

Company Registration No. 08273802 (England and Wales)

LAKELANDS EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

LAKELANDS EDUCATIONAL TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the accounts	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 49

LAKELANDS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

G Corfield
A J Hart
V Sanchi
I Ward
G Hutchinson

Trustees

Mr Joseph Cooper (Term ended 24 January 2020)
Mr Geoffrey Corfield
Mr Brian Healey
Mr Vito Sanchi (Resigned 8 October 2019)
Mrs Deborah Simmonds
Mrs Susan Tinn
Mrs Helen Bellis
LT Colonel Terence Lowry
Mr Peter Cartledge
Mr Simon Jones
Mrs Helen Waugh (Appointed 25 January 2020)

Senior leadership team

- Headteacher	Mrs H S Bellis
- Deputy Headteacher	Mr G Pyburn
- Assistant Headteacher	Mr A Parkhurst
- Junior Assistant Headteacher	Mrs K Preece
- Business Manager	Mrs S Davies
- SENDCo	Miss A Warren

Company secretary

Mrs Sarah Davies

Company registration number

08273802 (England and Wales)

Registered office

Oswestry Road
Ellesmere
Shropshire
SY12 0EA

Independent auditor

McLintocks (NW) Limited
46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

Bankers

Barclays Bank plc
7 Cross Street
Oswestry
SY11 1PW

LAKELANDS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The Academy Trust operates an academy for pupils aged 11-16 serving a catchment area in North Shropshire. It has a pupil capacity of 580 and had a roll of 561 in the school census on 21 October 2020

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

In the year under review the principle governing documents of the Trust were its Articles of Association, Funding Agreement and amendment to the Funding Agreement to include the operation of Resourced Provision (known as the Kettlemere Centre) from September 2015.

The charitable company is known as Lakelands Educational Trust.

The Trustees of Lakelands Educational Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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.

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of an negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000 for any one loss and any one membership year.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of Trustees

The process for the appointment of Trustees is set out in the Articles of Association.

The Academy Trust shall have the following Trustees (known as Governors) as set out in its Articles of Association:

- up to 1 Trustee, appointed by the members
- 2 Parent Trustees elected by Parents
- up to 2 Staff Trustees elected by Academy staff
- up to 7 Community Trustees appointed by the Trustees
- the Headteacher
- up to one co-opted Trustee

The number of Trustees shall be not less than three but is not be subject to any maximum.

Trustees are appointed for a four year period except for staff Trustees who are elected annually or the Headteacher who is a Trustee by virtue of their position. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

When appointing new Trustees, the board will give consideration to the skills and experience of existing Trustees to ensure that the Board has the necessary mix of skills and experience.

The Academy has a Trustee Recruitment, Induction and Training procedure. The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students.

Alongside the provision of regular educational updates on topical matters, members of the Academy Senior Leadership Team brief trustees regularly on governance, financial and educational matters. Trustees are encouraged to participate in training programmes and courses arranged by the Academy. Specific training is provided on technical issues to keep Trustees updated on all relevant developments affecting their role and responsibilities.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Trustees fulfil a strategic role: setting general policy, approving the annual plan and budget, monitoring performance against the plan and budget and making decisions about the Trustees of the charitable company, capital expenditure and Senior Leadership Team appointments. Detailed decisions are delegated to the Headteacher and thereafter to the Senior Leadership Team and Faculty Leaders. The Headteacher is the Accounting Officer.

The Board establishes an overall framework for the governance of the Academy and determines the membership and terms of reference of committees. Agendas, papers and minutes of the main committees are shared with all Trustees.

There are two committees that meet on a regular basis;

Finance, Staffing and General Purposes Committee – this met 3 times in 2019-20 and is responsible for monitoring evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, agreeing staffing levels and monitoring premises, site and Health and Safety matters.

Teaching and Learning Committee – this met twice in 2019-20 to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum issues, target setting and assessment, examinations and pastoral issues. This committee also monitors the staffing establishment and performance management procedures.

Additional committees meet as necessary during the year for example Admissions Committee, Appraisal Salary, and Grading Committee and Student Discipline Committee.

The Senior Leadership Team consists of the Headteacher, the Deputy Headteacher, Assistant Head, two Senior Leaders and the Business Manager. These leaders control the Trust and Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leadership Team is responsible for the authorisation of spending within agreed limits and the appointment of staff. Some spending control is devolved to budget holders with limits above which a senior lead must countersign. The recruitment process for posts in the Leadership Team always contains a Trustee.

Arrangements for setting pay and remuneration of key management personnel

Following advice and guidance from the academy HR advisors, the Governing Body annually review and adopt the Academy Pay Policies which detail the process which needs to be followed in determining the remuneration of teaching and non-teaching staff and Senior Leaders. As described in the Leadership Pay Policy, key personnel i.e. the Headteacher, Deputy Head, Assistant Head, Senior Leaders and Business Manager's annual salary are determined by the Appraisal, Salary and Grading Committee (which consists of Governors appointed by the Board). The Committee meets annually to assess whether the outcomes of individuals appraisals meet the criteria for pay progression.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

The trust is not part of a wider network having a relationship which might impact on its operating policies. There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust. There are no formal Parent Teacher Associations associated with the Academy.

Objectives and activities

The principal activity of the Charitable Company is 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.

In accordance with the Articles of Association, the charitable company has entered into relevant Funding Agreements with the Secretary of State. The Funding Agreements specify, amongst other things, the basis for admitting pupils to the academy, the catchment area from which the pupils are drawn, and that the curriculum should be broad and balanced.

Commencing September 2015 the funding agreement with the Secretary of State was amended to include funding to support resourced provision for pupils with communication and interaction needs named by the Trust as the Kettlemere Centre.

