

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Directors' Report	3 - 18
Governance Statement	19 - 22
Statement on Regularity, Propriety and Compliance	23
Statement of Directors' Responsibilities	24
Independent Auditors' Report on the Financial Statements	25 - 27
Independent Reporting Accountant's Report on Regularity	28 - 29
Statement of Financial Activities Incorporating Income and Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements	33 - 57

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Ms J Barton Mr D Rhodes Mr R Richmond
Directors	Mr D Rhodes, Chair of Directors ¹ Mr S Clarke, Chair of Finance & Audit Committee ¹ Mrs J Hargrave Mrs L Mason, CEO and Accounting Officer Ms B Capaldi (appointed 7 October 2019) Mrs C Stephenson Mrs L Thornes Mrs M Turner ¹ ¹ Finance & Audit Committee
Company registered number	09691946
Company name	Lincolnshire Wolds Community Trust
Principal and registered office	St Bernard's School Wood Lane Louth Lincolnshire LN11 8RS
Company secretary	Mrs K Jacklin
Federation Leadership team	Mrs L Mason, Chief Executive Mrs T Stokes, Head of School (St Bernard's) Ms F Dall, Head of School (St Lawrence) Mrs K Jacklin, Chief Financial Officer & Business Manager Mrs K Smith, HR & Facilities Lead
Independent auditors	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Park View One Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG
Bankers	Lloyds Bank Plc 24 Mercer Row Louth Lincolnshire LN11 9JH

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

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

Solicitors

Langley's LLP
Olympic House
Doddington Road
Lincoln
Lincolnshire
LN6 3SE

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2020

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

The Trust currently operates two academies serving a catchment area of Louth and Horncastle, Lincolnshire:

- St Bernard's for pupils aged 2 – 19, pupils on roll 78 based on the October 2020 census.
- St Lawrence for pupils aged 5-16, pupils on roll 169 based on the October 2020 census.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles of Association is the primary governing documents of the Academy Trust.

The charitable company is known as Lincolnshire Wolds Community Trust

Details of the Directors who served during the year, and to the date these financial statements are approved are included in the Reference and Administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Directors benefit from indemnity insurance purchased by the Academy Trust to cover the liability of the Directors arising from negligent acts, errors or commissions occurring whilst on Academy Trust business. The limit of this indemnity is £25,000,000 in any one claim.

d. Method of recruitment and appointment or election of Directors

The Trust shall have the following Directors, as set out in its Articles of Association and Funding Agreement:

- Up to 1 Director who is appointed by the Members;
- The Chief Executive Officer; and
- A minimum of 2 Parent Directors who are elected by the parents of registered pupils at the Academy Trust; unless there is representation of 2 parents on the Local Governing Body.

Staff Directors may be appointed by the Members, provided that the total number of Directors, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Directors.

Co-opted Directors may be appointed by the Directors.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors (continued)

Directors are appointed for a 4 year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Board of Directors will give consideration to the skills and experience mix of existing Directors in order to ensure the Board of Directors has the necessary skills to contribute fully to the Academy Trust's ongoing development.

e. Policies adopted for the induction and training of Directors

The training and induction provided for new Directors will depend upon their existing experience but will always include a tour of the Schools and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. As there are normally only minimal new Director appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A Director's training day is organised each year which includes training sessions to keep the Directors updated on relevant developments impacting on their roles and responsibilities.

New Directors also have the opportunity to undertake National Governor Association training and all Directors receive regular National Governor Association updates.

A bespoke governance development program is operated throughout the year focused around coaching and mentoring skills, which also allows Directors to meet informally as a team for training, so as to keep them updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

f. Organisational structure

At 31 August 2020, Lincolnshire Wolds Community Trust comprised the following individual academies:

- St Lawrence School, Horncastle
- St Bernard's School, Louth

The Directors have responsibility for setting and monitoring the overall strategic direction of the Academies, approving decisions and appointing key members of staff. The Directors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trust Board of Directors normally meet four times each year, convened by the clerk. The Board of Directors establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Directors and other groups. Schemes of Delegation are in place devolving some powers and responsibilities to the Local Governing Body of each academy. The Scheme of Delegation is renewed by the Trust Board of Directors annually.

The Chief Executive is the Accounting Officer and works closely with the other Directors, the Local Governing Bodies and the senior staff of each academy.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure (continued)

The day to day management of the LWCT rests with the Chief Executive who has overall responsibility for the trust. The Chief Executive is responsible for establishing a Senior Leadership Team, including any Headteachers, Heads of School and Assistant Heads, or Teaching and Learning Leaders. The appointment, discipline and dismissal will be referred to the full Board of Directors.

The Chief Executive has delegated authority to appoint, discipline and dismiss with the exception of the Head Teacher, Heads of School and the Assistant Headteachers for whom the full Board holds this authority. Financial authority is delegated in line with the Scheme of Delegation and the Finance Policy that is approved by the full Board on an annual basis. If financial or other business decisions are required between meetings then electronic authority may be sought from the members of the Board. These are monitored throughout the year, in line with an agreed timetable, by the Local Governing Bodies.

Details of the LWCT Scheme of Delegation can be found on the Academy Trust website or on request.

The Trust Board of Directors receive reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are two Committees of the Board of Directors as follows:

- Finance and Audit Committee
- Standards Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Directors:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Chief Executive.

The Board of Directors delegates a number of functions to the Local Governing Bodies ('LGB') for each of the Trust's Academies. The LGB reviews annual Academy Trust plans, monitors progress against targets and OFSTED standards and oversees parent and community liaison. The Chair of the LGB also sits on the main Board of Directors. The LGB implements policies laid down by the Directors and reports back to them on performance.

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

The Directors consider the Board of Directors and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Directors give of their time freely and no Director received any remuneration in the current or prior year, other than those Directors' who are also employees of the Academy. Details of Directors' remuneration and expenses are disclosed in note 12 of the financial statements respectively. The pay of the senior management team is reviewed annually the by the Finance and Audit Committee and finally approved by the Board of Directors in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

The performance review of the Chief Executive is undertaken by 3 Directors annually, with an external facilitator. The Chief Executive Performance Management Committee will be able to consult with the external professional on matters relating to the Chief Executive's performance should it wish to do so.

