



Lostock Hall Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2021

Lostock Hall Academy Trust
Annual Report and Financial Statements
Year Ended 31st August 2021

Contents

Page

Reference and Administrative Details	2
Trustees' Report	4
Governance Statement	13
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report to the Members	20
Independent Reporting Accountant's Assurance Report on Regularity	23
Statement of Financial Activities incorporating Income & Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28

Lostock Hall Academy Trust

Reference and Administrative Details

Year Ended 31st August 2021

Members

Mr B Burke
Mr I Crook
Cllr C Hughes
Mrs M Scrivens

Trustees

Mrs H Archibald
Mrs A Ashworth
Mrs A Boardman (retired 31st March 2021)
Mr B Burke
Mr I Crook
Mrs G F Gorman
Mrs A Kay
Mrs M Martin
Mrs D McNally
Mr D Roocroft
Mrs M Scrivens
Mrs T Slater
Mrs K Shaverin

Secretary

Mrs T Jones

Senior Leadership Team

Mrs J Butterworth
Mr N Clitheroe
Mrs T Jones
Mrs G F Gorman
Mr S Sloan
Mrs N Tucker

Principal and Registered Office

Todd Lane North
Lostock Hall
Preston
PR5 5UR

Company Registration Number

07657427 (England & Wales)

Independent Auditor

CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Lostock Hall Academy Trust

Reference and Administrative Details

Year Ended 31st August 2021

Bankers

Lloyds Bank PLC
Fishergate
Preston
PR1 2JB

Solicitors

Forbes Solicitors
Ground Floor Oak House
28 Sceptre Way
Walton Summit
Preston
PR5 6AW

Actuary

Mercer Limited
Mercury Court
Tithebarn Street
Liverpool
L2 2QH

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2020 to the 31st August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an academy for students aged 11 to 16 serving a general priority area mainly in the South Ribble District Council of Lancashire.

Structure, Governance and Management

1.1 Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees of Lostock Hall Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lostock Hall Academy Trust.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

1.2 Members' Liability

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

1.3 Trustees' Indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £10,000,000 on any one claim (note 10).

1.4 Method of Recruitment and Appointment or Election of Trustees

The trustees are appointed by the following:

Parent governors	Elected by parents of the students attending the Academy
Staff governors	Elected by staff employed at the Academy
Community governors	Appointed by the Governing Board

No more than one third of the trustees may be employees of the Academy.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees.

Induction and ongoing training are provided by Lancashire County Council Governor Training and Development Service. The trustees also have access to online training provided by the NGA Learning Link.

1.6 Organisational Structure

The Academy is governed by its Governing Board, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 4 levels: The Trust Members, the Trust Board, the Principal and the Senior Leadership Team (SLT).

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

The Trust Board is responsible for:

- Ensuring clarity of vision, ethos and strategic direction
- Holding executive leaders to account for the educational performance of the organisation and its students, and the performance management of staff
- Overseeing and ensuring effective financial performance

The trustees apply the highest standards of conduct and ensure robust governance. They follow the Governance Handbook.

They comply with the trust's charitable objectives, with company and charity law, and with their contractual obligations under the funding agreement.

The trustees ensure regularity and propriety in use of the trust's funds, to ensure value for money is achieved as well as taking ownership of the trust's financial sustainability and its ability to operate as a going concern.

Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Trust Board:

Governance Structure 2020-21

Academic Achievement & Student Welfare Committee
Finance, Staffing and Risk Committee
Pay Committee

The Principal is also the Accounting Officer and has responsibility for ensuring that grant income is spent in line with the funding agreement.

The Senior Leadership Team (SLT) comprises:

Principal	Mrs G F Gorman
Senior Assistant Principal	Mr N Clitheroe
Senior Assistant Principal	Mrs N Tucker
Assistant Vice Principal	Mrs J Butterworth
Assistant Vice Principal	Mr S Sloan
Assistant Vice Principal - Director of Business/Finance	Mrs T Jones

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust Board has adopted a whole school pay policy which will be reviewed on an annual basis. It has been developed to comply with the current School Teachers' Pay and Conditions Document and is in line with the Guidance on School Teachers' Pay and Conditions. Pay scales for senior staff are set and reviewed in accordance with this policy. Pay decisions are overseen by the Trust Board who will act with integrity, confidentiality, objectivity, and honesty in the best interests of the school.

Support staff are covered by the National Joint Council (NJC) scheme conditions of service and the Academy has adopted the Lancashire County Council's pay and grading structure under the NJC scheme of conditions of service.

Trustees are volunteers and receive no pay or remuneration.

1.8 Related Parties and Other Connected Charities and Organisations

There are no connected organisations in the year related party transactions are disclosed in note 26 to the accounts.

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

Objectives and Activities

2.1 Objects and Aims

Lostock Hall Academy Trust was set up on the 1st August 2011. Its principal objective is the operation of Lostock Hall Academy (LHA) which is a non-selective community school, providing education for 11-16 year olds of different abilities, mainly in the South Ribble District Council area of Lancashire. Students are drawn from the general priority area, in accordance with the Academy's admissions criteria. Prior to conversion LHA was a Specialist Arts, Maths and Computing College.

The principal objectives of LHA are: -

- To conduct its business to the highest possible standards, integrity, and openness.
- To comply with all statutory legislation and curriculum requirements.
- To ensure that every student, regardless of age, gender, ethnicity, disability, or social background, achieves the best possible outcomes.
- To improve its overall effectiveness by continuous self-evaluation and improvement.
- To provide value for money.
- To maintain and build on the close links with the local community and business.
- LHA aims to provide an outstanding education for all its students in a caring, supporting environment. We aim to achieve this by providing: -
- Well-planned learning opportunities for all students, in order that they achieve in line with or exceed expectations in Key Stages 3 and 4.
- A broad, balanced, and personalised curriculum that is fully inclusive and meets the social and academic needs of all our students.
- Our students with the knowledge, tolerance, and skills necessary for them to succeed in and contribute to life in modern Britain, equipping them for life beyond Lostock Hall Academy, to the next phase of their education or training.
- An extensive programme of extra-curricular activities to enhance the taught curriculum provided.
- Professional development opportunities for all staff, including succession planning, targeted support, and annual appraisals, in order that high standards are maintained.
- Activities available to all students to enhance and improve their leadership and support of others.
- Appropriate cross-phase (primary and tertiary) transition learning and activities.

