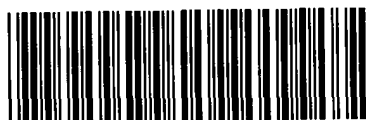


Company Registration Number: 08737412 (England & Wales)

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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LINCOLN ANGLICAN ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Diocesan Board of Education acting corporately by hand of a Trustee The Chair of the Diocesan Board of Education or nominee The Vice Chair of the Diocesan Board of Education or nominee The Chair of Trustees
Trustees	Jeremy Woolner, Chair Gregory Marsden, Vice Chair Reverend Canon Andrew Dodd Joanne Kerry Oliver Tasker Reverend Canon Keith Wilkinson Dr Michael Smalley (resigned 11 November 2020) Richard Eaton Helen Doyle Jacqueline Waters Dewhurst, Chief Executive Hannah Wells (appointed 22 November 2019) Dominic Barnes-Browne (appointed 1 December 2020) Margaret Bowman (appointed 1 December 2020)
Company registered number	08737412
Company name	Lincoln Anglican Academy Trust
Principal and registered office	103 Newport Lincoln LN1 3EE
Senior management team	Jacqueline Waters Dewhurst, Chief Executive Paul Thompson, Deputy Chief Executive (resigned 31 December 2019) Tamara Allen, Deputy Chief Executive (appointed 2 January 2020) Leanne Holmes, Finance and Operations Director
Independent auditor	Mazars LLP Chartered Accountants Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Lloyds Bank LLP 202 High Street Lincoln LN5 7AP
Solicitors	Lee Bolton Monier Williams 1 The Sanctuary Westminster London SW1P 3JT

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report together with the financial statements and the auditor's report of the charitable company for the 12 months ending 31 August 2020. The Annual Report serves the purposes of both a trustees' report and a directors' report under company law.

Introduction by the Chairman – Jerry Woolner

On behalf of the Board of Trustees, I am delighted to present the accounts for the year ended August 2020. This has been an unprecedented year, one where schools have had to face extraordinary challenges and their response has been nothing short of remarkable.

The Board of Trustees have been extremely mindful of the impact of COVID on our school communities and take their duty of care extremely seriously. To this end, the Board have met more frequently during the COVID pandemic, ensuring that decision making is swift and responsive to local and national needs.

This year, the accounts show an operating deficit of £55k. The Trustees have reviewed the reserves policy and are comfortable that the target of one to two months' operating reserves, within which we sit comfortably, is appropriate.

As Chair of Trustees, I am ever mindful of the need to ensure that the Board has sufficient skills and experience to oversee our portfolio of schools. I was therefore pleased that Hannah Wells agreed to join us in November 2019. Hannah works as a Senior Lecturer at Bishop Grosseteste University and brings with her a wealth of education knowledge. At the same time, it is with sadness that we will be bidding farewell to Dr Michael Smalley at the end of this year. Michael has been a huge support to LAAT, offering his unique insight and commercial acumen.

LAAT is keen to continue on its growth trajectory and we were therefore delighted that Spalding Parish Church of England Day School became part of our growing family in December 2019, taking the number of pupils we serve from 2,481 to 2,968 and the total number of schools to 16. The school has very quickly assimilated itself into the Trust and we look forward to continuing our journey together in this new academic year.

Finally, I would like to take this opportunity to acknowledge the energy and commitment that colleagues have continued to give to their school communities. Despite all the challenges that they have faced and continue to face, they have continued to strive to give the very best to their pupils, families and carers, supporting them not only in their education, but also providing reassurance and comfort. I am so very proud of all of our LAAT family. Staff, pupils, governors and volunteers have all come together during this incredibly difficult period, demonstrating perfectly the LAAT vision that is Excellence, Exploration and Encouragement.

Chief Executive's Statement

These last few months have undoubtedly been the strangest and most challenging in the lives of all of us. Nobody and least of all teachers and school staff, expected to find themselves in front-line roles during a global pandemic. I and the rest of the Directors, have been amazed (though not surprised) by the resilience, adaptability, and sheer "Can Do" positivity shown by colleagues through the many weeks of lockdown and into partial lockdown easing.