Annual pay progression within the range, as identified in line with STPCD for this post is not automatic. The committee review significant improvements to the academies which may be reflected in, for example:

1. improved academic achievements of pupils
2. increased status within the Local Authority evidenced through feedback from officers and inspectors
3. feedback from the head teacher's performance management
4. a positive OfSTED report
5. positive feedback from parents and other stakeholders.

The Chief Executive's pay grade can be changed by the Trust Board of Directors at any time in order to attract or retain a Chief Executive or when there have been significant changes in the responsibilities of the role.

Heads of School performance reviews are undertaken by the Chief Executive and monitored against the objectives set and in line with the range agreed by directors against the group sizes of the respective schools.

The performance review of the CFO (Finance and Business Director) is undertaken by the Chief Executive against targets set. Benchmarking is undertaken regularly with other local MATs, with all leadership roles.

All leadership pay recommendations are monitored and agreed by the Trust Board of Directors.

h. Related parties and other connected charities and organisations

The Lincolnshire Wolds Community Trust works in close partnership with the Lincolnshire Learning partnership and the Lincolnshire Teaching Schools Together network. Lea Mason, the Chief Executive, leads the INSPIRE Teaching School through both of the Trust's schools, is a member of the LEARN Teaching School strategic board and LTT Board. Lea Mason is also a strategic lead for the Working Together team, a county wide provision for outreach for Autism and SEND. The organisations above are not considered to be related parties.

The individual school fund accounts, which are separate registered charities in which Lea Mason and David Rhodes are Directors, has historically made donations and contributions to support particular projects and facilities of the Schools and their pupils, The balances of the school fund accounts of the registered charities have been brought into the accounts statement as funds inherited on conversion. Transactions of the individual school funds are now processed as part of the accounts package, PS Financials.

i. Trade union facility time

There were no employees who were relevant Trade Union officials during the 2019/20 year and no was any paid time off for Trade Union activities provided by the Academy Trust during the year.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The principal objects of the Lincolnshire Wolds Community Trust (LWCT), as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of East Lindsey and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the LWCT during the year ended 31 August 2020 are summarised below:

1. To ensure every student gains the same high-quality education, resourcing, care and provide high quality teaching that challenges students and supports them for life-long learning.
2. To provide an environment that supports and enables effective teaching and learning.
3. To promote, raise and recognise high standards of achievement and progress across aspects of activity for all students.
4. To improve the effectiveness of the academies, by keeping the curriculum offer and organisational structure under continual review.
5. To provide value for money for the funds expended and conduct the Academies business in accordance with the highest standards of integrity, probity and openness.
6. To encourage an equality of opportunity for all.

b. Objectives, strategies and activities

The key priorities for the period are contained in the LWCT's Development Plan which is available from the Executive Headteacher.

The key activities of the LWCT for the period ended 31 August 2020 were focused as follows:

- To create a challenging trust that is fully self-supporting, that attracts good and outstanding schools, with strong partnership links.
- To create a trust that has the developing capacity to support other schools, through school to school support, focused leadership, high quality professional development and strong partnership working within local groups and teaching school alliances.
- Maintain continued professional development for staff, along with performance management structures, to impact on developing even more outstanding teaching practice in order to ensure all students reach their potential.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

LWCT aims to advance for the public benefit education in East Lindsey and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. LWCT also allows use of its facilities as appropriate, for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community. The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Review of activities and achievements

The Academy Trust continues to evolve and to adapt to the ever changing educational environment. Student places continue to increase due to the continued demand for places at the Academy Trust.

In 2019 / 2020 LWCT has maintained its proven track record of ensuring high standards and excellent outcomes for its students. Significant successes this year include the schools leading work across Lincolnshire around SEND provision and working strategically with Lincolnshire County Council in developing and implementing a SEND strategy. LWCT's Teaching School, Inspire, sits as part of Lincolnshire Teaching Schools Together in securing funding for school to school support. INSPIRE is leading professional development across the sector within coaching and wellbeing, as well as playing active roles in Lincolnshire and regional SEND development programmes. We are extremely proud of our school to school support successes, with high challenge and high support, whilst also developing sufficient capacity around school leadership at all levels.

Inspire, although newly designated in May 2018, has a National Leader of Education, a National Leader of Governance, 10 Specialist Leaders of Education, a Local Leader of Education and a variety of consultants, who in conjunction with additional system leaders are working actively through a system led structure and effective collaboration, on projects in other schools.

The particular achievements and performance of LWCT during the year ended 31 August 2020 were as follows:

Effectiveness of Leadership and Management:

- Thorough and effective self-evaluation ensures academy priorities are secure.
- All staff are valued and supported within a coaching culture, evidenced through Investors in People Gold in Jan 2020, including health and wellbeing award.
- The effectiveness of leadership at all levels is developed through a strong focus enabling leadership capacity and growth across the academies.
- Outstanding inspection within the maples, residential provision.

Teaching, Learning and Assessment:

- Teaching ensures students are challenged and make excellent progress based on their individual starting points.
- All teaching is personalised, purposeful to each individual, informed by effective assessment practices and a strength in planning.
- The curriculum offer is strong, inspiring and progressive, to ensure personalisation is key to ensuring students are supported to overcome barriers, with a breadth of opportunities, focused on independence, self-esteem and aims, aspirations of adult hood.
- Teaching involves opportunities for professional growth and innovation.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Personal Development, Behaviour and Welfare:

- All students are valued, nurtured and supported around their emotional wellbeing, in every academy, through established Student wellbeing programmes.
- Practices across the academies ensure students are well supported in personal growth towards adulthood.
- Positive behaviour management within restorative practices, remains a strength across the trust in enabling students to build the skills in order to self-regulate.
- Behaviour for learning is central across the provision.

All academies undergo an annual internal review working alongside external Head teachers:

Academy	Ofsted Grade	Trust Evaluation
St Lawrence	Good	Good
St Bernard's	Good	Good
St Bernard's Maples	Outstanding	Outstanding

Due to the diversity of the students across LWCT, achievements are measured through a variety of activities. This includes a peer review process, reviewing the quality of teaching, learning and assessment, personal development, outcomes, performance reviews, NEET data, learning walks, outcomes for students, effectiveness of leadership and OfSTED reports. External moderation of the academies has firmly matched the trusts evaluation, working alongside other school leaders. Safeguarding reviews are also undertake, alongside the safeguarding Director.