Objects and Aims

Lakelands' objective is to provide the best possible education for young people aged 11-16 in Ellesmere and surrounding areas, inspiring all pupils to fulfil their potential through a curriculum that is diverse, challenging and inspiring – designed to help them develop into well-rounded, confident young people, with the integrity, resilience and high aspirations to thrive in the future.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

The main objective for last year was to advance the Lakelands curriculum to ensure strong progression, assessment, embedding of learning, and development of key cross-curricular skills and knowledge, including literacy, numeracy, cultural development and careers. Our objectives for improving Teaching and Learning were: assessment for learning that facilitates active self-reflection, whilst reducing teachers' workload; building in sufficient revisiting of knowledge to embed learning in the long term memory; employing more visual strategies to help learners understand and remember, and weaving challenge and extension into the fabric of every lesson.

Public benefit

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

The primary purpose of the Trust is the advancement of education within the local area. The Trust has given a high priority to providing public benefit to a cross section of the community and regardless of family background, but perhaps the greatest benefit that the Trust can offer is the provision of an education that maximises each pupil's potential to develop into principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society. The Trust fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

The Trust also has a due regard in offering public benefit to the wider community, through its collaborations with the local primary schools, such as inviting pupils to attend the Academy Creative Arts Productions throughout the year. Due to the presence of the North Shropshire School Games Organiser on the Academy site the primary school pupils also have access to academy sporting activities and facilities.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The main Key Performance Indicators for 2019-20 were as follows:

ADVANCING THE LAKELANDS CURRICULUM	
Key Performance Indicators 2019-20	Achievements and Performance
1. Strong progression through all years in every subject	Adapted progression maps in place across all subjects – completed during designated Professional Development time
2. Strong assessment processes across all years that rigorously measure progress in line with subject progression maps	Curriculum Audit February 2020: 15 subjects – 10 well developed in assessment, 5 in process of being adapted
3. Regular embedding of learning, recall and mastery of key skills/concepts built into curriculum plans	Curriculum Audit February 2020: well developed in 10 subjects; 5 in process of being adapted
4. Embedding of good literacy, numeracy, SMSC & career-related learning into curriculum plans	Well-developed across 14 subjects; PE working on building in more opportunities to strengthen literacy/numeracy
5. Strengthening of Careers and PSHEE programmes	Particularly strong in Creative Arts & Technology Faculty and English; developing well in other subjects
6. Opportunities for specialists and non-specialists to network and learn from others	Regular opportunities built into 2019-20 calendar – regular meetings took place
IMPROVING THE CONSISTENCY OF TEACHING & LEARNING ACROSS ALL SUBJECTS	
Key Performance Indicators 2019-20	Achievements and Performance
1. Effective Assessment for Learning / feedback that facilitates active learner self-reflection, whilst reducing teachers' workload	November Faculty Review Week – <i>'Effective use of verbal and written feedback helps learners to reflect on their knowledge and skills, and consequently make good progress'</i>
2. Lessons that start with a direct link to previous learning, repeatedly embedding key knowledge so it sticks	November Faculty Review Week – <i>'Lessons build on prior learning – in several lessons, this is done effectively using good visual strategies'</i>
3. Strategies that make learning clear, visual and memorable	November Faculty Review Week – <i>'A range of stimulating learning activities are employed to engage learners and support the achievement of learning outcomes'</i>
4. Challenge and extension woven into the fabric of every lesson – promoting higher level thinking	November Faculty Review Week – <i>'teachers communicate high expectations'; 'Ensure there are always opportunities for extension for confident learners who finish tasks quickly and need greater challenge'</i>
5. Effective dialogue with TAs in the classroom to support learning	November Faculty Review Week – effective deployment of TAs evident across all lessons observed
GCSE Outcomes (Last examined series – 2019 GCSE Results)	
Key Performance Indicators 2018-19	Achievements and Performance
Progress 8 overall: -0.2	-0.04
Progress 8 Open Bucket: -0.4	-0.35
Attainment 8: 46	45
Progress 8 Disadvantaged Gap: 0.36	0.18
English and Maths Threshold 4+: 70%	68%
EBacc 4+: 28%	31%
Grade 7+: 14%	14%
<p>2020 outcomes not included as these were a combination of Centre Assessed Grades and algorithm-based calculations – therefore not a reliable set of outcomes and not comparable with previous years. Our previous outcomes in 2019 clearly demonstrated that we were on a journey of steady improvement; Progress 8 had improved significantly to the point where our Progress 8 figure was above our 3 nearest secondary schools, and we significantly closed the Disadvantaged gap, as a result of our intensive focus on Pupil Premium.</p>	

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In what has been a challenging year the impact of the coronavirus will be one of the defining features of a whole generation of British children. The lockdown has had a severe impact on every family and on every aspect of education in this country.

Despite this, our internal self-evaluation clearly shows that we have made effective use of professional development to strengthen our curriculum, forging a clear vision and ethos that filters down from our overarching curriculum statement into the detailed plans and practices of every subject, which are now in the final stages of refinement. Our evaluation of Teaching and Learning shows that there are high expectations across subjects and teaching strategies in place that help learners make good progress.

Lakelands Academy closed on 23 March 2020, other than for vulnerable pupils and children of key workers, and national exams were cancelled. These events represent an unprecedented disruption to the education of children and young people. Unable to carry on normal activities to support children's learning, wellbeing and to prepare them for transition, the academy provided learning activities for pupils at home.

During these unprecedented times, academy staff have been asked to perform a range of duties – new and old – but within unfamiliar situations and locations. Senior staff have been expected to respond quickly and effectively to the continued ever-changing landscape, but in equal measure they have had to ensure that key processes, such as paying staff and suppliers continued without interruption or incident.

The COVID-19 pandemic has resulted in drastic changes for the academy requiring phenomenal flexibility and dedication from staff, pupils and stakeholders in responding to logistical challenges and managing the strain on financial resources. The academy has continued to face difficult questions in relation to current and future operations and finds itself constantly engaged in careful ongoing cost management and risk assessment to meet the ever changing COVID landscape.