Equal Opportunities

The Academy Trust aims to establish equal opportunity in all areas of its activities to develop a working environment where everyone's contribution is valued. The Academy fully supports the requirements and legislation of the Equality Act 2010.

Lostock Hall Academy Vision 2020-21

LHA will be the local secondary provider of choice. We will equip all our learners with the knowledge, skills, values, and behaviours to achieve their full potential in a safe, stimulating, and supportive environment. Educating the future, Academy students will be proud to achieve a successful career path through transition into work or training in all walks of adult life.

Academy Key Priorities

- To ensure the highest standards of leadership and management through reflective governance and the provision of developmental opportunities for staff at all levels.
- To provide a safe and secure learning environment, that supports the social and emotional wellbeing of all students and staff.
- To raise aspirations, build resilience, ensure enjoyment and independence in learning for all students.
- To continually develop, teach and review a high quality, engaging broad and balanced curriculum through a research-based approach to teaching and learning in an inclusive and dynamic environment.

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

- To work collaboratively as part of a professional learning community and in partnership with parents/carers to ensure all students achieve through personalised learning, pastoral, and health programmes.
- To maintain high levels of punctuality and attendance of students ensuring excellence for all.
- To ensure a positive image based on the strengths of the Academy is shared across the community to increase student recruitment.
- To provide a range of meaningful experiences linked to the labour market, along with encounters with further and higher education to support personalised career paths.

2.2 Public Benefit

The trustees have considered the Charities Commission guidance on Public Benefit. The key public benefit delivered by Lostock Hall Academy is the maintenance and development of the high-quality education provided by the school to the young people of South Ribble.

Strategic report

3. Achievements and Performance

3.1 COVID

The ongoing pandemic resulted in a very different start to the 2020-21 academic year, following the National Lockdown and extended period of school closure from March 23rd 2020. The key focus was subsequently on the safe and secure return to onsite education for all staff and students. Ahead of the return to school, the Senior Leadership Team (SLT) completed a detailed whole school risk assessment and put in place a range of COVID specific protocols for staff and students to follow in order to make the site as COVID secure as possible. It also considered student and staff welfare. This included the introduction of a one-way system throughout the school, external queuing points for each classroom/teaching area, dedicated Year Group 'bubble' areas for pre-school, break and lunchtimes, staggered break and lunchtime entry to the canteen area, staggered end of day finish times. The wearing of masks during transition times and then later in lessons also became mandatory.

This was further supplemented by an enhanced cleaning programme and the introduction of additional classroom entry and exit routines which included staff/students taking an active role in sanitising the teaching areas at the end of each lesson. Students were also given permission to come into school in their PE Kit on days that they were timetabled for practical lessons. An internal 'track and trace' system was also put in place from September, in line with Government guidance, to ensure that 'close contacts' of any confirmed positive COVID cases were identified and asked to self-isolate at home for the required period of time.

Alongside the return to face-to-face education, the school continued to develop the provision for high quality online learning. The aim of this was twofold, (1) to support those students who were absent from school at any point and (2) to have a system in place in case there were any periods of school closure during the 2020/21 academic year (this was the case, January-March 2021). All measures put in place helped the school to remain very COVID secure from the outset and gave staff, students and parents/carers the confidence that the appropriate steps had been taken ahead of the return to face-to-face education. During the year, the school recorded a number of positive COVID cases. Close contacts were identified and worked from home for the required ten-day isolation period. There was an increase in Year 11 cases during their trial exam period (December) which resulted in the whole Year Group having to isolate/work from home (with week 2 of the trial exams having to be postponed) continuing into the January National Lockdown.

The Government put a second National lockdown in place that began after the Christmas break (January-March 2021) with most students moving to remote learning. During this lockdown period the school was able to offer a wide range of learning opportunities which included regular 'live lessons'. Teaching and support staff worked continuously to support students who found remote working difficult, assisting with technical difficulties, and putting alternative measures in place when necessary. Disadvantaged and SEND students were supported whenever possible through additional provision of equipment to support the process of online learning. The school also participated in all available voucher schemes and provided food packages for families in need. The school remained open for the children of key workers and/or students who were perceived to require more support.

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

During the periods of national lockdown the academy continued to keep in contact with its academy and wider community sharing good news stories and supporting the communication of important Public Health England messages through the academy newsletter and social media updates.

3.2 Key Performance Indicators

The Academy monitors its performance on the examination results and Ofsted reports it receives. The Academy operates in line with the requirements of its Funding Agreement with the Education Skills Funding Agency (ESFA) and manages its reserves in line with the policies set out below.

Headline News: 2021 Results

Exams were cancelled by the DfE for the 2nd year running, due to the Covid pandemic. Schools were asked to return Teacher Assessed Grades (TAGs).

Students were assessed via exam board materials with exam board marks schemes and each subject provided an overall TAG which fairly reflected the performance of the students on content they had been taught.

SLT undertook a rigorous process of checking the grades and moderating the centre assessed grades, reviewing the data provided and applying these elements: 'Previous results in your centre in this subject' and 'Performance of this year's students compared to those in previous years'.

We participated in FFT data analysis and SISRA Data Collaboration to identify how each subject compared to the 3-year school trend and the national picture. Some Business Studies and Design Technology grades were adjusted down overall, and all subjects were asked to justify all grades with at least 10% receiving a deeper scrutiny. The system was robust and all subject leaders were able to confidently explain the decisions made by their teams.

We received one appeal in English Literature and the exam board upheld our TAG.

GCSE Results	%Grade 4+	%Grade 5+	%Grade 7+
	2021 (2019)	2021 (2019)	2021 (2019)
English & Maths (all pupils):	78.3 (76.3)	51.9 (48.2)	17 (12.3)
English & Maths (Pupil Premium):	63.6 (50)	22.7 (25)	13.6 (12.5)
English & Maths (CLA):	50 (100)	0 (100)	0 (0)
English Language (all pupils)	84 (83)	62.3 (62)	26.4 (22)
English Literature (all pupils)	84.5 (86)	60.2 (73)	30.1 (30)
English best (all pupils)	88.7 (88)	67 (75)	34.9 (37)
Mathematics (all pupils)	81.1 (82)	57.5 (53)	19.8 (17)
Attainment 8 (DfE V2 calculated, new point scores) – All Pupils		49.92 (48.62)	
Attainment 8 (school calculated, new point scores) – Pupil Premium		43.00 (39.13)	

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

Headline Trends

There will be no national results tables published this year from the DfE and LA due to the impact of the pandemic. Any internal comparisons have been versus our own school's historic performance of 2019 or from the SISRA collaborative service.