Students are to achieve targets, through a curriculum that's offers a breath of opportunities to maximise progress, towards life ambitions and employment. All students follow an assessment pathway that is relevant to their barriers to learning at any one time. The last data pull prior to COVID lockdown occurred in March 2020. This data represents students on track to meet their challenging target. The data will be reviewed in Nov 2020, to assess baselines and progress through lockdown.

St Bernards

	Whole School	Students eligible for Pupil Premium
% making progress in Writing	73%	27%
% making in Reading	88%	12%
% making progress in Listening, receptive communication	100%	-
% making progress in speaking, expressive communication	100%	-
% making progress in spoken language	59%	41%
% making progress in Number	85%	79%
% making progress in Measurement	85%	7%
% making progress in Geometry	81%	72%
% making progress in Statistics	41%	-

	KS1	KS2	KS3
% making progress in Writing	83%	89%	55%
% making progress in Reading	100%	100%	73%
% making progress in Listening, receptive communication	100%	100%	-

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

% making progress in speaking, expressive communication	100%	100%	-
% making progress in spoken language	-	100%	-
% making progress in Number	100%	100%	64%
% making progress in Measurement	100%	100%	64%
% making progress in Geometry	100%	100%	55%
% making progress in Statistics	-	16%	55%

Intentions:	Across Whole school	Students eligible for Pupil Premium
% making progress in Cognition	100%	100%
% making progress in Communication and Interaction	90%	100%
% making progress in SEMH	92%	100%
% making progress in Sensory and Physical	94%	100%

Accreditation pathways: KS 4:

OCR Life and living skills

Introductory award entry level 1	Entry 1 award	Extended Entry 1 award	Entry 1 certificate	Entry 1 extended certificate	Entry 1 diploma
4	4	4	4	4	4

Introductory award entry level 2	Entry 2 award	Extended Entry 2 award	Entry 2 certificate	Entry 2 extended certificate	Entry 2 diploma
2	2	2	2	2	2

Introductory award entry level 3	Entry 3 award	Entry 3 certificate	Entry 3 extended certificate	Entry 3 diploma
2	2	2	2	-

KS 5:

AIM Awards:

Post 16 students follow 3 qualification strands: PSD Incorporating Functional skills in maths and English, Independent living, and a vocational strand.

PSD awards incorporating functional skills:

Entry 1	Entry 2	Entry 3
2	3	1

Independent Living:

Entry 1	Entry 2	Entry 3
2	3	1

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Vocational:

Entry 1	Entry 2	Entry 3
2	2	2

St Lawrence

	Whole school	Students eligible for Pupil Premium
% making progress in Writing	76%	84%
% making progress in Reading	72%	80%
% making progress in Listening, receptive communication	79%	77%
% making progress in speaking, expressive communication	79%	77%
% making progress in spoken language	74%	79%
% making progress in Number	79%	79%
% making progress in Measurement	75%	79%
% making progress in Geometry	70%	74%
% making progress in Statistics	75%	75%

	KS 1	KS 2	KS 3
% making progress in Writing	100%	77%	75%
% making progress in Reading	100%	74%	71%
% making progress in Listening, receptive communication	100%	79%	79%
% making progress in speaking, expressive communication	100%	76%	79%
% making progress in spoken language	-	100%	74%
% making progress in Number	100%	81%	78%
% making progress in Measurement	100%	74%	75%
% making progress in Geometry	100%	71%	70%
% making progress in Statistics	-	-	74%

Intentions:	Across Whole school	Students eligible for Pupil Premium
% making progress in Cognition	100%	100%
% making progress in Communication and Interaction	80%	100%
% making progress in SEMH	100%	100%
% making progress in Sensory and Physical	100%	100%

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Accreditation pathways: KS 4:

OCR Life and living skills

Introductory award element level 1	Entry 1 award	Extended Entry 1 award	Entry 1 certificate	Entry 1 extended certificate	Entry 1 diploma
21	12	12	8	4	4

Introductory award entry level 2	Entry 2 award	Extended Entry 2 award	Entry 2 certificate	Entry 2 extended certificate	Entry 2 diploma
21	20	0	15	6	2

Introductory award entry level 3	Entry 3 award	Entry 3 certificate	Entry 3 extended certificate	Entry 3 diploma
10	8	4	1	0

Functional Skill Maths and English:

Maths entry 1	Maths entry 2	Maths entry 3
6	3	3

English entry 1	English entry 2
5	3

City and Guilds skills for working life:

Entry 2 award	Entry 2 certificate	Entry 2 diploma
5	9	3
Entry 3 award	Entry 3 certificate	Entry 3 diploma
0	3	0

Key Performance Indicators

The Directors use the following key performance measures to assess the success of the activities of the Trust:

OUTCOMES FOR PUPILS

- Students to achieve targets, based on their individual starting points
- Students to be provided with a curriculum to maximise their progress towards appropriate qualification success, further study and employability
- Ensure internal assessment is robust, as well as external moderation processes

TEACHING AND LEARNING AND ASSESSMENT

- Teaching challenges every student to make progress on prior learning and achieve exceptional results
- Teaching is personalized and informed by the highest quality assessment and feedback
- Teaching engages and inspires, developing students curiosity, imagination and love of learning
- Teaching enhances skills, attributes and attitudes, in line with individual barriers to learning, to prepare students to achieve great success in life
- Teaching involves a passion for innovation and professional improvement

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

PERSONAL DEVELOPMENT, BEHAVIOUR AND WELFARE

- All students to be supported to self regulate their behaviour and learning in every opportunity
- All groups of students feel safe across all the Academies within the Trust at all times
- Students are given opportunities to achieve in a wide range of activities

EFFECTIVENESS OF LEADERSHIP AND MANAGEMENT

- All students are valued, nurtured and supported, within their academy setting
- Individual academy priorities are determined by thorough and accurate self-evaluation
- All staff are valued and supported in their own career progression and professional development
- The Trust board and academy advocates are effective in offering and receiving supportive challenge, alongside the leadership teams

Although the Academy Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2020, the balance of the GAG Restricted Fund was £851,105. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted earlier in this report, pupil numbers at the most recent census were 247 which is a 2.8% from the previous census in October 2019.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to GAG funding for the period was 158.6%, while the percentage of staff costs to total costs was 82.9%. A large proportion of LWCT's funding comes directly from the Local Authority in the form of Special Educational Needs top-up funding in addition to the GAG funding it receives. This funding is allocated accordingly via banded funding which is in turn identified on the level of Special Educational Need.

b. Going concern

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

Financial review

a. Financial review

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') and the Local Authority in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and the Local Authority during the period ended 31 August 2020 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities. The Academy Trust also receives grants for fixed assets from the ESFA and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Financial review (continued)

For the year ended 31 August 2020, the Academy Trust's total income (excluding capital grants) £4,691,121 (2019: £4,589,110) while total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £4,395,275 (2019: £4,216,809) resulting in a net surplus for the year of £295,846 (2019: £372,302).

