Company Registration Number: 08737412 (England & Wales)

LINCOLN ANGLICAN ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

LINCOLN ANGLICAN ACADEMY TRUST
(A Company Limited by Guarantee)

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LINCOLN ANGLICAN ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019

Members	The Diocesan Board of Education acting corporately by hand of a Trustee The Chair of the Diocesan Board of Education or nominee The Vice Chair of the Diocesan Board of Education or nominee The Chair of Trustees
Trustees	Jeremy Woolner, Chair Gregory Marsden, Vice Chair Reverend Canon Andrew Dodd Joanne Kerry Oliver Tasker Reverend Canon Keith Wilkinson Dr Michael Smalley Dr Emma Clarke (resigned 4 March 2019) Richard Eaton (appointed 10 December 2018) Helen Doyle (appointed 13 June 2019) Jacqueline Waters Dewhurst, Chief Executive
Company registered number	08737412
Company name	Lincoln Anglican Academy Trust
Principal and registered office	103 Newport Lincoln LN1 3EE
Senior management team	Jacqueline Waters Dewhurst, Chief Executive Paul Thompson, Deputy Chief Executive Leanne Holmes, Finance and Operations Director
Independent auditor	Mazars LLP Chartered Accountants Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Lloyds Bank LLP 202 High Street Lincoln LN5 7AP
Solicitors	Lee Bolton Monier Williams 1 The Sanctuary Westminster London SW1P 3JT

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report together with the financial statements and the auditor's report of the charitable company for the 12 months ending 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

Introduction by the Chairman – Jerry Woolner

Once again, I am pleased to present the accounts for the year ended August 2019. This has been an extremely busy year and one in which there has been much to celebrate.

This year has seen improvements in results across all stages, with phonics results in particular proving to be a real success story for the Trust.

The continued improvement in our educational performance has been underpinned by robust financial management. To this end, we will continue to build on our reserves to ensure that the Trust has a sound base to allow for future growth.

In my role as Chair, I am responsible for ensuring that our Board of Trustees has sufficient breadth and depth of expertise to oversee the running of the Trust. For this reason, we were delighted that Richard Eaton and Helen Doyle have agreed to join the Board, thus adding further capacity in the areas of finance, governance and risk. Richard is a senior manager working in Financial Services, Risk and Compliance, whilst Helen Doyle is a Governance and Compliance officer. Sadly, during the year, we had to say goodbye to Dr Emma Clarke; her vast knowledge of schools and education will be greatly missed.

At the start of the academic year, we welcomed East Ravendale to our growing family, taking the number of pupils we serve from 2,356 to 2,481 and the total number of schools to 15. As is evident from the numbers here, our Trust is made up of small to medium size rural schools, located across a wide geographical area. This presents a number of challenges, particularly financial, in a sector which is already facing huge budgetary constraints. The Trust is responding by adopting more innovative ways of working; this includes sharing staff across schools, using new technology, but most of all through fostering a spirit of collaboration. The education sector remains immensely challenging, but I am confident that through our collective strength, the Trust will continue to thrive.

Chief Executive's Statement

"Schools serving their communities through Excellence, Exploration and Encouragement within the love of God" is the Trust's vision.

I am therefore delighted to see how this vision is being brought to life in our schools, promoting opportunities for pupils and colleagues alike.

With regards to standards, I am pleased to report that Key Stage 2 results for reading, writing and maths combined have continued their 4 year upward trajectory. Our focus is not just on meeting expected standards, but on ensuring that every child reaches their full potential. Key Stage 1 results in particular for greater depth are significantly improved and phonics results demonstrate our expertise in this area.

However, our vision of Excellence, Exploration and Encouragement goes beyond academic performance. For example, at Canon Peter Hall, Year 6 pupils have benefitted from close links with professionals from local businesses who have introduced the children to the "world of work", including offering site visits, training and support. Crucially, this has opened the eyes of the children to the wealth of opportunities that are available to them and we are immensely grateful to these organisations for their support.

A number of our schools have undergone OFSTED inspections during the year and I am pleased to say that all schools that were graded as good have retained this grading. Furthermore, two schools, Ulceby St Nicholas and Weston St Mary, have now been reassessed from inadequate to good. These results are a testimony to the hard work and commitment of staff and governors in these schools.

Despite government announcements around intentions to reduce data demands made of our schools, leaders tell us that this is still an area that is extremely burdensome. For this reason, Celia Hird has been appointed to the role of Data and Information Manager in order to streamline and manage our systems across the Trust. Celia has already made great progress, including overseeing the implementation of the Assembly consolidation platform which is designed to reduce time spent in collating information manually.

Streamlining and improving the quality and range of our support services is one of our key objectives for the new academic year. This process will be driven through the appointment of Mark Lunn, as Business and Operations Manager. Mark's role is very much focussed on driving up the quality of our support services and allowing front line staff to focus on educating our pupils. By facilitating Trust wide collaboration, Mark has already achieved significant operational savings and we look forward to seeing the impact that he has as we move into another year of financial challenges.

Every year, Multi Academy Trusts with up to 3000 pupils have the opportunity to bid for Condition Improvement Funding to enable schools to address high priority building issues. Once again, the Trust has been successful in the bidding round and was able to secure funding for projects with a combined value of £0.8m across four of our schools. These projects are largely complete and include roofing works and heating systems.

Our organisation is all about people and we are keen to ensure that we have a motivated, healthy and happy staff group. For this reason, we participated in a nationwide Staff Well-being and Working Conditions survey led by Edurio. The Trust was one of 32 multi academy trusts taking part in the survey and I am delighted to report that we were one of the top performing employers, with 77% of respondents answering that they would recommend us as a good place to work.

Following the success of last year's event, the Trust's Annual Awards Ceremony took place in July. This event brings together staff and pupils to celebrate the successes and achievements of all our schools. Colleagues were invited to nominate those that they felt were deserving of extra recognition, with awards covering teaching staff, leadership, support staff and volunteers amongst others. In addition, schools were also asked to submit nominations for Pupil of the Year, where one child from each of our schools was chosen for the way in which they demonstrated the Trust's values of justice and dignity, wisdom, hope and respect. Once again, the event was a huge success and served to remind us of all the wonderful work taking place every day in our schools.

The success of our organisation is founded upon the dedication of our staff and volunteers and I would like to take this opportunity to thank them for all that they do in our schools.

Structure, governance and management (continued)

By the end of the year, the Multi Academy Trust was operating fifteen academies with a combined pupil roll of 2,481 pupils (2018: 2,356) within the area of the Diocese of Lincoln. Fourteen of these academies are primary schools and one is a secondary school. The academies are as follows:

Canon Peter Hall Church of England Primary School – Immingham, North East Lincolnshire
Ulceby St Nicholas Church of England Primary School – Ulceby, North Lincolnshire
The Magdalen Church of England/Methodist Primary School - Wainfleet, Lincolnshire
Weston St Mary Church of England Primary School – Weston, Lincolnshire
William Lovell Church of England Academy – Stickney, Lincolnshire
Morton Church of England Primary School – Morton, Lincolnshire
Brown's Church of England Primary School – Horbling, Lincolnshire
St Peter's Church of England Academy – Cleethorpes, North East Lincolnshire
Ruskington Chestnut Street Church of England Academy – Ruskington, Lincolnshire
Edenham Church of England Primary School – Edenham, Lincolnshire
Branston Infant Church of England Academy – Branston, Lincolnshire
Whaplode Church of England Primary School – Whaplode, Lincolnshire
Coningsby St Michael Church of England Primary School – Coningsby, Lincolnshire
Holy Trinity Church of England Primary School – Tattershall, Lincolnshire
East Ravendale Church of England Academy – East Ravendale, North East Lincolnshire

Structure, governance and management

a. Constitution

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Multi Academy Trust. The charitable company is known as the Lincoln Anglican Academy Trust ("LAAT").