Given the strict parameters regarding financial support for COVID cost reimbursement, the academy has kept very careful records of additional costs incurred. Reimbursed by the ESFA for its initial claim of £23,088 up to the end of the 2019-20 academic year and facing additional costs in excess of £50,000 between September 2020 and March 2021, the academy has become increasingly concerned that as yet no further cost recovery guidance has been announced.

The academy budget has been remodelled to take account of the cost implications of establishing and maintaining a COVID safe environment alongside the knock-on impact of lost self-generated income i.e. catering and lettings income. It is evident that without a guarantee of additional Government funding, these additional, exceptional costs will have to be met from academy reserves.

Going concern

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

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the Academy income is received from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the period ended 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2020, total income amounted to £3,413,507 (2019: £3,731,334) from which was deducted expenditure of £3,779,249 (2019: £3,483,543), leaving a net deficit of £365,742 (2019: Surplus £247,791). This surplus has been reduced by an actuarial loss on the Local Authority Pension Scheme of £56,000 (2019: £626,000).

At 31st August 2020 the net book value of fixed assets amounted to £8,904,215 (2019 £9,101,567) and movements in fixed assets are shown in note 13 to the financial statements. The academy continues to have positive net current assets of £ 199,422 (2019 £234,942) and overall net assets of £6,711,608 (2019: £7,133,350).

Reserves policy

It is the policy of the Trust to seek to have free cash reserves to provide sufficient funds to cover unexpected costs or events such as the failure of plant or machinery, for example building repairs, to ensure adequate investment in the maintenance of its new all-weather pitch or to meet part of the academy's Local Government Pension Scheme Liabilities with the Shropshire Council Pension Fund in the event of additional short term costs arising from revaluation.

The Trustees review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trusts current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted fund reserve) is £203,665.

Additionally the Trustees have decided that it is prudent to build a reserve of restricted funds which equates on average to an average of two months' expenditure to safeguard against unforeseen circumstances, late ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the Academy within the Trust.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £2,296,000. Whilst this is not immediately payable by the Trust it remains of concern to the Trustees.

Investment policy

The Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the investment instruments are such that there is no risk to the loss of these cash funds. The investment policy is considered annually by Trustees. In accordance with the law and its Articles of Association, the policy sets out the principles and typical circumstances which the Trust may adopt to invest surplus cash funds. In the 2019-20 academic year risk free bank deposit accounts were used to invest surplus cash.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

A risk register has been prepared which sets out the principal risks facing the Trust and the controls that exist to mitigate their effect. The Trustees consider that the principal risks and uncertainties facing the Trust are:

- Balancing the Trust budget with reduced income and increasing staff costs; whilst maintaining the quality of provision
- Loss of reputation through failing standards at the Academy, falling student numbers,
- Failure to safeguard our students,

Key controls in place to mitigate these risks are:

- Financial planning, budgeting and regular management and trustee reports highlight key areas of financial risk anticipated for the current and future four years;
- Robust due diligence procedures alongside sound financial management and internal control processes.
- Availability of contingency budgets should further unscheduled cuts be applied, i.e. where information from the ESFA has not confirmed funding proposals, support for salary/pension increments or per pupil amounts (AWPU).
- Processes which regularly track, monitor and report student progress data alongside a range of tailored interventions to provide additional support to those most in need.
- Vetting procedures as required by legislation for the protection of the vulnerable

Fundraising

The Academy Trust carries out a limited amount of fundraising, mindful of the communities in which it operates. In the circumstances where fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Should complaints be received these would be handled through the Trust's complaints procedure. The Trust does not work with any commercial participators or professional fundraising organisations

Plans for future periods

Objectives, Strategies and Activities (2020-21)

There are five principal objectives. The first is our Lockdown Strategy – to implement protective measures to minimise risk of virus transmission, provide targeted mental health support and adapt the curriculum to make up for lost teaching time. Secondly, we are introducing mechanisms to effectively measure the rigour of our curriculum. The third focus is working with teachers to ensure that assessment procedures are sufficiently robust and that they properly inform the accurate reporting of progress data. The last two objectives centre around Teaching and Learning strategies that ensure key curriculum knowledge is stored in the long term memory of our students and that we are strengthening cross-curricular 'life' skills to stand them in good stead for the future, including developing confidence, integrity, cultural awareness and high aspirations. The close monitoring, tracking and personalised support of our Pupil Premium students is an important strand that runs through all these objectives, to ensure we continue to narrow the disadvantaged gap.

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future Periods Objectives, Strategies and Activities (2020-21)

Key Objectives	Key Performance Indicators 2020-21
Post-Lockdown strategy	<ul style="list-style-type: none"> Measures in place reduce risk of transmission Students/parents clear on expectations Behavioural expectations reinforced Community values reinforced Mental health issues identified and targeted support provided Teachers know where the gaps are and adjust curriculum / implement effective T&L strategies to address them. Students clear about where their gaps are and rebuild their confidence in learning
Assess the rigour of the curriculum	<ul style="list-style-type: none"> Clear direction and high expectations communicated to students throughout the learning journey in all years Students clear about direct link between assessments and their predictions; parents are well informed and clear about areas for development Students remember more; increased confidence, progress, attainment Enhanced recall and useful revision tool Use terminology with more confidence; extended writing – improved structure, development of ideas Improved application of numeracy skills Increased motivation through careers awareness Students better informed about careers; higher aspirations and motivation to progress and succeed Students able to make more informed and sensible choices that keep them safe and help them to thrive as they grow into adults
Ensure robust assessment informs accurate reporting of progress data	<ul style="list-style-type: none"> Stronger assessment processes and accuracy of progress data (Evidence from Data points: SLT / FL data analysis; Nov/Jun Faculty Review Week shows there is consistency of feedback across teams)
Regular, planned strategies to strengthen long term memory	<ul style="list-style-type: none"> Students will build 'schema' in their long-term memories which will aid more rapid recall, enable deeper learning and improve exam performance Nov/Jun Faculty Review Week shows evidence of strategies being employed consistently and impacting on student achievement
Embed Lakelands Life Skills	<ul style="list-style-type: none"> Students more confident (Evidence – FRW observations, Debating Club participation) Higher aspirations (Evidence – VW/AP monitoring of START programme) Higher achievement (Evidence – assessments/reports) Higher numbers reading/impact on literacy levels (Evidence: English Team – Lit Online data) Improvement in performance on maths-related exam questions More 'Cultural Capital' – higher aspirations

