
Interest cost	207	283
Employee contributions	69	89
Actuarial (gain)/loss	( 1,364)	1,900
Benefits paid	( 70)	( 44)
Past service cost	29	44
	<hr/>	<hr/>
<b>At 31 August</b>	<b>9,430</b>	<b>10,088</b>
	<hr/> <hr/>	<hr/> <hr/>

**Changes in the fair value of Academy's share of scheme assets:**

	<b>2017</b>	<b>2016</b>
	£000s	£000s
At 1 September	4,050	2,973
Interest income	84	117
Actuarial gain	251	561
Employer contributions	315	354
Employee contributions	69	89
Benefits paid	( 70)	(44)
	<hr/>	<hr/>
<b>At 31 August</b>	<b>4,699</b>	<b>4,050</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**27. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Pure Point of Sale Limited - a company in which Russell Murch (a local governor of Sir Frank Whittle Studio School) and trustee of the Academy Trust from 7 April 2017 has a majority interest:

- The Academy Trust purchased printed material and wall fixtures from Pure Point of Sale Limited totalling £6,923 (2016: £11,921) during the year. Of these purchases £6,416 were made up to and including 6 April 2017 and £507 after Russell Murch's appointment as a trustee on 7 April 2017. There were no amounts outstanding at 31 August 2017 (2016: £Nil).
- The Academy Trust made the purchases at arms' length following a cost comparison exercise in accordance with its financial regulations, which Mr Murch neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2016.

**28. ULTIMATE CONTROLLING PARTY**

The Academy Trust is under the control of the Trustees.

**29. AGENCY ARRANGEMENTS**

The Academy Trust acts as agent in receiving and disbursing funds on behalf of Learning South Leicestershire (LSL).

The amounts held as agent at 31 August 2017 are included within other creditors falling due within one year. The movements in the year on these balances are as follows:

	<b>Balance at 1 September 2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 August 2017</b>
	£000s	£000s	£000s	£000s
Learning South Leicestershire	-	141	(73)	68