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

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

The Trustees of the Lincoln Anglican Academy Trust have unlimited indemnity insurance cover. This is purchased by the Multi Academy Trust. This cover applies to all Trustees acting in accordance with the role of professional responsibilities of the Multi Academy Trust.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

Potential new trustees are identified by the Lincoln Anglican Academy Board, ensuring that the skills and expertise of new trustees are complementary to those existing on the Board. All Trustees are appointed by the Diocesan Board of Education, with the exception of one Methodist appointment. A Director is appointed by the Methodist Academies and Schools Trust in recognition of the Anglican/Methodist schools within the Trust.

e. Policies adopted for the induction and training of Trustees

Training and induction is tailored specifically to the individual Trustee and will depend upon their skills and experience. Where necessary and appropriate, the induction process will provide training on charity, education, legal and financial matters. All Trustees are encouraged to visit the academies and to meet with staff and students.

Trustees are provided with access to policies, procedures, minutes, accounts, budget plans and any other documents that they may need to undertake their role. All Trustees receive electronic publications which provide updates and references for documents and publications that will keep them up to date with current education policy.

f. Organisational structure

There is a clear management structure to control the way in which the Lincoln Anglican Academy Trust is run. The structure consists of four levels; the Members, the Directors, Senior Leadership Team and Hubs. The management philosophy of the Multi Academy Trust is to delegate responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting the overall strategic direction and objectives of the Lincoln Anglican Academy Trust and to monitor its progress towards these objectives. The Board meets at least four times a year. The Directors have appointed a Finance sub-committee which is responsible for reviewing all finance, risk and investment matters for the Multi Academy Trust. The Finance sub-committee meets at least four times a year.

The Senior Leadership Team is responsible for the day to day executive management of the organisation, implementing policies laid down by the directors and reporting back to them.

Academies are grouped into geographical hubs. Hubs are empowered to deliver programmes of improvement within their constituent academies, as well as having the opportunity to contribute to the strategic direction of the overall Trust.

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

The pay and performance policy is reviewed by the Board annually. The remuneration for key management personnel is determined based on job descriptions with each role being linked to fixed pay-scales and benchmarked against sector comparators. Personnel are able to progress within the relevant banding for their job role.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	2	
Total pay bill	11,202	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

i. Connected parties and other related charities or organisations

The Lincoln Anglican Academy Trust works very closely with the Lincoln Diocesan Board of Education. The Lincoln Diocesan Board of Education is and will continue to be a significant connected party to the development of the Trust. Maintaining this link is a commitment made by both parties as the LAAT grows and develops. There is a sharing of staff and this is charged at cost.

Objectives and activities

a. Objectives and activities

The principal objective of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad, balanced and high quality education.

The Trust is dedicated to supporting school improvement and Christian distinctiveness whilst maintaining each school as a unique place in the heart of its unique context.

The main objectives of the Trust, carried out under the vision statement, during the year ending 31st August 2019 are summarised below:

- Transform the chances of individual pupils
- Use the collective strength within the Trust and other schools in the Diocese of Lincoln
- Be fully inclusive to all
- To support and develop all staff to be the best that they can be
- Be sustainable through the expertise within the organisation, through partnership with our current good or better schools and external partners
- Bring strength, motivation and purpose through the belief that every child should be enabled to be all that God intended
- Be distinctive and unique in character relevant to the context

The Trust has a clear vision which centres around high quality education with Christian distinctiveness. Each academy has its own unique character, but is able to benefit from the collective strength of the Trust.

The Trust operates a robust quality assurance framework, ensuring that each academy receives the support needed. At the heart of this framework are visits from a School Effectiveness Advisor, which focus on standards, development plans, safeguarding and reviews of teaching and learning. In addition, each academy participates in formal academy reviews with a member of the Senior Leadership Team, along with half termly Head Teacher meetings and Hub meetings.

The introduction of new systems has enabled real time data to be available at pupil level, thus ensuring that rapid intervention can take place where necessary.

The Trust offers a range of training and development opportunities for its employees, ensuring that they are able to maximise their own potential, whilst continuing to serve their pupils to the best of their abilities. Working within the context of a larger organisation has enabled staff to contribute in a wider way and to develop their skills in mutually supported environments

As the Trust continues to grow, it is able to offer more opportunities to staff who wish to further their career in education. This not only benefits the individual, but has also improved recruitment and retention rates and enabled the Trust to quickly deploy leadership resource where needs arise.

Through robust policies and protocols, the Trust is committed to being a balanced, supportive and fair employer. Something which is supported by the Trust's close working relationship with Trade Unions through our Joint Consultative Committee and by use of the Trade Union Recognition Agreement.

b. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The addition of East Ravendale on 1 September 2018 means the Trust now provides education for approximately 2,500 pupils across 15 academies.

The charts below set out performance data against national benchmarks. Included within the 2017 figures are 10 schools (Ulceby, Canon Peter Hall, Wainfleet, Weston St Mary, St Peters, Chestnut Street, Edenham, Horbling, Morton and Branston Infants). Included within the 2018 figures are the same schools as 2017, together with Whaplode, Holy Trinity Tattershall and Coningsby St Michael. The 2019 figures include East Ravendale. Branston Infant Academy is included within KS1 and EYFS tables only.

Progress scores for Key Stage 2 are in line with last year and in line with national averages.

A comparison of the Trust's attainment figures for 2019 and 2018 shows improvements in writing and maths, alongside level figures for reading. The proportion of pupils meeting the expected standard in grammar, punctuation and spelling has also improved. There is still work to do to ensure that the Trust's figures both meet and exceed national expected standards and to encourage more pupils to be working at greater depth. Consequently, further training programmes are now underway, together with targeted interventions.

It should be noted that the proportion of children receiving free school meals across the Trust is 20%, significantly above the national average of 16%. Whilst this factor presents the Trust with additional challenges, we are committed to raising standards for all children. Further information is provided below in respect of the progress and attainment of disadvantaged pupils. This highlights a significant improvement in maths attainment, eight points above the national average for disadvantaged pupils, plus an improvement in writing and GPS attainment.

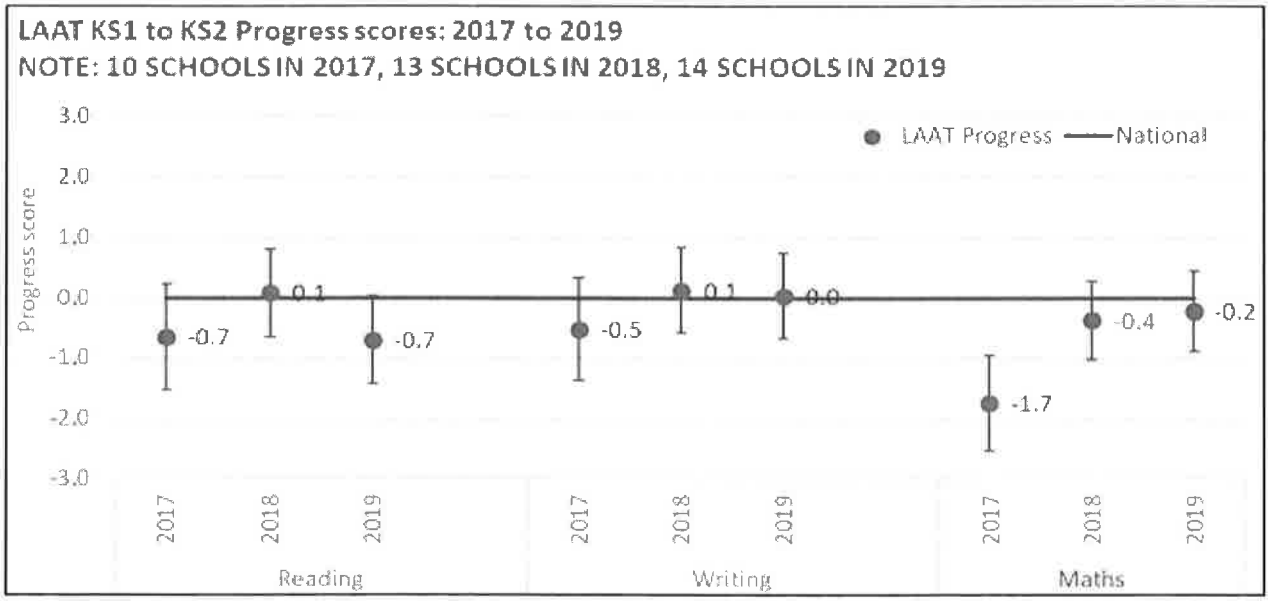
Strategic report (continued)