The general trend demonstrates improvements but genuine comparisons are less reliable this year.

3.3 Going Concern

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

3.4 Review of external provision for our *most able* students

No offsite visits were permitted over the course of the 2020-21 academic year due to the pandemic (in addition visits to school were also prohibited for long periods of time). Runshaw College indicated that they were going to run their annual 'Horizons' programme for *more able* students on a remote basis but this was later cancelled (onsite events through this programme have recommenced since the beginning of the 2021-22 academic year).

The Academy continues to be the nominated lead school for the ELTSA '*Able and Ambitious*' working group (SS chair)/group meets once a half-term with minutes/resources submitted/shared with the Endeavour Learning Trust **CPD** group. This group is designed to review provision for more able students and share resources/new approaches to teaching and learning for *more able* students. One of the primary focuses for the 2021-22 academic year is to look how schools can improve links with further education institutions (college and university level), organise visits, guest speakers in order to raise aspirations.

The official ENTHUSE partnership launch event (online) took place on Wednesday 27th January 2021 (this is a partnership that was organised as a result of a meeting at the Academy, opening up £20,000 of funding for staff CPD). All schools involved within the partnership submitted a survey ahead of the launch meeting, highlighting their priority areas for development. A number of schools, including the Academy, have highlighted staff CPD to support teaching and learning for the *most able*/increased level of progress for Triple Science students as one of their priority areas.

3.5 Student Leadership and Wellbeing at Lostock Hall Academy

The development of leadership skills through PE lessons became even more of a focus with the pandemic providing additional challenges to practical subjects. Students took a more active role in terms of helping to set up lessons, taking more responsibility for equipment (no sharing of rackets/bats etc.) and maintaining adequate social distancing within lessons. During the January-March 2021 lockdown a series of 'live' PE theory lessons were delivered to all KS3 groups which aimed to teach students to be more independent in terms of leading with their own fitness sessions at home (inviting younger siblings etc. to join in etc.). A number of 'fitness challenges' were also set and students invited to submit photos etc. of themselves completing them.

This was supported by a well-being programme that provided students with strategies to help deal with the pressures of the pandemic through participating in different activities, physical and otherwise (the whole school lead for student well-being is a member of the PE Department).

A detailed risk assessment was completed ahead of the return to school (September 2020) in terms of provision for Physical Education (taking into account all guidance issued by Government/National Governing Bodies such as the Football Association/Association for Physical Education).

As many activities as possible were planned to take place outside whenever possible as this better supported respiratory hygiene and social distancing. All equipment used was wiped down at the end of the lesson and extra

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

equipment was purchased to help with rotating 'sets' of rackets/bats/balls etc. Despite the restrictions in place, the PE Department were able to offer a wide and varied range of practical activities from the outset including, when restrictions allowed, contact sports such as football (as long as they took place outside in the 'open air'). During the January-March 2021 lockdown practical lessons continued within school with the 'Keyworker' school students. These were delivered by a combination of PE staff working onsite and trainee PE teachers (University of Cumbria and Edge Hill University) which again highlighted the Academy's commitment to the Initial Teacher Training (ITT) process throughout the pandemic.

3.6 Extra-curricular provision

The Academy was one of the first schools in the area to introduce both lunchtime and after-school sports activities (all of which took place in line with the appropriate guidance). For example, football training for Years 7, 8 and 9 took place after school on a weekly basis on the grass fields. There was no mixing of groups at any point and students trained within their 'bubbles'. This continued throughout the academic year, except at any point when there were increases in COVID cases.

Towards the end of the academic year, South Ribble football trials were organised (no fixtures were permitted at this point) with a number of Lostock Hall Academy students being selected for the 2021-22 squads). It should also be noted that when restrictions allowed, the Academy also worked with local clubs such as Lostock Hall Junior Football Club (LHJFC) to allow them access to the site (outside facilities only) to deliver training sessions (many of our students play for LHJFC). Access was subject to the submission of a detailed risk assessment document and provided further opportunities for students to participate in after-hours physical activities.

Funding was also secured during the summer term from Active Lancashire to purchase new equipment to further support the reopening and access to facilities (for both students and external groups).

3.7 Type B Visits (LCC approved)

10/08/2021	Anderton Centre (Part of the Summer School Programme)
11/08/2021	Anderton Centre (Part of the Summer School Programme)

Unfortunately, due to the national and international travel restrictions during the pandemic it was not possible to deliver a school trip programme this year. The trustees have approved plans for the next academic year and the academy will work cautiously to ensure any trips undertaken are done so inline with risk assessments considering student and staff safety and financial liability.

4. Financial Review

4.1 Operating and Financial Review

The School's total incoming resources during the year were £4,681,000.

Most of the School's income derives from central government funding via the Education Skills Funding Agency (ESFA), in the form of current grants. Total funding received for the School's educational operations from the ESFA/DfE, in the year was £3,532,000 and further details are provided in note 3 to the accounts.

Total outgoing resources for the year were £3,691,000 the majority of which related to the direct provision of educational operations.

At the year end the Academy's total reserves were £5,405,000 including unrestricted funds of £244,000 and restricted funds of £5,161,000. Restricted funds include fixed assets of £6,906,000, less the LGPS scheme deficit of £2,217,000. The remaining balance on restricted funds of £472,000 relates to funding received in the year which is due to be spent in 2021/22 in accordance with the terms of funding. Further detail is provided in note 14.

Total restricted general funds and unrestricted funds amounted to £716,000 at 31st August 2021.

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

At the 31st August 2021, all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

4.2 Reserves Policy

The trustees, having considered their budgetary forecasts for future years, have continued to maintain a cautious approach in respect to the level of reserves being held, especially given the variability of both revenue funding and the various additional costs brought about by the ongoing Covid pandemic.

The Finance, Staffing and Risk Committee has reviewed the school's reserve levels and has determined that a reserve equivalent to 5% - 10% of its GAG should provide sufficient adequate working capital to cover delays between spending and receipt of grants, and to cover any unforeseen costs such as urgent maintenance work.

Under its Funding Agreement with the Secretary of State for Education the school currently has no carried forward restriction on its reserves at the year end.