The balance of reserves at 31 August 2020, excluding the restricted fixed asset funds and LGPS liability fund was £1,484,009 (2019: £1,188,163)

COVID-19 has not impacted significantly on the overall finances of the Trust. There has been a loss in income in some areas e.g. catering and educational visits but the expenditure in these areas is relative and has also reduced. The schools in the Trust have made use of the emergency COVID-19 claim from the ESFA and were able to claim back a proportion of the costs related to additional cleaning and implementation of control measures. The grant related both the ESFA and the Local Authority funding has not been impacted during this time.

Financial procedures and internal controls have been able to operate fully during this time with no impact on the scheme of delegation. Purchasing has reduced dramatically as the number of young people accessing school during this period was minimal.

The net book value of fixed assets at 31 August 2020 is £5,432,907, which includes the value of land and buildings transferred from the Local Authority on conversion of £5,800,609 and depreciation charges for the period of £131,960. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The balance of total funds held at 31 August 2020 were £2,584,217 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£870,005
Restricted Pension Liability Fund	(£4,567,000)
Restricted Fixed Asset Fund	£5,667,208
Unrestricted Funds	£614,004

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £4,567,000 which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. The pension reserve fund has a deficit balance at 31 August 2020 of £4,567,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives.

The Directors have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Directors, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

c. Investment policy

The Academy Trust operates an investment policy that seeks to minimise risk and maintain flexibility to access funds. Cash flow projections are undertaken by the Chief Financial Officer on a daily basis, who has the delegated authority to invest surpluses into a supplementary account.

d. Reserves policy

The Directors will review the reserve levels of the Academy Trust annually. This review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors will also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review. The Directors have determined that the appropriate level of free cash reserves should be approximately 1% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc.

The Academy Trust's current level of reserves at 31 August 2020 is £2,584,217, of which £614,004 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds). Although the current level of free reserves of £614,004 is above the target level identified above, this is due to cash surplus transferred from the Local Authority on conversion, which the Directors expect to utilise in future years as they invest in the Academy's facilities and educational resources and to contribute towards impending capital works. The Director's expectation is that these reserves will be utilised over the next few years to fund the ongoing development, including the need to retain key staff in light of the increasing cost pressures in future years.

e. Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances. They have introduced systems, including operational procedures internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan. Where significant financial risk still remains, the Directors have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Throughout COVID-19, specialist provision has remained open with ongoing contact with students and their families. Education provision was made available via our website and educational links. We have continued to ensure there has been ongoing support from teaching staff. LWCT has also made staff CPD available virtually.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

e. Principal risks and uncertainties (continued)

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 96.3% of the Academy Trust's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Continuing increases in employment costs, including pension costs with both Teachers' Pension Scheme and Local Government Pensions Scheme, and premises costs will also continue to place significant pressure on the Trusts financial position and its ability to deliver balanced budgets in the future.

The Directors examine the financial health of LWCT formally every quarter, reviewing performance against budgets and overall expenditure by means of regular update records at full Directors and Finance & Audit Committee meetings.

The Trust has made use of the emergency COVID-19 fund from the ESFA, however, keeping the current control measures in place is now done through individual school revenue and are unfunded. This has impacted on the budgets for the new financial year and there has been a reduction in some areas e.g. educational resources as a result of the ongoing measures.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. There continues to be regular contact with all of the LWCT cohort working as part of multi-disciplinary teams during the on-going COVID-19 pandemic.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The COVID-19 pandemic saw a rota system being introduced to supervise those students who were still accessing school during this time. There were significant numbers of staff shielding so this impacted on the number of staff who were able to be used in the rota.

CPD remained available and accessible virtually by all staff.

Fraud and mismanagement of funds

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, for the 2019/20 academic year, the Directors appointed Cooper Parry to perform a programme of additional internal reviews and checks of the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

e. Principal risks and uncertainties (continued)

The Directors examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors and Finance and Audit Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Directors recognise that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy Trust. However, as the Directors consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2020. The Trust's approach to fundraising is to generate income for specific project areas that will enhance the learning experience and environment for existing and future students. During the period ended 31 August 2020, the specialist project continues to be the development of outdoor provision across the trust. The proceeds of the trusts virtual fundraising have contributed towards the specified projects e.g. outdoor equipment for break/lunchtime. The student parliament is actively involved in the decisions that are made around how/where the funds are spent. There is no pressure to donate and the Trust do not use persistent fundraising approaches. All fundraising activities are monitored appropriately within the trust accounts and operate within recognised standards.

COVID-19 has impacted on the Trust's ability to fundraise during this financial year. Very little fundraising has been able to take place during the pandemic due to the restrictions put in place around visitors on site. The Trust has utilised the various online platforms and social media to raise money the focused projects. Historically, a large amount of our fundraising has been done on the school site, the pandemic has forced us to think differently in our approaches, and this is something that will be carried forward in or fundraising efforts. Our social media presence has certainly increased during this time and will impact positively in the future.

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the skills and character to follow their chosen pathway, whether it be into further education, training or employment, as well as promoting the continued professional development of its staff. Having established itself as a Multi Academy Trust, LWCT plans for future periods are to:

- Continue to ensure excellent provision at its current academies.
- Continue to share its expertise with local, regional and national fields.
- Develop staff training opportunities across the trust by attracting good and outstanding schools as well as supporting other struggling schools and academies in the East Midlands.
- Monitor building works and continue to work towards redrafting the educational provision for students across the academies.
- Continue to review and refine structures of leadership throughout trust, in order to continue to develop excellence.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020

Plans for future periods (continued)

The control measures for COVID-19 that have been put into place to keep staff and students safe are likely to continue into the new financial year, these control measures will remain in situ however they will be unfunded. This will impact in the budget in the new financial year by having to increase budgets to support the control measures, and taking the funds from elsewhere. Future activities of LWCT may be impacted in terms of continued reduced budgets in certain areas.