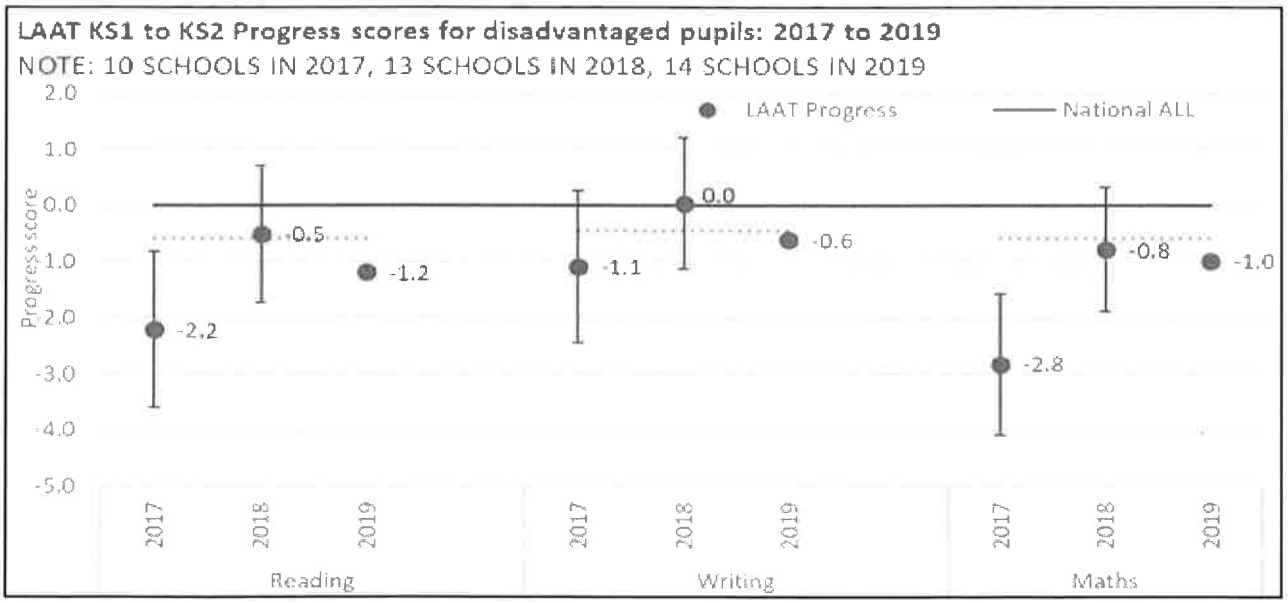
Achievements and performance (continued)

a. Key performance indicators

Progress Data

The charts below set out the key progress scores for the Trust's primary academies against the national progress score, which is always 0:



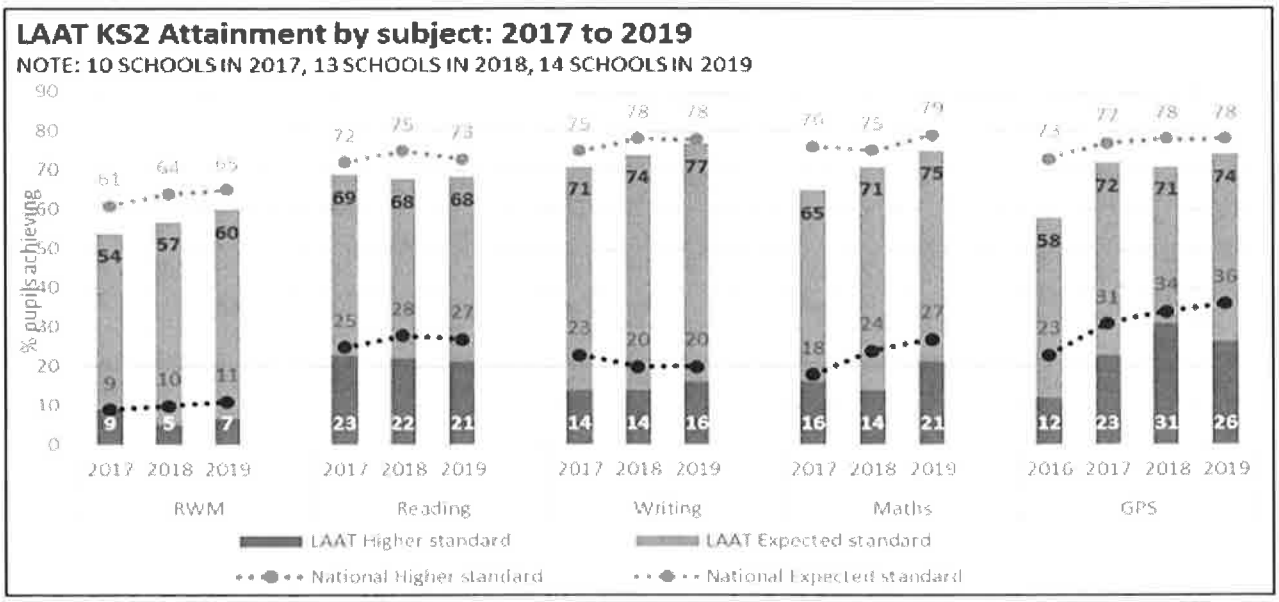


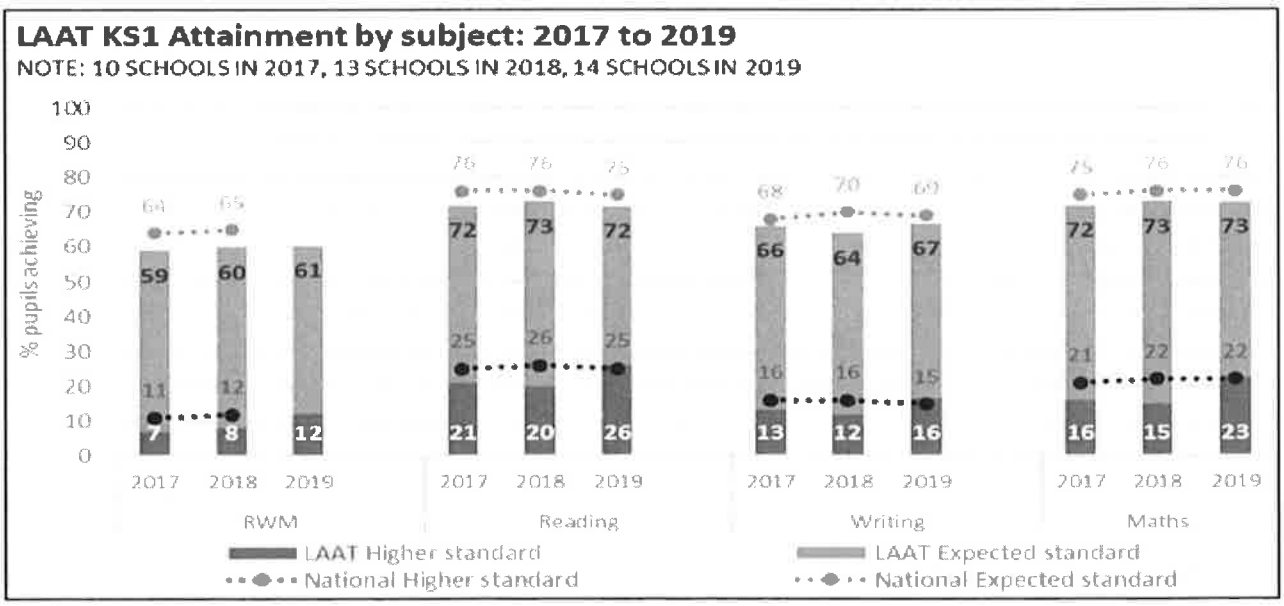
Strategic report (continued)