It was also noted by the trustees that a deficit in the Local Government Pension Scheme would generally affect the cash flow of the school in the form of an increase in employers' pension contributions over a period of years. In this respect the trustees are concerned with the large deficit that the Local Government Pension Fund is reporting.

4.3 Investment Policy

All investments are agreed by the Trust Board, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Trust Board has adopted a low-risk strategy to its cash holdings. Surplus cash is held in an instant access deposit account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

4.4 Principal Risks and Uncertainties

The trustees have considered the principal risks and uncertainties that the Academy may be exposed to. A risk register has been completed and appropriate procedures put in place to mitigate the risks. A critical incident plan is also in place.

The trustees have assessed the major risks to which the Academy is exposed, those relating to teaching, public profile, health and safety, school educational visits, child protection, finances, staffing issues, and trustees. These risks are reviewed on an annual basis by the board of trustees and the Senior Leadership Team.

The internal financial systems are based on the Academies Financial Handbook and are documented in the financial procedures. The systems are based on a framework of segregation of duties and schemes of delegation which include authorisation and approval. Financial management information is provided to the Trustees monthly and is reviewed on a termly basis or more.

The financial information provided to the Finance, Staffing and Risk Committee members is further enhanced by Responsible Officer reports compiled by internal auditor appointed by the Board of Trustees. No major issues have been identified. All recommendations for the improvements to systems and procedures are being implemented.

Lostock Hall Academy Trust

Trustees' Report

Year Ended 31st August 2021

5. Plans for Future Periods

The school will continue to aim to provide a safe, happy, and challenging environment for its students whilst ensuring that it meets the objectives for ensuring students: -

- Feel safe secure and supported
- Celebrate learning and achievement
- Contribute to the community
- Prepare for choice and opportunities

6. Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, onand signed on the board's behalf by:

.....
Mrs M Scrivens
Chair of Trustees

Lostock Hall Academy Trust

Governance Statement

Year Ended 31st August 2021

7.1 Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lostock Hall Academy 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.

7.2 Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met 8 times during the year. An emergency structure of governor meetings was implemented during the national lockdown. This allowed the Chairs Group to represent all governors at virtual on-line meetings. Allocated time for questions from all governors based on information provided before the meeting was put in place.

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

		GOVERNORS MEETING ATTENDANCE LIST 2020 - 21									
		16/09/2020	02/12/2020	09/12/2020	28/01/2021	03/03/2021	17/03/2021	12/05/2021	16/06/2021	07/07/2021	
		AASW	F&S	FGB	AASW	F&S Information taken to FGB	FGB	AASW	F&S	FGB	
GOVERNORS	Archibald Helen	X		X	X		X	X		X	
	Ashworth Annette	X	X	X			X		X	X	
	Boardman Alison	X		X	X						
	Bruce Gill	AP		X	X		X	X		X	
	Burke Barry	X		X	X		X	X		X	
	Crook Ian	X	X	X	X	X	X	X	X	X	
	Gorman Gaynor	X	X	X	X		X	X	X	X	
	Kay Angela	X	X	X			X		X	X	
	Martin Mary	X		AP			X			X	
	McNally Diane	AP	X	X			X		X	AP	
	Roocroft David	AB		X	X		X	AP		X	
	Scrivens Margaret	X	X	X	X		X	X	X	X	
	Shaverin Kim	AP	AP	X			AP		AP	X	
	Slater Tracey	X	X	X			AP		X	X	
SLT	Butterworth Julie	X		X	X		X	X		X	
	Clitheroe Neil	X		X	X		X	X		X	
	Jones Tracey	X	X	X	X	X	X		X	X	
	Sloan Steve	X		X	X		X	X		X	
	Tucker Nic	X		X	X		X	X		X	

The Finance, Staffing and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the finances of the school and manage resources and risk.

Lostock Hall Academy Trust

Governance Statement

Year Ended 31st August 2021

The Academic Achievement & Student Welfare Committee is a sub-committee of the main governing body. Its purpose is to review and update the curriculum and monitor progress and achievement.

7.3 Review of Value for Money

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

The Accounting Officer considers how the Academy 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:

Improving educational results:

Improving educational results for our students remains our key purpose and focus. We have ensured that resources are directed where they are most needed and most effective in improving outcomes for all our students. Our success in doing this is reflected in three consecutive years of improved attainment and progress.

- We regularly review our staffing structure to ensure that staff are deployed efficiently. Staff are appropriately qualified and experienced specialists in their curriculum area.
- The school's appraisal system and the monitoring of teaching and learning identify weaknesses in teaching. These weaknesses are swiftly dealt with through the school's capability procedures.
- Our curriculum model is reviewed each year to ensure that it meets the needs of all students. The size and number of teaching groups is adapted to reflect the size of the school population.
- Judicious use of pupil premium funding has led to improved learning for individual students. Gaps in performance between disadvantaged students and their peers have narrowed.
- The needs of students with Special Educational Needs are met by careful management of SEN funding and effective deployment of teaching assistants to curriculum areas.
- The school has invested in packages to support children with literacy difficulties including Reading Plus. These are bringing about rapid improvements in reading for these children.
- We bring in additional teaching staff in English and Maths to deliver 1to1 tuition to students working below Level 4 on entry from KS2. There is a clear impact showing improvement in outcomes for these students.
- We have effective and robust tracking systems in place to record all aspects of pupil progress and to ensure that intervention is specifically targeted at those students in most need.
- The School Development Plan and associated Faculty Development Plans identify priorities for improvement which are directly related to improving outcomes for students. Each action in these plans is carefully budgeted for and departmental capitation reflects these priorities.

Financial governance and oversight:

The Board of Trustees approve the annual budget following confirmation of the levels of income from the ESFA. The Chairs' Committee members receive monthly financial reports prepared by the Director of Business and Finance and questions raised thereon are dealt with at the termly meetings as recorded in the minutes. The Board of Trustees are informed of all actions at the full governing board meetings.

Better purchasing:

Examples of steps taken to ensure value for money when purchasing include:

Economies of scale / fitness for purpose and benchmarking all included in examples below:

- Membership of the Crescent Purchasing Consortium enabling access to discounts on many goods and services as well as access to assistance re tendering processes for e.g., Academy insurance.
- Membership of the Crown Commercial Service supported by the Department for Education.
- Information gathered from other academy colleagues regarding suppliers and services contracted by them.
- Energy costs secured through Zenergi at discounted rates for educational establishments.