Funds held as custodian on behalf of others

The Academy Trust and its Directors do not act as Custodian Directors of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the Education and Skills Funding Agency, which are distributed to students as required and in line with the terms and conditions of the funds.

Employee involvement and employment of the disabled

The Academy Trust's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins, reports and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Academy Trust's performance.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advanced employment opportunities are available to them to reach their full potential.

Applications for employment by disabled persons are always full considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled, every effort is made to ensure that their employment within the Academy Trust continues and that the appropriate training is arranged. It is the Academy Trust's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Disclosure of information to auditors

Insofar as the Directors are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Directors will propose a motion reappointing the auditors at a meeting of the Directors.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 24 November 2020 and signed on its behalf by:



Mr D Rhodes
Chair of Directors

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lincolnshire Wolds Community Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

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

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

Director	Meetings attended	Out of a possible
Mr D Rhodes	5	5
Mr S Clarke	5	5
Mrs J Hargrave	3	5
Mrs L Mason	5	5
Ms B Capaldi	3	5
Mrs C Stephenson	2	5
Mrs L Thornes	5	5
Mrs M Turner	4	5

LWCT continues to undertake an internal review of governance annually through conducting a skills audit to establish appropriate skill levels across the Board of Directors and at local governing body level.

The Board of Directors has sufficient breadth of skills to provide positive impact and effectiveness. The Local governing body have undertaken a programme of work through the NCTL to support leadership development and coach skills training through an external provider both of which have enhanced knowledge around current priorities.

The FMGS was reviewed in line with internal audit guidance around continued best practice. The school resources self-assessment tool was also completed in advance of the ESFA deadline. The Academy Trust continues to be fully compliant.

COVID-19 has required control measures to be put in place for Directors meetings. All meetings have happened as per the organised schedule for the year, these have taken place virtually and have not been adversely affected by the pandemic.

The Finance and Audit Committee is a sub-committee of the main Board of Directors. Its purpose is to provide oversight, guidance and assistance to the Board of Directors on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the LWCT's Audit Committee. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Directors and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mr S Clarke	3	3
Mrs M Turner	2	3
Mr D Rhodes	3	3

The key issues dealt with by the Finance and Audit committee during the year was the review of the Academy Trust's 3 year financial forecasts and the actions required to address the reduced funding expected over this period.

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by following the best value principals set out below.

Best Value through the principals of:

- Challenge – do we require the service, can it be delivered differently?
- Compare – how does this compare to similar schools and schools nationally?
- Consult – gain views of stakeholders
- Compete – are the services of the appropriate quality? Are the services efficient and effective?

Improving Educational Results:

- To target resources in line with development planning.
- Implement initiatives and interventions to ensure the learning is individualised, purposeful and challenging.
- Initiatives to accelerate the progress of all students.
- Maintain impact of pupil premium, Looked after children and other vulnerable groups, including sports premium.

Financial Oversight:

- Ensure delegation of authority and segregation of duties to ensure robust financial procedures.
- Comprehensive budgeting and regular monitoring by the Board of Directors, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Regular financial reports and monthly management accounts are produced and presented to the Executive Head and The Board.
- Decisions are challenged within the trust to ensure costs effectiveness.

Purchasing:

- Clearly defined purchasing guidelines, communicated for all members of the Trust.
- Exploration of alternative purchasing options both online and through suppliers to find best value.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Income Generation:

- Income generation is maximised by lettings of the facilities to community use wherever possible.

Reviewing Controls and Managing risk:

- Clear identification and management of risks.
- Appropriate level of authorisation for all financial transactions at every required stage.
- Independent professional inspection through internal audit functions to develop internal controls.
- Health and Safety reviews and inspections are carried out annually with an external professional and recommendations forming an action plan that is implemented swiftly.
- The Academies have comprehensive insurance cover for all students, staff, advocates, governors, property, assets, in order to ensure the continuation of education provision in any unforeseen circumstances.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The audits provide LWCT with an in-depth report of any areas to address, actions required and timescales. The reports are discussed with the Accounting Officer, CFO and Finance and Audit Committee and actions agreed with set timescales.

The impact of COVID-19 on being able to achieve value for money has been minimal for LWCT. The ordering of resources has dramatically reduced during the pandemic as the vast majority of students were not attending school during this time.

Only one instance of PPN has been applied during COVID-19, this was for the Sports provision. The provision was not able to be provided during this time, we agreed with the company around payment terms on this occasion.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Lincolnshire Wolds Community Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, for the 2019/20 financial year, the Directors appointed Cooper Parry to perform a program of additional internal reviews and checks. On an annual basis, Cooper Parry reports to the Board of Directors through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The role of Cooper Parry includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current year covered a review of the Trust's budget setting process.

Cooper Parry has delivered the program of work for the 2019/20 academic year as planned. While there were no significant internal control issues identified from the review, there were several recommendations where existing process and controls can be improved by the Trust going forward and these recommendations will be implemented over the coming year.

As detailed above, the Directors have previously appointed the external auditors to undertake the internal scrutiny services for the Academy Trust. As a result of the changes, introduced by the Financial Reporting Councils revised Ethical Standard for Auditors, the Directors, via the Finance & Audit Committee, will be appointing another organisation to undertake the internal scrutiny work for LWCT for the 2020/21 academic year onwards.

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:

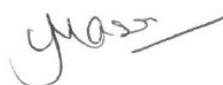
- the work of the internal reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development 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 and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 24 November 2020 and signed on their behalf by:



Mr D Rhodes
Chair of Directors



Mrs L Mason
Accounting Officer

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

A handwritten signature in black ink, appearing to read 'L Mason', with a horizontal line extending to the right.