GCSE Outcomes

Key Outcomes	Key Performance Indicators 2020-21
Progress 8 overall	0
Progress 8 Open Bucket	-0.2
Attainment 8	46
Progress 8 Disadvantaged Gap	0.1
English and Maths Threshold 4+	72%
EBacc 4+	34%
Grade 7+	17%

LAKELANDS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian trustee on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that McLintocks (NW) Limited be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ~~10.12.2020~~ and signed on its behalf by:



.....
Mrs Helen Bellis

LAKELANDS EDUCATIONAL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Lakelands Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Joseph Cooper (Term ended 24 January 2020)	2	3
Mr Geoffrey Corfield	4	4
Mr Brian Healey	4	4
Mr Vito Sanchi (Resigned 8 October 2019)	2	2
Mrs Deborah Simmonds	4	4
Mrs Susan Tinn	3	4
Mrs Helen Bellis	4	4
LT Colonel Terence Lowry	4	4
Mr Peter Cartledge	4	4
Mr Simon Jones	4	4
Mrs Helen Waugh (Appointed 25 January 2020)	1	1

The Academy Trust currently has 9 Governors who are Directors of the Trust and constitute its main Board. The board is in the process of recruiting new Governors with a view to increasing capacity and ensure that it reflects a wide range of skills and experience.

There are two committees that meet on a regular basis

Finance, Staffing and General Purposes Committee – this met 3 times in 2019-20 and is responsible for monitoring evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, agreeing staffing levels and monitoring premises and site matters.

Teaching and Learning Committee – this met twice in 2019-20 to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum issues, target setting and assessment, examinations and pastoral issues. This committee also monitors the staffing establishment and performance management procedures.

Additional committees meet as necessary during the year for example Admissions Committee, Appraisal, Salary and Grading Committee and Student Discipline Committee.

The Board receives a range of data including benchmarking and external performance information which allows it to take a broad view of the performance of the academy both financially and educationally.

LAKELANDS EDUCATIONAL TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FS&GP attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr Geoffrey Corfield	2	3
Mr Brian Healey	3	3
Mrs Susan Tinn	2	3
Mrs Helen Bellis	3	3
LT Colonel Terence Lowry	3	3
Mr Peter Cartledge	2	3

LAKELANDS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

I accept that as accounting officer of Lakelands Academy Trust I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Improving educational results:

In what has been a challenging year the impact of the coronavirus during this academic year will be one of the defining features of a whole generation of British children. The lockdown has had a severe impact on every family and on every aspect of education in this country.

Despite this, our internal self-evaluation clearly shows that we have made effective use of professional development to strengthen our curriculum, forging a clear vision and ethos that filters down from our overarching curriculum statement into the detailed plans and practices of every subject.

Our curriculum audits in February and November 2020 showed that the curriculum is ambitious and progressive, providing all students, including the Disadvantaged and those with SEND, with the knowledge and cultural capital necessary for success in life. Cross-curricular 'life skills', such as literacy, numeracy, citizenship and careers, are reinforced across the subjects, to prepare them for the future.

Our evaluation of Teaching and Learning shows that there are high expectations across subjects and teaching strategies in place that help learners progress. Teachers' subject knowledge is strong and they create an environment that is student-focused, balances support and challenge effectively, and helps learners to embed knowledge in the long term memory. Assessment is used well as a diagnostic tool, to help learners identify their strengths and weaknesses. As a result, students are well motivated, engaged in lessons and consequently make good progress.

Lakelands has a rigorous appraisal policy for all staff. The Governing Body is involved in the annual review of the pay policy, appraisal procedures and staffing structures to ensure the effective deployment of staff.

LAKELANDS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

We recognise that our staff are our greatest resource in maintaining our high standard of results. We have a very low turnover of staff which means that students benefit from a consistent, experienced team of teachers and support staff.

In order to continue to improve, we have done the following: -

- We have reviewed our staffing structure to ensure good curriculum provision.
- We have protected certain areas of the curriculum to ensure there is sufficient breadth at both key stages, including a rich variety of option choices for our students at KS4.
- We continue to have smaller size teaching groups in all practical subjects and for lower ability groups in core subjects, to enable greater personalisation and efficient allocation of resources.
- We have maintained the employment of technicians to assist teachers in science and technology subjects.
- All governors have been involved in discussions to expand the number of students on roll to increase revenue. The number of pupils on roll has grown from 510 in 2018 to 561 at October 2020 with an oversubscribed year 7 intake.

Target setting and intervention for students is very detailed.

Lakelands has managed the differing needs of pupils through the provision of numerous intervention strategies to provide support for those students who need one to one support and those that require more stretch.

The academy carefully monitors Pupil Premium expenditure and its impact on improving attainment for children on Free School Meals and those who have qualified within the last six years. Use of the grant and its expenditure is published on the school website. Achievement of all pupils in receipt of the Pupil Premium is monitored by the Deputy Head who closely checks the impact of a wide range of interventions.

Ensuring the operation of the trust demonstrates good value for money and efficient and effective use of resources: Governors apply the principles of best value to all financial transactions so that the allocation of resources best meets the aims and principles of the academy and has the greatest impact on pupil progress, attainment and wellbeing.

The staffing structure has been kept under continual review throughout this period. Salary commitments have been modelled over 3 years to ensure that Lakelands Academy does not over-commit on salary expenditure.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ascertain that long term contracts (3 to 5 years) remain competitive.

Services and contracts are reviewed annually or at the end of each contract term to ensure value for money.