Achievements and performance (continued)

Attainment Data

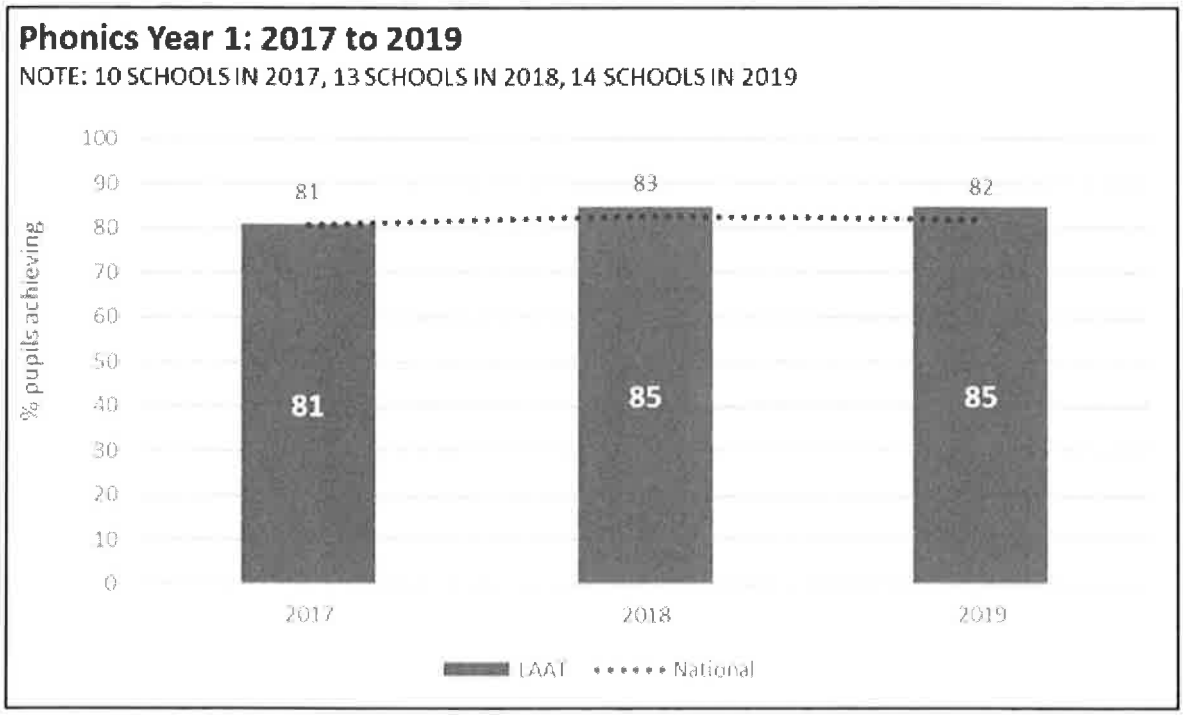
The charts below set out the attainment indicators for the Trust's primary academies against national benchmarks:





Strategic report (continued)

Achievements and performance (continued)



The provisional results for GCSE's have been recently published. The table below sets out the provisional KS4 results for William Lovell Academy for 2019:

	2019: Academy 28.8%	2019: National 43.0%	2018: Academy 23.0%	2018: National 43.3%
English & Maths GCSE Grade 5 or above				
Progress 8 score	-0.35	-0.03	-0.69	-0.02
Attainment 8 score	35.6	46.5	33.9	46.5

Strategic report (continued)

Achievements and performance (continued)

The table below shows OFSTED gradings by school

	Current OFSTED	Previous OFSTED
Ulceby St Nicholas	Good – 2018	Inadequate - 2016
Ruskington Chestnut Street	Good - 2017	Good - 2013
Canon Peter Hall	Good - 2017	Good - 2011
The Magdalen School, Wainfleet	Good – 2017	Requires improvement - 2013
Weston St Mary	Good - 2019	Inadequate - 2017
William Lovell	Inadequate - 2018	Good - 2013
St Peter's Academy, Cleethorpes	Good – 2019	Good - 2016
Morton	Good – 2019	Good - 2013
Brown's, Horbling	Good - 2019	Good - 2014
Edenham	Good – 2019	Good – 2011
Branston Infant	Outstanding - 2008	n/a - 2003
Whaplode	Good – 2014	Requires improvement - 2012
Coningsby St Michael	Good – 2018	Good - 2014
Tattershall Holy Trinity	Good – 2014	Good - 2009
East Ravendale	Good - 2016	Satisfactory - 2012

During 2018-2019, there were six OfSTED inspections:

- Ulceby St Nicholas (Section 5) – Special Measures to Good
- Morton (Section 8) – Continues to be securely good.
- Brown's, Horbling (Section 8) – Retains good but the next inspection will be Section 5.
- Weston St Mary (Section 5) – Special Measures to Good
- Edenham (Section 5) – Continues to be securely good.
- St Peter's Academy, Cleethorpes (Section 8) – Continues to be securely good..

William Lovell continues to be 'Special Measures' following a monitoring visit that took place in September 2019. Branston CE Infant School has an 'Outstanding' inspection judgement. The school's last report was an interim assessment report in January 2011.

b. Financial performance indicators

A summary of key performance indicators is set out below:

	Actual 18/19	Target 18/19	Actual 17/18
Staff costs % total income	72.4%	77.7%	73.4%
Agency costs % staffing costs	2.2%	0.6%	1.7%
Average class size	25	25	26
Average no of pupils per school	165	165	174

The average size of school reflects the rural diocesan community that the Trust serves. Therefore, indicators such as staff costs as a proportion of total income reflect the commitment shown by schools to ensuring strong budgetary control, in spite of the economic challenges that they face.

Strategic report (continued)

Achievements and performance (continued)

c. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 this adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

a. Reserves policy

The Trustees have reviewed the reserves of the Trust in conjunction with the guidance issued by the Charities Commission. A level of reserves is being built and will then be maintained to ensure that the LAAT has sufficient working capital requirements to take account of short-term fluctuations in funding and expenditure and to support future growth plans. The level of reserves will be kept under review by the Trustees.

For the purposes of the reserves policy, the reserves balance excludes restricted fixed assets funds and liabilities arising from the Local Government Pension Schemes (LGPS). The current reserves figure is £1,840k, which is within the overall target range of between £1,246k and £2,493k. The Trustees are satisfied with current levels of reserves.

b. Investment policy

All investments are made in accordance with the Trust's Finance Policy. Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested following approval from the Finance Committee. The Board is responsible for the regular review of investments.

c. Risk management

The Trustees have identified the key risks and uncertainties to which the LAAT is exposed and these are documented within the Trust's risk map. Risks are scored according to likelihood and probability; actions taken and mitigation are then documented against each risk.

The risk register is reviewed and updated each month by the Senior Leadership Team. It is then presented to the Trustees at Finance Committee and Board Meetings for further review and amendment as necessary.

In addition, a comprehensive risk table is maintained for each academy and reviewed at least three times a year, or as circumstances change.

The system of internal controls is also subject to regular independent review by internal and external audits, the outcomes for which are reported to the Trustees.

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

The Trustees are responsible for identifying the major strategic risks faced by the Trust and for establishing systems and controls to mitigate them. The principal risks identified in the risk map are as follows:

Financial Risk – Education budgets face significant pressure with rising costs and income that has seen a real term decline. The Trust is managing this situation carefully by preparing longer term forecasts and taking action where the need arises.

Governance and Management Risk – As with all Multi-Academy Trusts, the Lincoln Anglican Academy Trust faces significant challenges in ensuring that those in leadership/oversight positions have the necessary skills and expertise to carry out their roles. In response, the Trust has adopted robust recruitment and selection processes and puts a clear emphasis on their ongoing professional development.