Mrs L Mason
Accounting Officer

Date: 24 November 2020

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 Directors 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 Directors 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 Directors 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 Directors on 24 November 2020 and signed on its behalf by:



Mr D Rhodes
Chair of Directors

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLNSHIRE WOLDS COMMUNITY TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLNSHIRE WOLDS COMMUNITY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINCOLNSHIRE WOLDS COMMUNITY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement, the Directors (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 Directors 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 Directors 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 Directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

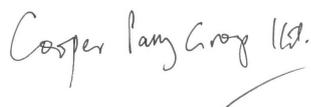
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

18 December 2020

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LINCOLNSHIRE WOLDS COMMUNITY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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

Respective responsibilities of Lincolnshire Wolds Community Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lincolnshire Wolds Community Trust's funding agreement with the Secretary of State for Education dated 3 July 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw our conclusions included:

- A review of internal control procedures implemented by the Academy Trust and an evaluation of their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- A review of the minutes of meetings of the Directors, relevant sub-committees and Local Governing Bodies and other evidence made available to us, relevant to our consideration of regularity;

Enquiries of the Accounting Officer, including a review of the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

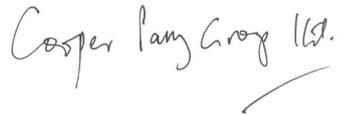
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LINCOLNSHIRE WOLDS COMMUNITY 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 Period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 18 December 2020

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	25,688	-	179,305	204,994	84,983
Charitable activities	4	62,612	4,516,119	-	4,578,732	4,403,692
Teaching schools		-	52,000	-	52,000	78,744
Other trading activities	5	34,083	-	-	34,083	80,586
Investments	6	619	-	-	619	583
Total income		123,002	4,568,119	179,305	4,870,426	4,648,588
Expenditure on:						
Charitable activities	7	14,431	4,784,755	131,960	4,931,146	4,665,599
Teaching schools		-	50,089	-	50,089	61,753
Total expenditure		14,431	4,834,844	131,960	4,981,235	4,727,352
Net movement in funds before other gains/(losses)		108,571	(266,725)	47,345	(110,809)	(78,764)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	262,000	-	262,000	(1,136,000)
Net movement in funds		108,571	(4,725)	47,345	151,191	(1,214,764)
Reconciliation of funds:						
Total funds brought forward	17	505,433	(3,692,270)	5,619,863	2,433,026	3,647,790
Net movement in funds	17	108,571	(4,725)	47,345	151,191	(1,214,764)
Total funds carried forward	17	614,004	(3,696,995)	5,667,208	2,584,217	2,433,026

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

The notes on pages 33 to 57 form part of these financial statements.

LINCOLNSHIRE WOLDS COMMUNITY TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 09691946

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	5,432,907	5,564,867
		5,432,907	5,564,867
Current assets			
Debtors	15	310,970	85,817
Cash at bank and in hand		1,614,310	1,263,712
		1,925,280	1,349,529
Creditors: amounts falling due within one year	16	(206,970)	(106,370)
		1,718,310	1,243,159
Net current assets		1,718,310	1,243,159
Total assets less current liabilities		7,151,217	6,808,026
Net assets excluding pension liability		7,151,217	6,808,026
Defined benefit pension scheme liability	23	(4,567,000)	(4,375,000)
Total net assets		2,584,217	2,433,026
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	5,667,208	5,619,863
Restricted income funds	17	870,005	682,730
Pension reserve	17	(4,567,000)	(4,375,000)
Total restricted funds	17	1,970,213	1,927,593
Unrestricted income funds	17	614,004	505,433
Total funds		2,584,217	2,433,026

The financial statements on pages 30 to 57 were approved by the Directors, and authorised for issue on 24 November 2020 and are signed on their behalf, by:



Mr D Rhodes
Chair of Directors

The notes on pages 33 to 57 form part of these financial statements.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	170,674	336,714
Cash flows from investing activities	20	179,924	47,707
Change in cash and cash equivalents in the Period		350,598	384,421
Cash and cash equivalents at the beginning of the Period		1,263,712	879,291
Cash and cash equivalents at the end of the Period	21, 22	<u>1,614,310</u>	<u>1,263,712</u>

The notes on pages 33 to 57 form part of these financial statements

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 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.

1.4 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 Directors.

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.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 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.

1.6 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold land	- On a straight line basis over the period of the lease
Leasehold property	- 2% per annum on a straight line basis
Furniture and equipment	-
Computer equipment	- 25% per annum on a straight line basis

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.

1.8 Operating leases

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Liabilities and Provisions

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

Provisions 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.

1.12 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 Agency arrangements

The Academy Trust acts as agent in distributing bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the School does not have control over the charitable application of the funds. The funds received and any balances held are recognised in note 27.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations and capital grants	25,688	179,305	204,993

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	25,505	59,478	84,983

4. Funding for the Academy Trust's educational activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,358,668	2,358,668
Pupil premium	-	187,852	187,852
Other DfE/Grants	-	153,899	153,899
	-	2,700,419	2,700,419
Local Authority funding			
Local Authority funding	-	1,759,175	1,759,175
	-	1,759,175	1,759,175
Other funding			
Other income	62,612	50,069	112,681
	62,612	50,069	112,681
Exceptional government funding			
Coronavirus exceptional support	-	6,456	6,456
Total 2020	62,612	4,516,119	4,578,731

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational activities (continued)

The Academy Trust has been eligible to claim additional funding in year from the government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- the funding received for coronavirus exceptional support covers £6,456 of free school meals and other costs. These costs are included in notes 7 and 9 below as appropriate.

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,349,072	2,349,072
Pupil premium	-	195,290	195,290
Other DfE/Grants	-	64,800	64,800
	-	2,609,162	2,609,162
Local Authority funding			
Local Authority funding	-	1,743,866	1,743,866
	-	1,743,866	1,743,866
Other funding			
Other income	15,708	34,956	50,664
	15,708	4,387,984	4,403,692

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings income	2,160	2,160
Catering income	10,593	10,593
Other income	21,330	21,330
Total 2020	34,083	34,083

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

5. Income from other trading activities (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Lettings income	4,970	4,970
Catering income	18,622	18,622
Other income	56,994	56,994
Total 2019	80,586	80,586

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	619	619
Total 2020	619	619

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest	583	583

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Charitable activities:				
Educational activities - direct costs	1,411,682	-	99,039	1,510,721
Educational activities - support costs	2,738,297	130,050	552,078	3,420,425
Teaching school	41,479	-	8,610	50,089
Total 2020	4,191,458	130,050	659,727	4,981,235

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

7. Expenditure (continued)

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Charitable activities:				
Educational activities - direct costs	1,250,054	-	79,407	1,329,461
Educational activities - support costs	2,504,366	137,132	694,641	3,336,139
Teaching school	27,055	-	34,698	61,753
Total 2019	3,781,475	137,132	808,746	4,727,353

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational activities	1,510,721	3,420,425	4,931,146

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational activities	1,329,461	3,336,139	4,665,600

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
LGPS FRS102 net pension interest cost	86,000	82,000
Staff costs	2,738,296	2,504,366
Depreciation	131,960	212,544
Technology costs	17,580	13,318
Repairs and maintenance	50,969	56,761
Rent and rates	10,905	9,207
Other support costs	205,947	264,591
Legal and professional	65,067	60,399
Catering costs	45,227	61,378
Cleaning	68,176	71,166
Bank charges	296	409
	<u>3,420,425</u>	<u>3,336,139</u>

Included in legal and professional fees are legal fees of £2,040 (2019: £2,040) that relate to other matters.