Lostock Hall Academy Trust

Governance Statement

Year Ended 31st August 2021

All efforts are made to ensure that all goods and services are secured in the most economic, efficient, and effective way.

Better income generation:

- The Academy hired out its facilities to the local community when it was able to in accordance with national lockdown advice. The academy has taken responsibility for the lettings in-house using academy staff during this fluctuating period but continue to look for alternative solutions. All income generated therefrom is continually monitored to ensure all costs associated with this operation are met from the income generated. New ways to increase the income stream are also considered on an on-going basis.

Reviewing controls and managing risks:

- The academy uses the HCSS budgeting and accounting system to process all its financial activities. This system has built in checks, set by the Director of Business & Finance to ensure capitation spend does not exceed that set within the budget and different levels of authorisation of documentation are set.
- Each departmental head is issued with monthly financial reports to ensure they are aware of spending within their departments.
- The Internal Financial regulations describe the procedures in place for the separation of duties on the finance front.
- The academy has taken out full and comprehensive insurance cover through Zurich Insurance.
- A risk register has been developed and is updated on an annual basis.
- HR services are purchased through an educational HR legal company.

Future Objectives:

We recognise the need to annually review the curriculum and staffing levels considering varying roll numbers and associated increases in staffing and other operational costs.

7.4 The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lostock Hall Academy Trust for the year ended 31st August 2021 and up to the date of approval of the annual report and financial statements. Further to national recommendation monthly accounts are completed and reviewed by the Chairs' Committee.

Lostock Hall Academy Trust

Governance Statement

Year Ended 31st August 2021

7.5 Capacity to Handle Risk

The trustees have considered the impact of COVID-19 on the financial statement. They have met throughout the national lockdowns to review the impact of virus control measures and the risk of future uncertainty. Ongoing costs for the coming year associated with additional staffing cover, necessary equipment to support learners who may be required to isolate from home and cleaning are being closely monitored and additional provision has been made in the 2021/22 budget. However, the magnitude of the cost of impact is indeterminate and trustees will continue to assess the risk to the academy and likely impact on the academy trust's level of reserves. Trustees have also identified that the academy's ability to generate income through lettings will continue to be compromised as community groups adhere to local and national restrictions.

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31st August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

7.6 The Risk and Control Framework

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

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

The Board of Trustees have considered the need for a specific internal audit function in accordance with the Academies Financial Handbook and has decided to appoint an internal auditor, SBM Services to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The checks carried out in the current period include:

- Testing of payroll systems
- Administration, finance and management systems
- Income
- Review of control accounts/bank reconciliations

SBM Services reported to the Board twice during the year on the operation of systems of control. No material control issues were identified because of this work.

7.7 Review of Effectiveness

Ofsted carried out a full section 8 inspection January 2018 and Lostock Hall Academy was judged as "good" overall. Ofsted says that "determined leadership has ensured that the academy has successfully tackled under-performance." Governors were identified as "key partners" in the improvement of the academy with clear systems in place to hold all to account for outcomes. Policy is now consistently followed, and Governance greatly improved.

Lostock Hall Academy Trust

Governance Statement

Year Ended 31st August 2021

During an unprecedented year Pupil Premium students have underperformed in comparison to other students but have improved generally in comparison to previous years. The school has used resources effectively to enhance the progress of disadvantaged students, but the Trust are pleased to report that the gap has narrowed, demonstrating effective use of resources.

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

- the Board
- the Responsible Officer
- external audit
- the work of the Chairs Committee within the academy trust who have responsibility for the development and maintenance of the internal control framework

Internal financial procedures have been updated and reviewed as applicable. All recommendations by the Responsible Officer have been considered and implemented if appropriate.

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

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

.....
Mrs M Scrivens
Chair of Trustees

.....
Mrs G F Gorman
Accounting Officer

Lostock Hall Academy Trust

Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2021

As Accounting Officer of Lostock Hall Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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

.....
Mrs G F Gorman
Accounting Officer

Date:

Lostock Hall Academy Trust

Statement of Trustees' Responsibilities

Year Ended 31st August 2021

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

Company law requires the 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. 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 the Education & Skills Funding Agency and Department for Education 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 onand signed on its behalf by:

.....
Mrs M Scrivens
Chair of Trustees

Lostock Hall Academy Trust

Independent Auditor's Report to the Members of Lostock Hall Academy

Year Ended 31st August 2021

Opinion

We have audited the financial statements of Lostock Hall Academy Trust (the 'Academy Trust') for the year ended 31st August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flows and the 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education & 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.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

(Continued)

Lostock Hall Academy Trust

Independent Auditor's Report to the Members of Lostock Hall Academy

Year Ended 31st August 2021

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.

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 19, 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.

(Continued)

Lostock Hall Academy Trust

Independent Auditor's Report to the Members of Lostock Hall Academy

Year Ended 31st August 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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.

Use of our report

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

.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:

Lostock Hall Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Lostock Hall Academy Trust and the Education & Skills Funding Agency

Year Ended 31st August 2021

In accordance with the terms of our engagement letter dated 31st August 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lostock Hall Academy Trust during the year from the 1st September 2020 to the 31st August 2021 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 Lostock Hall Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lostock Hall Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lostock Hall Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lostock Hall Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lostock Hall Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from the 1st September 2020 to the 31st August 2021 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 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of the Guide For External Auditors section of the Academies Accounts Direction 2020 to 2021 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Lostock Hall Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Lostock Hall Academy Trust and the Education & Skills Funding Agency

Year Ended 31st August 2021

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from the 1st September 2020 to the 31st August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date:

Lostock Hall Academy Trust

Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31st August 2021

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	2	-	37	1,021	1,058	229
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	3,532	-	3,532	3,091
Other trading activities	4	91	-	-	91	29
Total		91	3,569	1,021	4,681	3,349
Expenditure on:						
Charitable activities:						
Academy trust's educational operations	6	79	3,481	131	3,691	3,465
Total		79	3,481	131	3,691	3,465
Net income/(expenditure)		12	88	890	990	(116)
Transfers between funds	14	-	(111)	111	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	14, 25	-	15	-	15	(82)
Net movement in funds		12	(8)	1,001	1,005	(198)
Reconciliation of funds:						
Total funds brought forward	14	232	(1,737)	5,905	4,400	4,598
Total funds carried forward	14	244	(1,745)	6,906	5,405	4,400