Legal and Compliance Risk – The organisation is subject to numerous legislative requirements, for which comprehensive policies and procedures are in place. School standards are monitored and reported to the Board on a regular basis and action plans implemented for those schools that are not performing in line with required standards.

Operational risk – There are risks associated with falling pupil rolls and the Trust continues to work with the Local Authority to understand projected admission numbers. William Lovell in particular has seen pupil numbers decline in recent years and the central team continues to work with the school to ensure that it is able to meet future financial challenges.

Liquidity risk - The Trust's exposure to institutional credit risk is managed through internal restrictions on how funds can be invested. Exposure to price and credit risk is low, as much of the Trust's income is derived from the Education and Skills Funding Agency and Local Authorities. There are substantial deficits within the Local Government Pension Schemes, as described in note 26 to the financial statements. The deficit is subject to periodic actuarial review and regular monitoring by the Trustees.

Cash flow risk - Cash levels are monitored and reported daily, and long-term forecasts updated on a monthly basis. Levels of cash held are sufficient to cope with short term cash shortfalls, for example such as those arising from new academies joining the Trust.

We are aware that the uncertainty currently surrounding Brexit could potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

e. Principal fundraising

Much of the LAAT's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the Department for Education during the year ending 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Fundraising

Approach to fundraising

Fundraising only forms a very small part of the activities undertaken by the Trust. Any fundraising that is undertaken on behalf of the Trust is done so by volunteers or staff of the Trust. The Trust do not use a professional fundraiser for its fundraising activities. All funds that are raised, are clearly identified, together with the purpose for which they were raised and the related expenditure, in our finance package.

Work with, and oversight of, any commercial participators/ professional fundraisers

The Trust does not work with any commercial participators or professional fundraisers on any fundraising projects.

Fundraising conforming to recognised standards

The fundraising activities of the Trust conform to recognised standards.

Monitoring of fundraising carried out on its behalf

The academies are responsible for monitoring and overseeing the fundraising activities undertaken by each academy. In addition to this, the academies are required to complete an annual register of donations that is reviewed annually by the central officers of the Trust.

Fundraising complaints

As far as the Trust is aware, there have been no complaints regarding the fundraising undertaken by the academies.

Protection of the public, including vulnerable people, from unreasonable intrusive or persistent fundraising approaches, and undue pressure to donate

The academies do not undertake activities which:

- Are unreasonably intrusive on individual's privacy
- Are unreasonably persistent
- Place undue pressure on individuals to donate

Plans for future periods

The Trustees believe that further growth of the Lincoln Anglican Academy Trust will both raise educational standards and preserve church school education within the Diocese of Lincoln. To this purpose, the Trustees have developed a comprehensive model of growth which allows for significant numbers of schools to join the Trust and be grouped into Regional Hubs. By increasing the number of high performing schools in the Trust, the capacity will be increased to enable the Trust to sponsor more schools in need of support.

Spalding Parish Church of England Day School has joined the Trust on 1st December 2019. Discussions are ongoing with a number of other primary schools who have expressed an interest in joining the Trust.

Although a decision was made to identify a new Trust for William Lovell, the only secondary school in the group, a decision has not yet been made around what is the best solution for the school. Therefore for the time being, the Trust will continue to operate the school as normal.

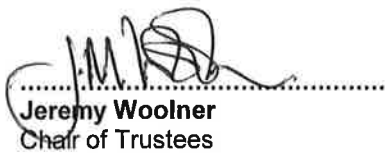
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 3 December 2019 and signed on its behalf by:



.....
Jeremy Woolner
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Lincoln Anglican 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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring that 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 the Lincoln Anglican 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.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Jeremy Woolner, Chair	5	5
Gregory Marsden, Vice Chair	5	5
Reverend Canon Andrew Dodd	3	5
Joanne Kerry	5	5
Oliver Tasker	2	5
Reverend Canon Keith Wilkinson	5	5
Dr Michael Smalley	4	5
Dr Emma Clarke	1	3
Richard Eaton	2	3
Helen Doyle	1	1
Jacqueline Waters Dewhurst, Chief Executive	5	5

The Finance and General Purposes Committee is a sub-committee of the Board of Trustees. Its purpose is to review and make recommendations about all aspects of the Lincoln Anglican Academy Trust's financial affairs. The Deputy Chief Executive and Finance and Operations Director attend by invitation.

Matters determined by the Finance Committee during the year included recommending the approval of the annual budget for 2019/20, the approval for pay increases and the approval for new schools joining the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gregory Marsden, Finance Committee Chair	5	5
Jeremy Woolner	5	5
Dr Michael Smalley	4	5
Jacqueline Waters-Dewhurst, Chief Executive	5	5

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that Multi 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 Lincoln Anglican 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 appropriate. The Accounting Officer has delivered improved value for money during the year by:

Appointing a Business and Operations Manager to work closely with the schools to improve their operational performance.

Rolling out Area Finance roles, allowing smaller schools access to high quality ground level support and fostering greater collaboration between all schools.

Appointing a Data and Information Manager to streamline and oversee data management within the trust. During the year, the Data and Information Manager has introduced a data consolidation system for all primary schools.

Procuring premises management/compliance software for all schools to improve estate management.

Securing over £0.6 m of capital funding for schools through successful CIF bids.

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 Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Lincoln Anglican Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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 Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Lincoln Anglican Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has determined that there is a need for a specific internal audit function. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 and signed on their behalf by:

.....
Jeremy Woolner
Chair of Trustees

Date: 3 December 2019

.....
Jacqueline Waters-Dewhurst
Accounting Officer

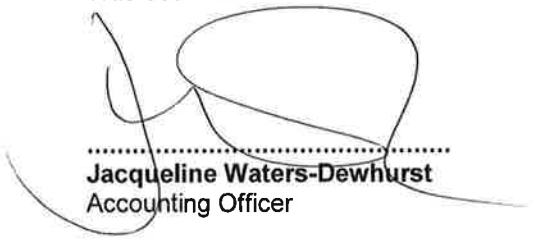
Date: 3 December 2019

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Lincoln Anglican Academy Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Multi Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Multi Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Multi Academy Trust, or material non compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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 the ESFA.



.....
Jacqueline Waters-Dewhurst
Accounting Officer

Date: 3 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 business.

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

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

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

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

.....
Jeremy Woolner
Chair of Trustees

Date: 3 December 2019

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINCOLN ANGLICAN ACADEMY TRUST

Opinion

We have audited the financial statements of Lincoln Anglican Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 14.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINCOLN ANGLICAN ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LINCOLN ANGLICAN ACADEMY TRUST (CONTINUED)

Use of the audit report

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

David Hoose (Senior Statutory Auditor)
for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 5/12/19

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN ANGLICAN ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lincoln Anglican Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lincoln Anglican Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lincoln Anglican 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 Lincoln Anglican Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lincoln Anglican Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lincoln Anglican Academy Trust's funding agreement with the Secretary of State for Education dated 24 December 2013 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LINCOLN ANGLICAN ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 5/12/19

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants:	3					
Transfer of existing academy joining the academy trust		77	(127)	147	97	-
Transfer on conversion from local authority		179	-	202	381	(219)
Other donations and capital grants		58	24	641	723	1,305
Charitable activities	4	-	13,404	-	13,404	11,492
Other trading activities	5	478	-	-	478	442
Investments	6	1	-	-	1	1
Total income		793	13,301	990	15,084	13,021
Expenditure on:						
Raising funds	7	404	103	-	507	461
Charitable activities	7	-	13,601	321	13,922	12,116
Total expenditure		404	13,704	321	14,429	12,577
Net income		389	(403)	669	655	444

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Net income/ (expenditure) brought forward		389	(403)	669	655	444
Transfers between funds	**19**	(56)	(109)	165	-	-
Net movement in funds before other recognised (losses)/gains		333	(512)	834	655	444
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	**26**	-	(2,982)	-	(2,982)	1,137
Net movement in funds		333	(3,494)	834	(2,327)	1,581
Reconciliation of funds:						
Total funds brought forward		1,086	(4,768)	4,201	519	(1,062)
Net movement in funds		333	(3,494)	834	(2,327)	1,581
Total funds carried forward		1,419	(8,262)	5,035	(1,808)	519