9. Net income/(expenditure)

Net income/(expenditure) for the Period includes:

	2020 £	2019 £
Operating lease rentals	22,654	54,637
Depreciation of tangible fixed assets	131,960	212,475
Fees paid to auditors for:		
- audit	8,550	10,250
- other services	7,200	3,350
	<u>169,364</u>	<u>170,712</u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the Period were as follows:

	2020 £	2019 £
Wages and salaries	2,934,404	2,755,530
Social security costs	237,140	225,206
Pension costs	968,820	721,399
	<u>4,140,364</u>	<u>3,702,135</u>
Agency staff costs	51,094	75,215
Staff restructuring costs	-	4,125
	<u>4,191,458</u>	<u>3,781,475</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	4,125
	<u>-</u>	<u>4,125</u>

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

Included in staff restructuring costs were non-contractual / non-statutory severance payments totalling £Nil (2019: £4,125). In the prior year these were made up of a single payment of £4,125.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	23	24
Administration and support	117	112
Management	5	6
	<u>145</u>	<u>142</u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £120,000 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	1	-

The above staff member participated in the Teachers' Pension Scheme and the value of employers contributions to the scheme during the period were £30,934 (2019: £20,922).

e. Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £434,415 (2019 £408,520).

11. Central services

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

- Procurement of certain goods and services, including utilities, maintenance, insurance and professional services, together with the provision of central finance, HR and operational services.

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

- a set monetary amount based on the cost of the services provided split between the two schools in the Trust.

The actual amounts charged during the Period were as follows:

	2020 £	2019 £
St Bernard's School	60,000	60,000
St Lawrence School	60,000	60,000
Total	120,000	120,000

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

12. Directors' remuneration and expenses

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

		2020 £	2019 £
Mrs L Mason	Remuneration	130,000 - 135,000	125,000 - 130,000
	Pension contributions paid	30,000 - 35,000	20,000 - 25,000

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

13. Directors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the Period ended 31 August 2020 was included within in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	5,800,609	409,584	81,787	6,291,980
At 31 August 2020	<u>5,800,609</u>	<u>409,584</u>	<u>81,787</u>	<u>6,291,980</u>
Depreciation				
At 1 September 2019	442,870	202,456	81,787	727,113
Charge for the Period	110,962	20,998	-	131,960
At 31 August 2020	<u>553,832</u>	<u>223,454</u>	<u>81,787</u>	<u>859,073</u>
Net book value				
At 31 August 2020	<u><u>5,246,777</u></u>	<u><u>186,130</u></u>	<u><u>-</u></u>	<u><u>5,432,907</u></u>
At 31 August 2019	<u><u>5,357,739</u></u>	<u><u>207,128</u></u>	<u><u>-</u></u>	<u><u>5,564,867</u></u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	24,534	7,231
VAT repayable	34,768	29,505
Other debtors	23,977	5,459
Prepayments and accrued income	227,691	43,622
	310,970	85,817
	310,970	85,817

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	102,461	45,686
Other taxation and social security	85,102	56,265
Other creditors	19,407	4,419
Accruals and deferred income	-	-
	206,970	106,370
	206,970	106,370

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
Reserves	505,433	123,002	(14,431)	-	614,004
Restricted general funds					
General Annual Grant (GAG)	665,740	2,358,668	(2,173,303)	-	851,105
Pupil premium	-	187,852	(187,852)	-	-
Other ESFA/DfE grants	-	160,355	(160,355)	-	-
Local Authority funding	-	1,759,175	(1,759,175)	-	-
Other income	16,990	102,069	(100,159)	-	18,900
Pension reserve	(4,375,000)	-	(454,000)	262,000	(4,567,000)
	<u>(3,692,270)</u>	<u>4,568,119</u>	<u>(4,834,844)</u>	<u>262,000</u>	<u>(3,696,995)</u>
Restricted fixed asset funds					
Fixed asset funds	5,619,863	179,305	(131,960)	-	5,667,208
Total Restricted funds	<u>1,927,593</u>	<u>4,747,424</u>	<u>(4,966,804)</u>	<u>262,000</u>	<u>1,970,213</u>
Total funds	<u><u>2,433,026</u></u>	<u><u>4,870,426</u></u>	<u><u>(4,981,235)</u></u>	<u><u>262,000</u></u>	<u><u>2,584,217</u></u>

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

The General Annual Grant funding must be used for the normal running costs of the Academy Trust in line with the Trust's charitable objects and the terms and conditions of the Trust's funding agreement.

The pupil premium funding must be used to support children from families on low income or children in care.

Other ESFA / DfE grants, which includes Teaching Schools grants, Teacher Pay grants and Teachers' Pension grants), are all used in accordance with the specific restrictions of the individual grants provided.

Local Authority funding and other restricted income, are all used in accordance with the specific restrictions of the individual grants and funding provided

The Pension reserve represents the Local Government Pension Scheme deficit.

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

17. Statement of funds (continued)

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St Bernard's School	463,267	404,742
St Lawrence School	875,146	691,178
Central	145,596	92,243
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,484,009	1,188,163
Restricted fixed asset fund	5,667,208	5,619,863
Pension reserve	(4,567,000)	(4,375,000)
	<hr/>	<hr/>
Total	2,584,217	2,433,026
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
St Bernard's School	1,048,876	586,476	23,557	264,471	1,923,380
St Lawrence School	1,732,756	300,944	52,620	195,727	2,282,047
Central	20,123	52,763	5,159	111,804	189,849
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Academy Trust	2,801,755	940,183	81,336	572,002	4,395,276
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

17. Statement of funds (continued)

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
St Bernard's School	948,684	648,308	32,397	244,141	1,873,530
St Lawrence School	1,611,419	309,573	53,430	188,432	2,162,854
Central	-	47,560	-	132,864	180,424
Academy Trust	<u>2,560,103</u>	<u>1,005,441</u>	<u>85,827</u>	<u>565,437</u>	<u>4,216,808</u>