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Lostock Hall Academy Trust

Balance Sheet

Year Ended 31st August 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	10		5,958		5,767
Current assets					
Debtors	11	1,034		287	
Cash at bank and in hand		<u>1,229</u>		<u>822</u>	
		2,263		1,109	
Liabilities					
Creditors: Amounts falling due within one year	12	<u>(452)</u>		<u>(299)</u>	
Net current assets			<u>1,811</u>		<u>810</u>
Total assets less current liabilities			7,769		6,577
Creditors: Amounts falling due after more than one year	13		(147)		(59)
Net assets excluding pension liability			<u>7,622</u>		<u>6,518</u>
Defined benefit pension scheme liability	25		(2,217)		(2,118)
Net assets including pension liability			<u>5,405</u>		<u>4,400</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	14	6,906		5,905	
Restricted income fund	14	472		381	
Pension reserve	14	<u>(2,217)</u>		<u>(2,118)</u>	
Total restricted funds			5,161		4,168
Unrestricted income funds	14		244		232
Total funds			<u>5,405</u>		<u>4,400</u>

The financial statements on pages 25 to 49 were approved by the trustees, and authorised for issue on the and are signed on their behalf by:

.....
Mrs M Scrivens
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07657427

Lostock Hall Academy Trust

Statement of Cash Flows

Year Ended 31st August 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in) operating activities	18	(378)	(49)
Cash flows from investing activities	20	699	(182)
Cash flows from financing activities	19	86	(4)
Change in cash and cash equivalents in the reporting period		<u>407</u>	<u>(235)</u>
Cash and cash equivalents at 1st September 2020		822	1,057
Cash and cash equivalents at 31st August 2021	21/22	<u>1,229</u>	<u>822</u>

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies

General information and basis of preparation

Lostock Hall Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Todd Lane North, Lostock Hall, Preston, PR5 5UR. The nature of the Academy Trust's operations and principal activities are set out in the Trustees' Report on page 4.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102) 2019), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Going concern

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

Income

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period 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 grant 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.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies (continued)

Income (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 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".

Expenditure

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

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies (continued)

Expenditure (continued)

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2% straight line
Fixtures, fittings and equipment	10-25% straight line
Computer equipment	25% straight line
Motor vehicles	20% straight line

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

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

Assets on conversion represent the transfer of leasehold assets, initially valued at £4,599,000 per the 2011 ESFA valuation, into the Academy on conversion to academy status in 2011 depreciated over a 50 year period.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies (continued)

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 FRS 102. 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 11. Prepayments are not financial instruments.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies (continued)

Financial instruments (continued)

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 12 and 13. 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.

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.

Pensions Benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net operating income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

1 Accounting policies (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2021. 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.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	1,009	1,009	140
Donated fixed assets	-	12	12	-
Trips and other non public funds	-	37	37	89
	<u>-</u>	<u>1,058</u>	<u>1,058</u>	<u>229</u>

Income from donations and capital grants was £1,058,000 (2020 - £229,000) of which £nil (2020 - £nil) was attributable to unrestricted funds, £37,000 (2020 - £89,000) was attributable to restricted general funds and £1,021,000 (2020 - £140,000) was attributable to restricted fixed asset funds.

£1,021,000 (2020 - £140,000) of government grants were received for capital and maintenance works.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,085	3,085	2,717
Other DfE Group grants:				
Pupil Premium	-	103	103	101
Teacher Pay/Pension grant	-	168	168	156
Rates grant	-	15	15	15
Other grants	-	32	32	11
	<u>-</u>	<u>3,403</u>	<u>3,403</u>	<u>3,000</u>
Other Government grants				
Local Authority grants	-	48	48	53
	<u>-</u>	<u>48</u>	<u>48</u>	<u>53</u>
Other income from the Academy's Trust's educational operations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exceptional Government funding				
Coronavirus Job Retention Scheme grant	-	-	-	-
Coronavirus catch up premium	-	53	53	-
Other coronavirus exception support	-	28	28	38
	<u>-</u>	<u>81</u>	<u>81</u>	<u>38</u>
Total	<u>-</u>	<u>3,532</u>	<u>3,532</u>	<u>3,091</u>

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

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

Funding for Academy Trust's educational operations was £3,532,000 (2020 - £3,091,000) of which £nil (2020 - £nil) was attributable to unrestricted funds, £3,532,000 (2020 - £3,091,000) was attributable to restricted general funds and £nil (2020 - £nil) was attributable to restricted fixed asset funds.

£3,532,000 (2020 - £3,091,000) of government grants were received for the purposes of the day to day running costs of the Academy and its charitable objectives.

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	23	-	23	-
Transport income	24	-	24	13
Sale of educational goods and services	24	-	24	10
Laptops for pupils	14	-	14	-
Student teacher income	6	-	6	6
	<u>91</u>	<u>-</u>	<u>91</u>	<u>29</u>

Income from other trading activities was £91,000 (2020 - £29,000) of which £91,000 (2020 - £16,000) was attributable to unrestricted funds, £nil (2020 - £13,000) was attributable to restricted general funds and £nil (2020 - £nil) was attributable to restricted fixed asset funds.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

5 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2021 £000	Total 2020 £000
Academy Trust's educational operations					
Direct costs	2,432	8	252	2,692	2,415
Allocated support costs	519	290	190	999	1,050
	<u>2,951</u>	<u>298</u>	<u>442</u>	<u>3,691</u>	<u>3,465</u>

£79,000 (2020 - £12,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £3,481,000 (2020 - £3,332,000) was attributable to restricted general funds and £131,000 (2020 - £121,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

	2021 £000	2020 £000
Operating lease rentals	19	13
Depreciation	131	121
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to the auditor for:		
Audit	3	3
Other services	7	7
	<u>160</u>	<u>144</u>

No additional transactions have taken place under Section 5.2 of the 2020 Academies Financial Handbook which require additional disclosure.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

6 Charitable activities

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations	2,692	2,415
Support costs – educational operations	999	1,050
	<u>3,691</u>	<u>3,465</u>

Analysis of direct costs	Educational operations £000	Total 2021 £000	Total 2020 £000
Direct staff costs	2,432	2,432	2,181
Learning resources	97	97	55
Examination fees	29	29	25
ICT costs	51	51	43
Pupil laptop programme	24	24	-
School trips and visits	37	37	90
Depreciation	8	8	7
Other direct costs	14	14	14
Total direct costs	<u>2,692</u>	<u>2,692</u>	<u>2,415</u>