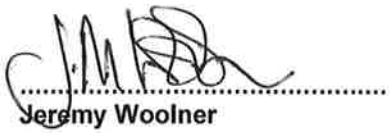
LINCOLN ANGLICAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08737412

BALANCE SHEET
AS AT 31 AUGUST 2019

			2019 £000		2018 £000
Fixed assets					
Intangible assets	**14**		11		37
Tangible assets	**15**		4,738		3,887
			4,749		3,924
Current assets					
Debtors	**16**	576		911	
Cash at bank and in hand	**24**	2,893		2,380	
		3,469		3,291	
Creditors: Amounts falling due within one year	**17**	(1,311)		(1,672)	
Net current assets			2,158		1,619
Total assets less current liabilities			6,907		5,543
Creditors: Amounts falling due after more than one year	**18**		(25)		(31)
Net assets excluding pension liability			6,882		5,512
Defined benefit pension scheme liability	**26**		(8,690)		(4,993)
Total net (liabilities)/assets			(1,808)		519
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	**19**	5,035		4,201	
Restricted income funds	**19**	428		225	
Restricted funds excluding pension liability	**19**	5,463		4,426	
Pension reserve	**19**	(8,690)		(4,993)	
Total restricted funds	**19**		(3,227)		(567)
Unrestricted income funds	**19**		1,419		1,086
Total funds			(1,808)		519

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 28 to 65 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



Jeremy Woolner
Chair of Trustees

Date: 3 December 2019

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	**21**	399	393
Cash flows from investing activities	**23**	121	252
Cash flows from financing activities	**22**	(7)	4
Change in cash and cash equivalents in the year		513	649
Cash and cash equivalents at the beginning of the year		2,380	1,731
Cash and cash equivalents at the end of the year	**24**	2,893	2,380

The notes on pages 33 to 65 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

Following revised guidance from the Church of England, a decision was taken to remove church owned buildings occupied under licence from the balance sheet. As a result, the balance sheet for the Lincoln Anglican Academy Trust showed net liabilities for 2018/19. This was as a result of deficits in the Local Government Pension Schemes of which the Trust's non-teaching staff are members. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

1. Accounting policies (continued)

1.3 Income

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

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

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

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

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

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

- **Transfer of existing academies into the Academy Trust**
  Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

  Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1. Accounting policies (continued)

1.4 Expenditure

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

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

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

  All resources expended are inclusive of irrecoverable VAT.

1.5 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.

1.6 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	33 %

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold land and buildings	- over the term of the lease
Furniture and equipment	- 20%
Computer hardware	- 33%
Property improvements	- 10%

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.

Land and buildings held by the Diocesan Trust & Board of Finance Limited on trust and made available to the academies are not included on the balance sheet. The Multi Academy Trust does not own any of these premises. The land and buildings are made available to the schools by a Church Supplemental Agreement. The site trustees can withdraw the land and buildings at any time on two years notice. The Multi Academy Trust cannot sell the land and buildings or mortgage it as security for any borrowing. The economic benefit to the Multi Academy Trust is that it does have the use of the site for £NIL consideration, but only for the use as a church school. The risks and rewards of ownership have not been passed to the Multi Academy Trust and therefore no value has been attributed to the land and buildings at 31 August 2019.

Land leased to the academies by the Local Authority is included under 'long leasehold property' at the value attributed to them by the Education Funding Agency, net of depreciation.

1. Accounting policies (continued)

1.8 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.

1.9 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.

1.10 Financial instruments

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

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

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

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

1.11 Leased assets

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

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transfer of existing academy joining the academy trust	77	20	97	-
Transfer on conversion from local authority	179	202	381	(219)
Donations	58	24	82	40
Capital Grants	-	641	641	1,265
Total 2019	314	887	1,201	867
Total 2018	257	829	1,086	

Within transfers from local authority on conversion there is an increase to income of £202k in relation to the correction of the estimated 2018 property valuations on conversion upon receipt of the ESFA property valuations during the year and £179k of additional funds inherited on conversion.

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants			
General Annual Grant (GAG)	10,740	10,740	9,295
Start Up Grants	1	1	56
Other DfE Group grants	1,839	1,839	1,436
	12,580	12,580	10,787
Other Government grants			
Local authority grants	824	824	705
	13,404	13,404	11,492

In 2018, of the total funding for the Academy Trust's educational operations, £11,492k was to restricted funds and £Nil was to unrestricted funds.

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	37	37	41
Sale of goods	46	46	31
Staff insurance income	34	34	53
Catering income	106	106	96
Trip income	96	96	78
Income from other charitable activities	159	159	142
Income from ancillary trading activities	-	-	1
Total 2019	478	478	442

In 2018, of the total income from other trading activities, £442k was to unrestricted funds and £Nil was to restricted funds.

6. Investment income

	Total funds 2019 £000	Total funds 2018 £000
Bank interest receivable	1	1

In 2018, of the total investment income, £1k was to unrestricted funds and £Nil was to restricted funds.

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading activities:					
Direct costs	164	-	132	296	275
Allocated support costs	120	48	43	211	186
Academy's educational operations:					
Direct costs	8,959	321	887	10,167	9,857
Allocated support costs	1,959	632	1,164	3,755	2,259
Total 2019	11,202	1,001	2,226	14,429	12,577
Total 2018	9,681	742	2,154	12,577	

8. Charitable activities

	2019 £000	2018 £000
Direct costs - educational operations	10,167	9,857
Support costs - educational operations	3,755	2,259
	13,922	12,116

	2019 £000	2018 £000
Analysis of support costs		
Support staff costs	1,959	1,709
Technology costs	144	90
Premises costs	632	538
Other support costs	876	914
Governance costs	144	78
	3,755	3,329

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	39	32
Depreciation of tangible fixed assets	290	134
Amortisation of intangible assets	31	29
Fees paid to auditor for:		
- audit	18	20
- other services	5	3

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	8,283	7,152
Social security costs	710	591
Pension costs	1,935	1,712
	10,928	9,455
Agency staff costs	241	156
Staff restructuring costs	33	70
	11,202	9,681

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	5	-
Severance payments	28	70
	33	70

10. Staff costs (continued)

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24k (2018: £70k). Individually, the payments were £17k made in March, £2k made in April and £5k made in May.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	129	127
Administration and support	291	291
Management	21	17
	441	435

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	8	4
In the band £70,001 - £80,000	1	-

e. Key management personnel

The key management personnel of the Multi Academy Trust comprises the Trustees and the Senior Leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £195k (2018: £173k).

11. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Strategic management
- Financial management and compliance
- Payroll and pension services
- Strategic and operational HR support
- School improvement monitoring Quality Assurance
- Banking services
- Provision and support of financial software
- Procurement services
- Health and Safety advice
- Governance support

The Academy Trust charges for these services on the following basis:

During the year schools were charged a management fee of 5% of GAG income.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Canon Peter Hall Church of England Primary School	48	47
Ulceby St Nicholas Church of England Primary School	25	25
Magdalen Church of England and Methodist Primary School	43	41
Weston St. Mary's Church of England Primary School	13	13
William Lovell Church of England Academy	88	92
Brown's Church of England Primary School	19	16
Morton Church of England Primary School	31	24
St Peter's Church of England Primary Academy	44	35
Ruskington Chestnut Church of England Primary Academy	41	44
Edenham Church of England Primary School	22	17
Branston Church of England Infant Academy	19	19
Whaplode Church of England Primary School	36	21
Coningsby St Michael's Church of England Primary School	56	27
Holy Trinity Church of England Primary School (Tattershall)	26	11
East Ravendale Church of England Primary School	24	-
Total	535	432

12. Trustees' remuneration and expenses

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

		2019 £000	2018 £000
J Waters-Dewhurst (CEO and trustee)	Remuneration	65 - 70	55 - 60
	Pension contributions paid	5 - 10	0 - 5

During the year, retirement benefits were accruing to 1 Trustees *(2018 - 1)* in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses totalling £538 were reimbursed or paid directly to 2 Trustees *(2018 - £2,800 to 5 Trustees)*.