For purchases between £5,000 and £30,000 three written quotations and Headteacher authorisation is required.

Costs have been analysed against other schools of similar type using the ESFA Financial toolkit. Governors have analysed the results and are confident that the academy budgets meet the needs of the children. Governors are shortly to be trained to use and interpret the data accessible in the recently launched the ESFA view my financial insights (VMFI) tool.

LAKELANDS EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Maximising Income generation:

The academy explores every opportunity to generate income.

Income is also generated through grant applications and bids. In previous years substantial sums of CIF funding has aided improvement of the school site and infrastructure. More recently a grant from the Meres and Mosses Housing Association has supported the installation of a new lighting and sound system for both school and wider community use.

Although affected in this year due to COVID school closure, the letting of the school's facilities and improvement in the catering experience for students and staff continues to generate additional income.

Financial Governance and Oversight

The Governing Body approve the annual budget forecast of the academy trust and review admissions numbers/forecasts. Governors consider the annual and long term financial state of the academy and review the three year budget plan on an annual basis. They ensure that the Trust is viable as an on-going concern through financial prudence. The Governing Body receives and approves the financial statements and the external auditor's management report and takes action on any recommendations made by them.

The Headteacher allocates the approved budget to Faculty/Subject. Spending is reviewed and evaluated regularly and the Business Manager alerts the Headteacher and Senior Leadership Team of any potential overspend on any code. In turn, the Governing body regularly reviews the functions of the school, challenging how and why services are provided and monitors targets and performance indicators for improvement.

The Finance, Staffing and General Purposes Committee meet termly to review budget monitoring reports and to approve larger expenditure items in compliance with the trust's tender arrangements. In accordance with the Academies Financial Handbook, management accounts are provided to the Chair of Governors on a monthly basis.

The academy uses McLintock's Accountants and they are responsible for auditing the annual end of year accounts which are duly signed and submitted to the ESFA within appropriate timescales.

All other ESFA returns have been submitted on time.

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 Lakelands Educational Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

LAKELANDS EDUCATIONAL TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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, monthly management accounts are reviewed by the chair and annual budgets and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Staff and General Purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- Identification and management of risks.

Independent assurance that the trust's financial and other controls and risk management procedures are operating effectively has been provided during the 2019-20 academic year through a process of internal scrutiny directed by the trust's Internal Scrutiny Function (ISF) who report its actions and findings to the Finance, Staff and General Purposes Committee and thereafter to the Trust Board.

The following Governors were appointed for a period of 12 months to undertake the Internal Scrutiny Function (ISF).

Peter Cartledge (ISF Lead)

Terry Lowry

Debbie Simmonds

Review of effectiveness

As Accounting Officer the Headteacher 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 scrutiny panel;
- the work of the external auditor;
- the financial management and governance self-assessment process ;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 10/12/2020 and signed on its behalf by:



Mrs Helen Bellis

LAKELANDS EDUCATIONAL TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

Mrs Helen Bellis
Accounting Officer

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LAKELANDS EDUCATIONAL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of Lakelands Educational Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10/12/2020... and signed on its behalf by:



Mrs Helen Bellis

LAKELANDS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAKELANDS EDUCATIONAL TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Lakelands Educational Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The Trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

LAKELANDS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAKELANDS EDUCATIONAL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

LAKELANDS EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAKELANDS EDUCATIONAL TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of McLintocks (NW) Limited**

~~17.12.20~~

**Chartered Accountants
Statutory Auditor**

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

LAKELANDS EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LAKELANDS EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 25 June 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 Lakelands Educational 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 Lakelands Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Lakelands Educational 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 Lakelands Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lakelands Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lakelands Educational Trust's funding agreement with the Secretary of State for Education dated 27 July 2012 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 to our conclusion includes:

- Review of governing body and committee minutes
- Review of Internal Assurance reports
- Review of Register of Interests
- Review of related party transactions
- Review of internal control procedures

LAKELANDS EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LAKELANDS EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

McLintocks

Reporting Accountant
McLintocks (NW) Limited

Dated: 17.12.20...

LAKELANDS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	17,826	17,826	507,768
Charitable activities:						
- Funding for educational operations	4	-	3,370,007	-	3,370,007	3,191,107
Other trading activities	5	24,436	-	-	24,436	30,585
Investments	6	1,238	-	-	1,238	1,874
Total		<u>25,674</u>	<u>3,370,007</u>	<u>17,826</u>	<u>3,413,507</u>	<u>3,731,334</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	2,902	3,587,351	188,996	3,779,249	3,483,543
Total	7	<u>2,902</u>	<u>3,587,351</u>	<u>188,996</u>	<u>3,779,249</u>	<u>3,483,543</u>
Net income/(expenditure)		22,772	(217,344)	(171,170)	(365,742)	247,791
Transfers between funds	19	-	(11,066)	11,066	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	21	-	(56,000)	-	(56,000)	(626,000)
Net movement in funds		22,772	(284,410)	(160,104)	(421,742)	(378,209)
Reconciliation of funds						
Total funds brought forward		180,893	(1,940,791)	8,893,248	7,133,350	7,511,559
Total funds carried forward		<u>203,665</u>	<u>(2,225,201)</u>	<u>8,733,144</u>	<u>6,711,608</u>	<u>7,133,350</u>

LAKELANDS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	-	-	507,768	507,768
Charitable activities:					
- Funding for educational operations	4	-	3,191,107	-	3,191,107
Other trading activities	5	30,585	-	-	30,585
Investments	6	1,874	-	-	1,874
Total		<u>32,459</u>	<u>3,191,107</u>	<u>507,768</u>	<u>3,731,334</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	4,524	3,290,022	188,997	3,483,543
Total	7	<u>4,524</u>	<u>3,290,022</u>	<u>188,997</u>	<u>3,483,543</u>
Net income/(expenditure)		27,935	(98,915)	318,771	247,791
Transfers between funds	19	-	(11,084)	11,084	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(626,000)	-	(626,000)
Net movement in funds		27,935	(735,999)	329,855	(378,209)
Reconciliation of funds					
Total funds brought forward		152,958	(1,204,792)	8,563,393	7,511,559
Total funds carried forward		<u>180,893</u>	<u>(1,940,791)</u>	<u>8,893,248</u>	<u>7,133,350</u>