Analysis of support costs	Educational operations £000	Total 2021 £000	Total 2020 £000
Support staff costs	519	519	536
Depreciation	123	123	114
Premises costs	167	167	197
Catering contract	36	36	37
Transport costs	39	39	43
Other support costs	103	103	107
Governance costs	12	12	16
Total support costs	<u>999</u>	<u>999</u>	<u>1,050</u>

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

7 Staff

(a) Staff costs

	2021 £000	2020 £000
Staff costs during the period were:		
Wages and salaries	2,101	1,946
Social security costs	202	179
Pension costs	602	584
	<u>2,905</u>	<u>2,709</u>
Agency staff costs	44	8
Staff restructuring costs	2	-
	<u>2,951</u>	<u>2,717</u>
Staff restructuring costs comprise:		
Redundancy payments	2	-
Severance payments	-	-
Other restructuring costs	-	-
	<u>2</u>	<u>-</u>

(b) Non-statutory / non-contractual staff severance payments

During the year there were no non-statutory / non-contractual severance payments. (2020: £nil).

(c) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

	2021 Number	2021 Full-time equivalent	2020 Number	2020 Full-time equivalent
Teachers	34	30	35	28
Administration and support	35	22	35	23
Management	6	6	6	6
	<u>75</u>	<u>58</u>	<u>76</u>	<u>57</u>

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

7 Staff (continued)

(d) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	<u>3</u>	<u>3</u>

(e) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £515,000 (2020: £490,000).

8 Related party transactions - Trustees' remuneration and expenses

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

Mrs G F Gorman (Principal and trustee):

Remuneration	£90,000 - £95,000. (2020: £90,000 - £95,000)
Employers' pension contributions	£20,000 - £25,000. (2020: £20,000 - £25,000)

Mrs H Archibald (staff trustee):

Remuneration	£45,000 - £50,000. (2020: £45,000 - £50,000)
Employers' pension contributions	£10,000 - £15,000. (2020: £10,000 - £15,000)

Mrs A Kay (staff trustee):

Remuneration	£15,000 - £20,000. (2020: £15,000 - £20,000)
Employers' pension contributions	£0 - £5,000. (2020: £0 - £5,000)

During the year ended 31st August 2021, no travel and subsistence expenses were reimbursed or paid directly to trustees (2020: £nil).

Other related party transactions involving the trustees are set out in note 26.

9 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 £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

10 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Fixtures £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 st September 2020	6,481	44	108	6	6,639
Additions	294	15	13	-	322
At 31 st August 2021	<u>6,775</u>	<u>59</u>	<u>121</u>	<u>6</u>	<u>6,961</u>
Depreciation					
At 1 st September 2020	734	33	99	6	872
Charged in period	116	7	8	-	131
At 31 st August 2021	<u>850</u>	<u>40</u>	<u>107</u>	<u>6</u>	<u>1,003</u>
Net book values					
At 31 st August 2020	5,747	11	9	-	5,767
At 31 st August 2021	<u>5,925</u>	<u>19</u>	<u>14</u>	<u>-</u>	<u>5,958</u>

11 Debtors

	2021 £000	2020 £000
Trade debtors	7	21
VAT recoverable	54	-
Other debtors	920	215
Prepayments and accrued income	53	51
	<u>1,034</u>	<u>287</u>

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	292	155
Other taxation and social security	-	-
Loans	10	13
Other creditors	101	77
Accruals and deferred income	49	54
	<u>452</u>	<u>299</u>

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

13 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Loans	147	59
	<u>147</u>	<u>59</u>

Loans relate to a mixture of Salix and CIF loans received to fund capital based projects in the Academy funded via the ESFA. Loan repayments are generally over an 8/10 year period from the inception of the loan.

The total repayable after more than five years is £55,000.

14 Funds

	Balance at 1 st September 2020 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	365	3,085	(2,920)	(111)	419
Pupil premium grant	-	103	(103)	-	-
Teacher Pay/Pension grant	-	168	(168)	-	-
Rates grant	-	15	(15)	-	-
Other DfE/ESFA grants	-	113	(76)	-	37
Local Authority grants	9	48	(48)	-	9
Other restricted funds	7	37	(37)	-	7
Pension reserve	(2,118)	-	(114)	15	(2,217)
	<u>(1,737)</u>	<u>3,569</u>	<u>(3,481)</u>	<u>(96)</u>	<u>(1,745)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	138	1,009	-	(199)	948
ESFA donated capital assets	-	12	-	(12)	-
Capitalised assets post conversion	1,827	-	(58)	322	2,091
ESFA building valuation	3,940	-	(73)	-	3,867
	<u>5,905</u>	<u>1,021</u>	<u>(131)</u>	<u>111</u>	<u>6,906</u>
Total restricted funds	<u>4,168</u>	<u>4,590</u>	<u>(3,612)</u>	<u>15</u>	<u>5,161</u>
Total unrestricted funds	<u>232</u>	<u>91</u>	<u>(79)</u>	<u>-</u>	<u>244</u>
Total funds	<u>4,400</u>	<u>4,681</u>	<u>(3,691)</u>	<u>15</u>	<u>5,405</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. At the year end the carry forward of GAG funding was £456,000.

Other DfE/ESFA Grants include monies received outside GAG funding. These funds have been spent in full by the 31st August 2021.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

14 Funds (continued)

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. At the year end the carried forward on these funds was £9,000.

Other restricted funds include monies from educational visits & non-public funds, catering and donations. The donations received are for restricted purposes and as at the year-end £7,000 of the income received in this fund remained unspent.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit had decreased to £2,217,000 at the 31st August 2021.

DfE/ESFA capital grants represent capital monies received during the period from the ESFA. The funds received are restricted for specific capital projects and as at the year end £948,000 remained unspent.

Capitalised assets post conversion represents the value of assets purchased since conversion to academy status. These will be depreciated in line with the accounting policies set out in note 1.

Assets on conversion represent the transfer of leasehold assets, initially valued at £4,599,000 per the 2011 ESFA valuation into the Academy on conversion to academy status in 2011 depreciated over a 50 year period.