13. Trustees' and Officers' insurance

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

14. Intangible assets

	Computer software £000
Cost	
At 1 September 2018	106
Additions	5
At 31 August 2019	111
Amortisation	
At 1 September 2018	69
Charge for the year	31
At 31 August 2019	100
Net book value	
At 31 August 2019	11
At 31 August 2018	37

15. Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Property improvements £000	Furniture and equipment £000	Computer hardware £000	Total £000
Cost or valuation						
At 1 September 2018	373	2,013	1,379	333	179	4,277
Additions	-	-	675	22	95	792
Acquisitions	(95)	429	-	9	6	349
At 31 August 2019	278	2,442	2,054	364	280	5,418
Depreciation						
At 1 September 2018	1	44	77	160	108	390
Charge for the year	-	23	146	71	50	290
At 31 August 2019	1	67	223	231	158	680
Net book value						
At 31 August 2019	277	2,375	1,831	133	122	4,738
At 31 August 2018	372	1,969	1,302	173	71	3,887

Included in freehold land and buildings is land at valuation of £262,000 (2018: £357,000) which is not depreciated.

Land and buildings that are held by the Diocesan Trust & Board of Finance Limited on trust and made available to the academies are not included in the land and buildings figure above. This treatment reflects the terms as set out in the Church Supplemental Agreement that is in place for these sites which specifies that the site trustees can withdraw the land and buildings at any time on two years notice.

Land donated on converson and previously inlcuded at a provisional valuation have been updated in line with ESFA desktop valuations.

Land leased to the academies by the Local Authority is included under 'Leasehold land and buildings' at the value attributed to them by the Education Funding Agency, net of depreciation.

16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	19	26
VAT recoverable	183	157
Other debtors	11	5
Prepayments and accrued income	363	723
	576	911

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Other loans	6	7
Trade creditors	432	488
Other taxation and social security	167	152
Other creditors	215	177
Accruals and deferred income	491	848
	1,311	1,672

Included within other loans is a loan of £6k from Salix which is provided interest free.

	2019 £000	2018 £000
Deferred income at 1 September 2018	310	249
Resources deferred during the year	338	291
Amounts released from previous periods	(310)	(230)
	338	310

Deferred income held at 31 August 2019, relates to the following:

- £64k Conversion grant
- £183k Universal Infant Free School Meals
- £24k Rates reimbursements
- £14k SEN funding
- £18k Full fibre grant
- £12k Early Years
- £23k MDIF grant

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

	2019 £000	2018 £000
Other loans	25	31

Included within other loans are two Salix loans, one of £23k (2018: £28k) which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £2,520. The other is of £2k (2018: £3k) which is provided on an interest free basis over a period of seven years. This loan is being repaid through biannual instalments of £360.

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	1,086	793	(404)	(56)	-	1,419
Restricted general funds						
General Annual Grant (GAG)	(210)	10,740	(10,674)	(102)	-	(246)
Start Up Grant	-	1	(1)	-	-	-
Pupil Premium	200	1,018	(969)	-	-	249
Other grants	235	1,682	(1,485)	(7)	-	425
Pension reserve	(4,993)	(140)	(575)	-	(2,982)	(8,690)
	(4,768)	13,301	(13,704)	(109)	(2,982)	(8,262)
Restricted fixed asset funds						
Donated assets	2,356	349	(49)	-	-	2,656
DfE/ESFA capital grant	315	641	(2)	(634)	-	320
Purchased fixed assets	1,568	-	(270)	792	-	2,090
Salix loan	(38)	-	-	7	-	(31)
	4,201	990	(321)	165	-	5,035
Total Restricted funds	(567)	14,291	(14,025)	56	(2,982)	(3,227)
Total funds	519	15,084	(14,429)	-	(2,982)	(1,808)

19. Statement of funds (continued)

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

Restricted general funds

General Annual Grant (GAG) must be used for the normal running of the Academy. There is no restriction on the amount of GAG that can be carried forward to future years.

Start up grant must be used for the costs that are incurred in the conversion of a maintained school to an academy.

Pupil Premium must be used to support their disadvantaged pupils and close the gap between them and their peers.

Other DfE/ESFA grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment.

Other grants comprise of funding provided from the local authority as well as from other sources for use for specific purposes. This includes funding provided for pupils with Statements of Special Educational Needs and is used by the academies to assist with the pupils education.

The pension reserve arises from the actuarial measurement of each academy's share of the Local Government Pension Scheme (LGPS) deficit. The deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of each academy in the restricted pension fund. The amount included within resources expended represents the pension costs for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year.

Unrestricted funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Canon Peter Hall Church of England Primary School	202	241
Ulceby St Nicholas Church of England Primary School	(48)	(26)
Magdalen Church of England and Methodist Primary School	150	129
Weston St. Mary's Church of England Primary School	82	69
William Lovell Church of England Academy	186	284
Brown's Church of England Primary School	72	74
Morton Church of England Primary School	78	65
St Peter's Church of England Primary Academy	1	23
Ruskington Chestnut Church of England Primary Academy	388	467
Edenham Church of England Primary School	62	49
Branston Church of England Infant Academy	3	34
Whaplode Church of England Primary School	192	118
Coningsby St Michael's Church of England Primary School	86	15
Holy Trinity Church of England Primary School (Tattershall)	200	138
East Ravendale Church of England Primary School	162	-
Central Services	31	(369)
Total before fixed asset funds and pension reserve	1,847	1,311
Restricted fixed asset fund	5,035	4,201
Pension reserve	(8,690)	(4,993)
Total	(1,808)	519

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £000
Ulceby St Nicholas Church of England Primary School	48

Ulceby St Nicholas Church of England Primary School is carrying a net deficit of £48k and this increased in 2018/19 due to two CIF projects, towards which the school was required to contribute. These costs were necessary to restore the condition of the kitchen and the roof of the school. The academy has produced a surplus budget for 2019/20 and plans to return to a net surplus position by the end of 2020/21.

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Canon Peter Hall CofE	887	151	101	152	1,291	1,291
Ulceby St Nicholas CofE	428	52	54	75	609	568
Magdalen CofE and Methodist	723	164	71	126	1,084	1,013
Weston St. Mary's CofE	165	49	22	44	280	309
William Lovell CofE	1,479	235	91	212	2,017	2,234
Brown's CofE	270	65	44	54	433	501
Morton CofE	645	87	47	98	877	808
St Peter's CofE	684	153	69	111	1,017	1,108
Ruskington Chestnut CofE	803	136	77	129	1,145	1,205
Edenham CofE	292	63	34	84	473	527
Branston CofE	321	48	31	95	495	469
Whaplode CofE	578	127	57	97	859	632
Coningsby St Michael's CofE	1,045	204	87	169	1,505	717
Holy Trinity CofE (Tattershall)	410	74	59	39	582	245
East Ravendale CofE	361	46	64	87	558	-
Central Services	32	425	25	401	883	787
Academy Trust	9,123	2,079	933	1,973	14,108	12,414

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	858	700	(470)	(2)	-	1,086
Restricted general funds						
General Annual Grant (GAG)	7	9,295	(9,198)	(314)	-	(210)
Start Up Grant	-	56	(48)	(8)	-	-
Pupil Premium	211	943	(947)	(7)	-	200
Other grants	179	1,221	(1,156)	(9)	-	235
Pension reserve	(4,724)	(851)	(555)	-	1,137	(4,993)
	(4,327)	10,664	(11,904)	(338)	1,137	(4,768)
Restricted fixed asset funds						
Donated assets	1,991	400	(35)	-	-	2,356
DfE/ESFA capital grant	12	1,265	(41)	(921)	-	315
Purchased fixed assets	442	-	(127)	1,253	-	1,568
Salix loan	(38)	(8)	-	8	-	(38)
	2,407	1,657	(203)	340	-	4,201
Total Restricted funds	(1,920)	12,321	(12,107)	2	1,137	(567)
Total funds	(1,062)	13,021	(12,577)	-	1,137	519