LAKELANDS EDUCATIONAL TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		8,904,215		9,101,567
Current assets					
Stocks	14	4,127		2,520	
Debtors	15	124,415		107,563	
Cash at bank and in hand		293,683		318,048	
			<u>422,225</u>		<u>428,131</u>
Current liabilities					
Creditors: amounts falling due within one year	16	(222,803)		(193,189)	
Net current assets			<u>199,422</u>		<u>234,942</u>
Total assets less current liabilities			<u>9,103,637</u>		<u>9,336,509</u>
Creditors: amounts falling due after more than one year	17		(96,029)		(125,159)
Net assets before defined benefit pension scheme liability			<u>9,007,608</u>		<u>9,211,350</u>
Defined benefit pension scheme liability	21		(2,296,000)		(2,078,000)
Total net assets			<u>6,711,608</u>		<u>7,133,350</u>
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset funds			8,733,144		8,893,248
- Restricted income funds			70,799		137,209
- Pension reserve			(2,296,000)		(2,078,000)
Total restricted funds			<u>6,507,943</u>		<u>6,952,457</u>
Unrestricted income funds	19		<u>203,665</u>		<u>180,893</u>
Total funds			<u>6,711,608</u>		<u>7,133,350</u>

The accounts on pages 28 to 49 were approved by the Trustees and authorised for issue on 10/12/2020 and are signed on their behalf by:



Mrs Helen Bellis

Company Number 08273802

LAKELANDS EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		10,826		52,886
Cash flows from investing activities					
Dividends, interest and rents from investments		1,238		1,874	
Capital grants from DfE Group		12,826		494,768	
Capital funding received from sponsors and others		5,000		13,000	
Purchase of tangible fixed assets		(24,975)		(608,014)	
Net cash used in investing activities			(5,911)		(98,372)
Cash flows from financing activities					
Repayment of government loans		(28,892)		17,211	
Finance costs		(388)		(388)	
Net cash (used in)/provided by financing activities			(29,280)		16,823
Net decrease in cash and cash equivalents in the reporting period			(24,365)		(28,663)
Cash and cash equivalents at beginning of the year			318,048		346,711
Cash and cash equivalents at end of the year			<u>293,683</u>		<u>318,048</u>

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.5 Tangible fixed assets and depreciation

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 that require 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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	2% on cost
Leasehold improvements	2% on cost
Computer equipment	33.3% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on cost

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

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 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 chapter 3 part 11 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.

1.11 Pensions benefits

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

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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 projected unit method. The 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 are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

1.13 Concessionary Loans

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made.

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	17,826	17,826	507,768

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,807,703	2,807,703	2,639,043
Other DfE group grants	-	234,420	234,420	109,803
	-	3,042,123	3,042,123	2,748,846
Other government grants				
Local authority grants	-	257,659	257,659	343,168
Other funding				
Other incoming resources	-	70,225	70,225	99,093
Total funding	-	3,370,007	3,370,007	3,191,107

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	24,436	-	24,436	29,311
Catering income	-	-	-	1,274
	<u>24,436</u>	<u>-</u>	<u>24,436</u>	<u>30,585</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	<u>1,238</u>	<u>-</u>	<u>1,238</u>	<u>1,874</u>

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	2,369,780	188,997	267,847	2,826,624	2,620,129
- Allocated support costs	<u>543,280</u>	<u>222,122</u>	<u>187,223</u>	<u>952,625</u>	<u>863,414</u>
	<u>2,913,060</u>	<u>411,119</u>	<u>455,070</u>	<u>3,779,249</u>	<u>3,483,543</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,000	5,500
- Other services	200	200
Depreciation of tangible fixed assets	222,327	222,886
CIF loan interest payable	388	388
Net interest on defined benefit pension liability	<u>40,000</u>	<u>38,000</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs - educational operations	2,902	2,823,722	2,826,624	2,620,129
Support costs - educational operations	-	952,625	952,625	863,414
	<u>2,902</u>	<u>3,776,347</u>	<u>3,779,249</u>	<u>3,483,543</u>

LAKELANDS EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	543,279	537,283
Depreciation and amortisation	33,331	33,890
Technology costs	19,486	21,018
Premises costs	188,792	117,008
Other support costs	158,785	147,043
Governance costs	8,952	7,172
	<u>952,625</u>	<u>863,414</u>

9 Governance costs

	Total	Total
All from restricted funds:	2020	2019
	£	£
Amounts included in support costs		
Legal costs	2,752	782
Auditor's remuneration		
- Audit of financial statements	6,200	5,700
Other governance costs	-	690
	<u>8,952</u>	<u>7,172</u>

10 Staff costs

	2020	2019
	£	£
Wages and salaries	2,095,344	1,963,742
Social security costs	168,439	171,620
Operating costs of defined benefit pension schemes	597,374	481,842
	<u>2,861,157</u>	<u>2,617,204</u>
Staff costs	2,861,157	2,617,204
Supply staff costs	45,932	41,701
Staff restructuring costs	-	4,665
Staff development and other staff costs	5,970	6,742
	<u>2,913,059</u>	<u>2,670,312</u>
Total staff expenditure	2,913,059	2,670,312

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff costs

Staff numbers

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

	2020 Number	2019 Number
Teachers	31	28
Administration and support	48	49
Management	6	6
	<u>85</u>	<u>83</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	2	1
£70,000 - £80,000	1	1
£80,000 - £90,000	1	-
	<u>4</u>	<u>2</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £ 493,185 (2019 £ 432,348).