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

	Balance at 1 st September 2019 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 st August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	406	2,717	(2,721)	(37)	365
Pupil premium grant	-	101	(101)	-	-
Teacher Pay/Pension grant	-	156	(156)	-	-
Rates grant	-	15	(15)	-	-
Other DfE/ESFA grants	-	49	(49)	-	-
Local Authority grants	-	53	(44)	-	9
Other restricted funds	7	102	(102)	-	7
Pension reserve	(1,892)	-	(144)	(82)	(2,118)
	(1,479)	3,193	(3,332)	(119)	(1,737)
Restricted fixed asset funds					
DfE/ESFA capital grants	283	140	-	(285)	138
Capitalised assets post conversion	1,554	-	(49)	322	1,827
ESFA building valuation	4,012	-	(72)	-	3,940
	5,849	140	(121)	37	5,905
Total restricted funds	4,370	3,333	(3,453)	(82)	4,168
Total unrestricted funds	228	16	(12)	-	232
Total funds	4,598	3,349	(3,465)	(82)	4,400

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

15 Analysis of net assets between funds

Fund balances at 31st August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	5,958	5,958
Current assets	244	1,071	948	2,263
Current liabilities	-	(452)	-	(452)
Non-current liabilities	-	(147)	-	(147)
Pension scheme liability	-	(2,217)	-	(2,217)
Total net assets	244	(1,745)	6,906	5,405

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	5,767	5,767
Current assets	232	739	138	1,109
Current liabilities	-	(299)	-	(299)
Non-current liabilities	-	(59)	-	(59)
Pension scheme liability	-	(2,118)	-	(2,118)
Total net assets	232	(1,737)	5,905	4,400

16 Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	948	138

17 Commitments under operating leases

Operating leases

At 31st August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	35	13
Amounts due between one and five years	61	36
Amounts due after five years	-	-
	96	49

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

18 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2021 £000	2020 £000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	990	(116)
Adjusted for:		
Depreciation (note 10)	131	121
Capital grants from DfE and other capital income	(1,021)	(140)
Defined benefit pension scheme cost less contributions payable (note 25)	78	109
Defined benefit pension scheme finance cost (note 25)	36	35
(Increase)/decrease in debtors	(747)	209
Increase/(decrease) in creditors	155	(267)
Net cash (used in) operating activities	(378)	(49)

19 Cash flows from financing activities

	2021 £000	2020 £000
Repayments of borrowing	(13)	(13)
Cash inflows from borrowing	99	9
Net cash provided by/(used in) financing activities	86	(4)

20 Cash flows from investing activities

	2021 £000	2020 £000
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(322)	(322)
Capital grants from DfE/ESFA	1,021	140
Capital funding received from others	-	-
Net cash provided by/(used in) investing activities	699	(182)

21 Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	1,229	822
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,229	822

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

22 Analysis of changes in net debt

	At 1 st September 2020	Cash flows	Acquisition / disposal of subsidiaries	Finance leases	Other non-cash changes	At 31 st August 2021
Cash	822	407	-	-	-	1,229
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	<u>822</u>	<u>407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,229</u>
Loans falling due within one year	(13)	3	-	-	-	(10)
Loans falling due after more than one year	(59)	(88)	-	-	-	(147)
Finance lease obligations	-	-	-	-	-	-
	<u>(72)</u>	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157)</u>
Total	<u>750</u>	<u>322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,072</u>

23 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the School is required to either re-invest the proceeds or to repay 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, as the Secretary of State may require.

24 Members' Liability

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

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31st March 2016 and of the LGPS 31st March 2019.

Contributions amounting to £12,156 (2020: £12,065) were payable to the schemes at 31st August 2021 and are included within creditors.

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

25 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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 contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st March 2016. The valuation report was published by the Department for Education on 5th March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £484,000 (2020: £456,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

25 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 31st August 2021 was £154,000 (2020: £140,000), of which employer's contributions totalled £125,000 (2020: £113,000), and employees' contributions totalled £29,000 (2020: £27,000). The agreed contribution rates for future years are 19.1% for employers and the rate for employees remains dependant on the earnings of the employee.

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

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal Actuarial Assumptions	At 31st August 2021	At 31st August 2020
Rate of increase in salaries	4.2%	3.9%
Rate of increase for pensions in payment / inflation	2.8%	2.5%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.7%	2.4%

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

	At 31st August 2021	At 31st August 2020
<i>Retiring today</i>		
Males	22.4	22.3
Females	25.1	25.0
<i>Retiring in 20 years</i>		
Males	23.9	23.8
Females	26.9	26.8

Sensitivity analysis

	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
Central £000	+0.1% pa discount rate £000	+0.1% pa inflation £000	+0.1% pa pay growth £000	1 year inc in life expectancy £000
Liabilities	5,460	5,353	5,569	5,636
Assets	(3,243)	(3,243)	(3,243)	(3,243)
Deficit	2,217	2,110	2,326	2,393
Projected service cost	221	215	226	228
Projected net interest	37	37	38	40

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 st August 2021	Fair value at 31 st August 2020
Equities	1,638	1,258
Government bonds	-	-
Other bonds	172	190
Corporate bonds	-	-
Property	324	375
Cash and other liquid assets	68	50
Other	1,041	886
Total market value of assets	3,243	2,759

The actual return on scheme assets was £392,000 (2020: (£24,000)).

Amounts recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost (net of employee contributions)	(75)	(71)
Past service cost	-	(35)
Interest income	51	52
Interest expense	(87)	(87)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	(3)	(3)
Total operating charge	(114)	(144)

Lostock Hall Academy Trust

Notes to the Financial Statements

Year Ended 31st August 2021

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2021 £000	2020 £000
At 1st September	4,877	4,760
Current service cost	200	184
Past service cost	-	35
Interest cost	87	87
Employee contributions	29	27
Actuarial loss/(gain)	325	(143)
Benefits paid	(58)	(73)
Losses or gains on curtailments	-	-
Past service costs	-	-
At 31st August	<u>5,460</u>	<u>4,877</u>

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

	2021 £000	2020 £000
At 1st September	2,759	2,868
Interest income	51	52
Return on plan assets (excluding interest income)	-	-
Assets distributed on settlements	-	-
Actuarial gain/(loss)	340	(225)
Employer contributions	125	113
Employee contributions	29	27
Benefits paid	(58)	(73)
Administrative expenses	(3)	(3)
Effect of non-routine settlements	-	-
At 31st August	<u>3,243</u>	<u>2,759</u>

26 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.