20. Analysis of net assets between funds

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	4,738	4,738
Intangible fixed assets	-	-	11	11
Current assets	1,419	1,733	317	3,469
Creditors due within one year	-	(1,305)	(6)	(1,311)
Creditors due in more than one year	-	-	(25)	(25)
Provisions for liabilities and charges	-	(8,690)	-	(8,690)
Total	1,419	(8,262)	5,035	(1,808)

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	3,887	3,887
Intangible fixed assets	-	-	37	37
Current assets	1,086	1,890	315	3,291
Creditors due within one year	-	(1,665)	(7)	(1,672)
Creditors due in more than one year	-	-	(31)	(31)
Provisions for liabilities and charges	-	(4,993)	-	(4,993)
Total	1,086	(4,768)	4,201	519

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

	2019 £000	2018 £000
Net income for the year (as per Statement of Financial Activities)	655	444
Adjustments for:		
Amortisation	31	29
Depreciation	290	135
Capital grants from DfE and other capital income	(641)	(1,265)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	140	851
Defined benefit pension scheme cost less contributions payable	426	420
Defined benefit pension scheme finance cost	149	135
Decrease in stocks	-	4
Decrease/(increase) in debtors	335	(323)
(Decrease)/increase in creditors	(360)	604
Fixed asset donation	(349)	(400)
Transfer on conversion from local authority	(179)	(240)
Transfer of existing academy joining the academy trust	(97)	-
Net cash provided by operating activities	399	393

22. Cash flows from financing activities

	2019 £000	2018 £000
Cash inflows from new borrowing	-	4
Repayments of borrowing	(7)	-
Net cash (used in)/provided by financing activities	(7)	4

23. Cash flows from investing activities

	2019 £000	2018 £000
Interest received	1	1
Purchase of intangible assets	(5)	(8)
Purchase of tangible fixed assets	(792)	(1,246)
Capital grants from DfE Group	641	1,265
Transfer on conversion from local authority	179	240
Transfer of existing academy joining the academy trust	97	-
Net cash provided by investing activities	121	252

24. Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	2,893	2,380

25. Capital commitments

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	638	408

26. Pension commitments

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

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

Contributions amounting to £171k were payable to the schemes at 31 August 2019 *(2018 - £62k)* and are included within creditors.

26. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go 'basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £786k *(2018 - £651k)*.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £913k *(2018 - £803k)*, of which employer's contributions totalled £739k *(2018 - £650k)* and employees' contributions totalled £174k *(2018 - £153k)*. The agreed contribution rates for future years vary per academy but range from 15.7% to 21.7%. In addition to this, many of the academies have also been levied with secondary pension contributions which again vary by academy. These secondary pension contributions have been set for the next fiscal year. The future rates for employees varies between 5.5% to 12.5%.

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

Principal actuarial assumptions

These assumptions are the averages for both schemes of which the Trust's schools belong.

	2019 %	2018 %
Rate of increase in salaries	2.66	2.70
Rate of increase for pensions in payment/inflation	2.31	2.34
Discount rate for scheme liabilities	1.86	2.79
Inflation assumption (CPI)	2.31	2.60
Commutation of pensions to lump sums	52.50	64.00

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

	2019 Years	2018 Years
Retiring today		
Males	22.0	22.0
Females	24.4	24.4
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

26. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	426	274
Discount rate -0.1%	(426)	(274)
Mortality assumption - 1 year increase	620	-
Mortality assumption - 1 year decrease	(620)	-
CPI rate +0.1%	362	43
CPI rate -0.1%	(362)	(43)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,938	3,847
Debt instruments	1,074	774
Property	695	590
Cash and other liquid assets	98	71
Total market value of assets	6,805	5,282

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

	2019 £000	2018 £000
Current service cost	(1,087)	(1,070)
Past service cost	(78)	-
Interest income	169	107
Interest cost	(318)	(242)
Total amount recognised in the Statement of Financial Activities	(1,314)	(1,205)

26. Pension commitments (continued)

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

	2019 £000	2018 £000
At 1 September	10,275	8,364
Conversion of academy trusts	-	1,403
Transferred in on existing academies joining the trust	478	-
Current service cost	1,087	1,070
Interest cost	318	242
Employee contributions	174	153
Actuarial losses/(gains)	3,160	(894)
Benefits paid	(75)	(63)
Past service costs	78	-
At 31 August	15,495	10,275

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

	2019 £000	2018 £000
At 1 September	5,282	3,640
Conversion of academy trusts	-	552
Transferred in on existing academies joining the trust	338	-
Interest income	169	107
Actuarial gains	178	243
Employer contributions	739	650
Employee contributions	174	153
Benefits paid	(75)	(63)
At 31 August	6,805	5,282

27. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy Trust 2019 £000	Academy Trust 2018 £000
Not later than 1 year	32	32
Later than 1 year and not later than 5 years	51	49
Later than 5 years	9	9
	92	90

28. 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 £1 for the debts and liabilities contracted before he/she ceases to be a member.

29. Related party transactions

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

The following related party transactions took place in the financial period:

Lincoln Diocese Board of Education – an organisation with which the Trust shares some Trustees and staff:

- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £26,946 (2018: £39,000) for the provision of various services. There was a balance of £100 outstanding at 31st August 2019 (2018: £nil).
- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £26,567 (2018: £10,000) for the provision of offices. There was a balance of £2,146 outstanding at 31st August 2019 (2018: £nil).
- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £135,387 (2018: £118,000) for the provision of staff shared with the Multi Academy Trust during the period. There was a balance of £12,974 outstanding at 31st August 2019 (2018: £4,000).

29. Related party transactions (continued)

Lincoln Diocese Board of Finance – an organisation with which the Trust shares some Trustees and staff:

- Lincoln Diocese Board of Finance charged the Lincoln Anglican Academy Trust a total of £600 for rent at East Ravendale (2018 £nil). There was no balance outstanding at 31st August 2019 (2018: £nil).
- Lincoln Diocese Board of Finance charged the Lincoln Anglican Academy Trust a total of £16 (2018: £nil) for various services. There was no balance outstanding at 31st August 2019 (2018: £nil).

Wilkin Chapman – an organisation with which Mr Tasker (a Trustee of the Trust) is employed:

- Wilkin Chapman charged the Lincoln Anglican Academy Trust £8,070 for the provision of legal services (2018: £42,000).

The Trust made the purchase of these services at arm's length following a tendering exercise in 2017 in accordance with its financial regulations, which Mr Tasker neither participated in, nor influenced. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2018.

Jenny Cook Consultancy – an organisation of which the sister of Paul Thompson (a member of the senior leadership team of the Trust) is the proprietor:

- Jenny Cook Consultancy charged the Lincoln Anglican Academy Trust a total of £2,630 (2018: £8,000) for the provision of maths consultancy to the Trust during the period. There was no balance outstanding at 31 August 2019 (2018: £nil).

The Trust made the purchase of these services at arm's length following a tendering exercise in accordance with its financial regulations, which Mr Thompson neither participated in, nor influenced. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2018.

30. Post balance sheet events

The Spalding Parish Church of England Day School joined the Lincoln Anglican Academy Trust on 1 December 2019.

31. Transfer of existing academies into the academy trust

East Ravendale Church of England School

	Value reported by transferring trust £000	Transfer in recognised £000
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	132	132
Furniture and equipment	9	9
Computer equipment	6	6
Current assets		
Debtors due within one year	16	16
Cash at bank and in hand	116	116
Liabilities		
Creditors due within one year	(42)	(42)
Pensions		
Pensions - pension scheme assets	338	338
Pensions - pension scheme liabilities	(478)	(478)
Net assets	97	97