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

H S Bellis (Headteacher and Trustee)

Remuneration £75,000 - £80,000 (2019: £70,000 - £75,000)

Employers pension contributions paid £15,000 - £20,000 (2019: £10,000 - £15,000)

J Cooper (Staff Trustee) Term ended 24 January 2020

Remuneration £15,000 - £20,000 (2019: £35,000 - £40,000)

Employers pension contributions paid £0 - £5,000 (2019: £5,000 - £10,000)

S Tinn (Staff Trustee)

Remuneration £10,000 - £15,000 (2019: £10,000 - £15,000)

Employers pension contributions paid £0 - £5,000 (2019: £0 - £5,000)

H Waugh (Staff Trustee) Appointed 25 January 2020

Remuneration £15,000 - £20,000

Employers pension contributions paid £0 - £5,000

There were no trustees' expenses paid during the year ended 31 August 2020 nor for the year ended 31 August 2019.

Other related party transactions involving the trustees are set out within the related parties note.

12 Insurance for Trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and has been provided by the Risk Protection Assurance Scheme offered by the Department of Education through the Education and Skills Funding Agency.

The cost of this insurance is included in the total insurance cost.

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets	Leasehold land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	6,553,000	3,575,249	207,210	35,052	18,495	10,389,006
Additions	-	-	23,726	1,249	-	24,975
At 31 August 2020	<u>6,553,000</u>	<u>3,575,249</u>	<u>230,936</u>	<u>36,301</u>	<u>18,495</u>	<u>10,413,981</u>
Depreciation						
At 1 September 2019	822,500	258,690	179,411	22,214	4,624	1,287,439
Charge for the year	117,500	71,497	23,558	5,148	4,624	222,327
At 31 August 2020	<u>940,000</u>	<u>330,187</u>	<u>202,969</u>	<u>27,362</u>	<u>9,248</u>	<u>1,509,766</u>
Net book value						
At 31 August 2020	<u>5,613,000</u>	<u>3,245,062</u>	<u>27,967</u>	<u>8,939</u>	<u>9,247</u>	<u>8,904,215</u>
At 31 August 2019	<u>5,730,500</u>	<u>3,316,559</u>	<u>27,799</u>	<u>12,838</u>	<u>13,871</u>	<u>9,101,567</u>

Included in the cost of land and buildings is land of £678,000 which is not depreciated.

The land and buildings occupied by the Academy are leased from the Local Authority on a 125 year peppercorn lease. The Trustees are of the opinion that the risks and rewards associated have been substantially transferred to the Academy and as such the land and buildings have been capitalised, with a corresponding entry shown in the Statement of Financial Activities, as donated income. The valuation basis has been estimated by reference to the expected rebuild costs and reinstatement costs as surveyed for insurance purposes.

The trustees are satisfied that this basis most closely reflects an appropriate fair value for the asset.

14 Stocks	2020	2019
	£	£
Stock	4,127	2,520
	<u>4,127</u>	<u>2,520</u>
15 Debtors	2020	2019
	£	£
Trade debtors	3,943	197
VAT recoverable	19,200	28,528
Other debtors	29,938	3,746
Prepayments and accrued income	71,334	75,092
	<u>124,415</u>	<u>107,563</u>

LAKELANDS EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

16	Creditors: amounts falling due within one year	2020 £	2019 £
	Government loans	28,891	28,653
	Other taxation and social security	45,229	42,902
	Other creditors	47,357	29,906
	Accruals and deferred income	101,326	91,728
		<u>222,803</u>	<u>193,189</u>
 17	 Creditors: amounts falling due after more than one year	 2020 £	 2019 £
	Government loans	<u>96,029</u>	<u>125,159</u>
	Analysis of loans	2020 £	2019 £
	Not wholly repayable within five years by instalments	-	17,941
	Wholly repayable within five years	<u>124,920</u>	<u>135,871</u>
		124,920	153,812
	Less: included in current liabilities	<u>(28,891)</u>	<u>(28,653)</u>
	Amounts included above	<u>96,029</u>	<u>125,159</u>
	Loan maturity		
	Debt due in one year or less	28,891	28,653
	Due in more than one year but not more than two years	29,279	29,278
	Due in more than two years but not more than five years	59,691	77,940
	Due in more than five years	<u>7,059</u>	<u>17,941</u>
		<u>124,920</u>	<u>153,812</u>

The above loans are Salix Loans received from the ESFA, these loans are interest free and repayable over 8 years. Also included is a CIF loan amounting to £40,000 which is repayable over 7 years at an interest rate of 1.67%.

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18	Deferred income				2020	2019
					£	£
	Deferred income is included within:					
	Creditors due within one year				25,043	24,073
					<u> </u>	<u> </u>
	Deferred income at 1 September 2019				24,073	13,880
	Released from previous years				(24,073)	(13,880)
	Resources deferred in the year				25,043	24,073
					<u> </u>	<u> </u>
	Deferred income at 31 August 2020				25,043	24,073
					<u> </u>	<u> </u>
19	Funds					
		Balance at			Gains,	Balance at
		1 September	Income	Expenditure	losses and	31 August
		2019			transfers	2020
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant (GAG)	137,209	2,807,703	(2,863,047)	(11,066)	70,799
	Other DfE / ESFA grants	-	234,420	(234,420)	-	-
	Other government grants	-	257,659	(257,659)	-	-
	Other restricted funds	-	70,225	(70,225)	-	-
	Pension reserve	(2,078,000)	-	(162,000)	(56,000)	(2,296,000)
		<u>(1,940,791)</u>	<u>3,370,007</u>	<u>(3,587,351)</u>	<u>(67,066)</u>	<u>(2,225,201)</u>
	Restricted fixed asset funds					
	Transfer on conversion	5,730,500	-	(117,500)	-	5,613,000
	DfE group capital grants	2,993,569	17,826	(64,560)	11,066	2,957,901
	Capital expenditure from GAG	169,179	-	(6,936)	-	162,243
		<u>8,893,248</u>	<u>17,826</u>	<u>(188,996)</u>	<u>11,066</u>	<u>8,733,144</u>
	Total restricted funds	6,952,457	3,387,833	(3,776,347)	(56,000)	6,507,943
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds					
	General funds	180,893	25,674	(2,902)	-	203,665
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Total funds	7,133,350	3,413,507	(3,779,249)	(56,000)	6,711,608
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

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

Capital grants are awarded by the DfE/ESFA to fund building and maintenance projects within the Academy.