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
Reserves	<u>407,127</u>	<u>122,382</u>	<u>(24,076)</u>	<u>-</u>	<u>505,433</u>
Restricted general funds					
General Annual Grant (GAG)	407,130	2,349,423	(2,090,813)	-	665,740
Pupil premium	-	195,290	(195,290)	-	-
Other ESFA/DfE grants	1,604	1,120,924	(1,122,528)	-	-
Local Authority funding	-	659,013	(659,013)	-	-
Other income	-	142,078	(125,088)	-	16,990
Pension reserve	(2,941,000)	-	(298,000)	(1,136,000)	(4,375,000)
	<u>(2,532,266)</u>	<u>4,466,728</u>	<u>(4,490,732)</u>	<u>(1,136,000)</u>	<u>(3,692,270)</u>
Restricted fixed asset funds					
Fixed asset funds	<u>5,772,929</u>	<u>59,478</u>	<u>(212,544)</u>	<u>-</u>	<u>5,619,863</u>
Total Restricted funds	<u>3,240,663</u>	<u>4,526,206</u>	<u>(4,703,276)</u>	<u>(1,136,000)</u>	<u>1,927,593</u>
Total funds	<u>3,647,790</u>	<u>4,648,588</u>	<u>(4,727,352)</u>	<u>(1,136,000)</u>	<u>2,433,026</u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,432,907	5,432,907
Current assets	614,004	1,076,975	234,301	1,925,280
Creditors due within one year	-	(206,970)	-	(206,970)
Provisions for liabilities and charges	-	(4,567,000)	-	(4,567,000)
Total	<u>614,004</u>	<u>(3,696,995)</u>	<u>5,667,208</u>	<u>2,584,217</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,564,867	5,564,867
Current assets	505,433	789,101	54,996	1,349,530
Creditors due within one year	-	(106,372)	-	(106,372)
Provisions for liabilities and charges	-	(4,375,000)	-	(4,375,000)
Total	<u>505,433</u>	<u>(3,692,271)</u>	<u>5,619,863</u>	<u>2,433,025</u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(110,809)	(78,764)
Adjustments for:		
Depreciation	131,960	212,544
Capital grants from DfE and other capital income	(179,305)	(59,478)
Dividends, interest and rents from investments	(619)	(583)
Defined benefit pension scheme cost less contributions payable	368,000	216,000
Defined benefit pension scheme finance cost	86,000	82,000
Increase in debtors	(225,153)	(4,320)
Increase/(decrease) in creditors	100,600	(30,685)
Net cash provided by operating activities	170,674	336,714

20. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	619	583
Purchase of tangible fixed assets	-	(12,355)
Capital grants from DfE Group	179,305	59,479
Net cash provided by investing activities	179,924	47,707

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,614,310	1,263,712
Total cash and cash equivalents	1,614,310	1,263,712

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,263,712	350,598	1,614,310
	1,263,712	350,598	1,614,310
	1,263,712	350,598	1,614,310

23. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the Period amounted to £232,008 (2019 - £153,706).

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

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

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 Period ended 31 August 2020 was £453,000 (2019 - £433,000), of which employer's contributions totalled £365,000 (2019 - £349,000) and employees' contributions totalled £ 88,000 (2019 - £84,000). The agreed contribution rates for future years are 19.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.50	2.70
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.2
Females	23.7	23.5
<i>Retiring in 20 years</i>		
Males	22.4	22.5
Females	25.2	25.2

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

23. Pension commitments (continued)

Sensitivity analysis

Increase in the reported value of the defined benefit obligations:

	2020 £000	2019 £000
Discount rate -0.5%	1,016	1,026
Salary increase rate +0.5%	101	165
CPI rate +0.5%	897	840
	8,000	8,000

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

	2020 £	2019 £
Equities	1,741,000	1,840,000
Bonds	505,000	404,000
Property	253,000	252,000
Cash and other liquid assets	25,000	25,000
Total market value of assets	2,524,000	2,521,000

The actual return on scheme assets was £(395,000) (2019 - £132,000).

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

	2020 £	2019 £
Current service cost	733,000	526,000
Past service cost	-	39,000
Expected return on pension scheme assets	(52,000)	(64,000)
Interest on pension scheme liabilities	138,000	146,000
Total amount recognised in the Statement of Financial Activities	819,000	647,000

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	6,896,000	4,925,000
Current service cost	733,000	526,000
Interest cost	138,000	146,000
Employee contributions	88,000	84,000
Actuarial (gains)/losses	(709,000)	1,204,000
Benefits paid	(55,000)	(28,000)
Past service costs	-	39,000
At 31 August	<u>7,091,000</u>	<u>6,896,000</u>

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

	2020 £	2019 £
At 1 September	2,521,000	1,984,000
Interest income	52,000	64,000
Actuarial (losses)/gains	(447,000)	68,000
Employer contributions	365,000	349,000
Employee contributions	88,000	84,000
Benefits paid	(55,000)	(28,000)
At 31 August	<u>2,524,000</u>	<u>2,521,000</u>

24. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	22,218	22,654
Later than 1 year and not later than 5 years	42,792	2,810
	<u>65,010</u>	<u>25,464</u>

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

25. Members' liability

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

26. Related party transactions

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

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

During the year ended 31 August 2020, a salary payment of £5,000 was advanced to Ms T Stokes, a member of the Academy Trusts senior management team. The balance will be repaid over 36 months and no interest will be charged on this balance.

There were no other related party transactions during the financial period other than Directors' remuneration which is already discussed in note 12.

27. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the period ended 31 August 2020 the Trust received £3,131 (2019: £3,259) and disbursed £1,922 (2019: £1,506) from the fund. An amount of £1,209 (2019: £1,753) is carried forward at 31 August 2020.

LINCOLNSHIRE WOLDS COMMUNITY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

28. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
Income				
Direct income				
Teaching school income	52,000		78,394	
Other income				
Self-generated income	-		8,808	
Total income		52,000		87,202
Expenditure				
Direct expenditure				
Direct staff costs	41,479		55,981	
Other direct costs	8,611		5,773	
Total direct expenditure	50,090		61,754	
Total expenditure		50,090		61,754
Surplus from all sources		1,910		16,990
Teaching school balances at 1 September 2019		16,990		-
Teaching school balances at 31 August 2020		18,900		16,990