The gross transfer from restricted general fund to restricted fixed asset fund represents the General Annual Grant (GAG) surpluses on capital projects.

The costs and income associated with the Local Authority Pension Scheme have been recorded in the restricted funds in the current year. This does not mean that an immediate liability for this amount will crystallise.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	77,208	2,639,043	(2,567,958)	(11,084)	137,209
Other DfE / ESFA grants	-	109,803	(109,803)	-	-
Other government grants	-	343,168	(343,168)	-	-
Other restricted funds	-	99,093	(99,093)	-	-
Pension reserve	(1,282,000)	-	(170,000)	(626,000)	(2,078,000)
	<u>(1,204,792)</u>	<u>3,191,107</u>	<u>(3,290,022)</u>	<u>(637,084)</u>	<u>(1,940,791)</u>
Restricted fixed asset funds					
Transfer on conversion	5,848,000	-	(117,500)	-	5,730,500
DfE group capital grants	2,527,920	507,768	(65,169)	(66,144)	2,904,375
Capital expenditure from GAG	187,473	-	(6,328)	77,228	258,373
	<u>8,563,393</u>	<u>507,768</u>	<u>(188,997)</u>	<u>11,084</u>	<u>8,893,248</u>
Total restricted funds	<u>7,358,601</u>	<u>3,698,875</u>	<u>(3,479,019)</u>	<u>(626,000)</u>	<u>6,952,457</u>
Unrestricted funds					
General funds	<u>152,958</u>	<u>32,459</u>	<u>(4,524)</u>	<u>-</u>	<u>180,893</u>
Total funds	<u>7,511,559</u>	<u>3,731,334</u>	<u>(3,483,543)</u>	<u>(626,000)</u>	<u>7,133,350</u>

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	46,153	8,858,062	8,904,215
Current assets	203,665	218,559	1	422,225
Creditors falling due within one year	-	(193,913)	(28,890)	(222,803)
Creditors falling due after one year	-	-	(96,029)	(96,029)
Defined benefit pension liability	-	(2,296,000)	-	(2,296,000)
Total net assets	203,665	(2,225,201)	8,733,144	6,711,608

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	54,506	9,047,061	9,101,567
Current assets	180,893	224,359	22,879	428,131
Creditors falling due within one year	-	(141,656)	(51,533)	(193,189)
Creditors falling due after one year	-	-	(125,159)	(125,159)
Defined benefit pension liability	-	(2,078,000)	-	(2,078,000)
Total net assets	180,893	(1,940,791)	8,893,248	7,133,350

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £37,532 (2019: £27,210) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

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% employer administration charge)
- 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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £321,731 (2019: £203,747).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.9% for employers and 5.6-6.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	152,000	146,000
Employees' contributions	40,000	39,000
Total contributions	<u>192,000</u>	<u>185,000</u>

LAKELANDS EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.65	3.6
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.4	2.1

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
Retiring today		
- Males	22.9	23.2
- Females	25	26.4
Retiring in 20 years		
- Males	24.2	25.4
- Females	26.6	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
	£	£
Discount rate + 0.1%	2,221,000	2,007,000
Mortality assumption + 1 year	2,412,000	2,144,000
CPI rate + 0.1%	2,372,000	2,151,000
Pay growth + 0.1%	2,303,000	2,087,000

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

	2020	2019
	Fair value	Fair value
	£	£
Equities	832,000	797,000
Other bonds	381,000	331,000
Cash	29,000	29,000
Property	73,000	75,000
Other assets	415,000	360,000
Total market value of assets	1,730,000	1,592,000

The actual return on scheme assets was £(22,000) (2019: £51,000).

LAKELANDS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	269,000	195,000
Past service cost	5,000	83,000
Interest income	(26,000)	(37,000)
Interest cost	66,000	75,000
Total operating charge	<u>314,000</u>	<u>316,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	3,670,000
Current service cost	269,000
Interest cost	66,000
Employee contributions	40,000
Actuarial loss	8,000
Benefits paid	(32,000)
Past service cost	5,000
At 31 August 2020	<u>4,026,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £
At 1 September 2019	1,592,000
Interest income	26,000
Actuarial loss/(gain)	(48,000)
Employer contributions	152,000
Employee contributions	40,000
Benefits paid	(32,000)
At 31 August 2020	<u>1,730,000</u>

LAKELANDS EDUCATIONAL TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

22	Reconciliation of net (expenditure)/income to net cash flow from operating activities		
		2020	2019
		£	£
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(365,742)	247,791
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(17,826)	(507,768)
	Investment income receivable	(1,238)	(1,874)
	Finance costs payable	388	388
	Defined benefit pension costs less contributions payable	122,000	132,000
	Defined benefit pension net finance cost	40,000	38,000
	Depreciation of tangible fixed assets	222,327	222,886
	(Increase)/decrease in stocks	(1,607)	20
	(Increase) in debtors	(16,852)	(18,765)
	Increase/(decrease) in creditors	29,376	(59,792)
	Net cash provided by operating activities	<u>10,826</u>	<u>52,886</u>

23	Analysis of changes in net funds			
		1 September	Cash flows	31 August
		2019		2020
		£	£	£
	Cash	318,048	(24,365)	293,683
	Loans falling due within one year	(28,653)	(238)	(28,891)
	Loans falling due after more than one year	(125,159)	29,130	(96,029)
		<u>164,236</u>	<u>4,527</u>	<u>168,763</u>

24 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11 .

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.