As I write this, children are back in the classroom, for the time being at least and it has been wonderful to see the excitement and enthusiasm amongst our colleagues as they return to what they love doing. At the same time, I am mindful of the trepidation felt by many, not just about the threat posed by the virus, but also about the uncertainty about the future and the demands placed on us as we have to adapt to new ways of learning.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Behind the scenes, the Central Team have worked hard to ensure that schools are supported, for example through the issuing of detailed guidance and ensuring that risk assessments are robust and processes minimise the risk to our school communities. Government guidance has been moving at a rapid pace and the team have ensured that LAAT schools are kept abreast of all new developments.

Despite the hardships of the latter half of the academic year, there is still much to celebrate. At the start of January 2020, Tamara Allen was appointed to the role of Deputy Chief Executive. Tamara is a highly experienced executive leader in education and is a passionate advocate for the education profession. Despite only being in post for less than a year, Tamara has had a huge impact on the organisation. Two further new appointments have added to the School Improvement Team during this academic year. June Richardson was appointed School Effectiveness Advisor in September 2019. June has over 26 years of primary teaching experience and held a number of leadership roles, both in the academy and maintained sector. Vicky Matthews was appointed to the role of School Effectiveness Advisor in September 2020 on a permanent basis, following highly successful Headship roles and most recently working as a School Effectiveness Advisor in the central team on an interim basis, where her work has had real impact on schools in need of support.

One of the most exciting staff changes for this academic year has been the further roll out of the Executive Head model, which is now in place in a majority of our schools. The Executive Head model is designed to offer even the smallest of schools access to high calibre executive leadership. Key to the success of this model has been the implementation of the Business and Operations Partner role, which underpins the Executive Head model. This role is a blended role, reporting to the central team, whilst providing day to day operational expertise across a number of schools. Under this approach, Business and Operations Partners take responsibility for the non-educational operations of our schools, leaving educators to get on with the work that they do best, which is providing the highest standards of education in our schools.

The mental health and well-being of our staff has been at the forefront of our minds, particularly during the latter half of the year. I am therefore pleased that we have been able to offer all LAAT employees an enhanced package of well-being services. At the same time, Laura Lowe, HR Business Partner, has led a number of initiatives such as drop in sessions, staff questionnaires, guidance and training sessions to ensure that staff feel supported and valued during these difficult times.

For the finance team, things have been very much business as usual. The fact that our processes are largely electronic and highly automated means that the service we have offered to schools has remained unchanged throughout the pandemic, as has the robust financial control framework that we operate. The finance team has continued to work with the schools to ensure careful financial management and I am delighted to see that we have been able to make significant investments in our school, from upgrading facilities to investing in ICT.

Unsurprisingly, a number of the central team's normal activities have been affected. For example, our training programmes are now largely online for the time being at least and we have had to find new ways of working. School improvement activities have continued, but the content and delivery has changed. As we move into the new academic year, we are resuming some face to face contact where we believe it is necessary and safe to do so.

With OFSTED inspections paused during the COVID pandemic, only William Lovell received an inspection during this academic year, moving from "inadequate" to "requires improvement". This improved rating is testimony to the hard work of colleagues at the school, but there is still much to do and we are committed to bringing about the necessary improvements.

Despite our pupils having so much catching up to do after such a long time away from the classroom, I am confident that schools will do everything they can to help them through what will inevitably be an extremely challenging time ahead.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED):
FOR THE YEAR ENDED 31 AUGUST 2020

I am in awe of how well everyone embraced the necessary changes and continued to do what they have always done - teach and support our children and genuinely make their schooldays happy and memorable. I would like to take this opportunity to express our heartfelt gratitude to colleagues and volunteers for their commitment and dedication to the pupils whom we serve.

By the end of the year, the Multi Academy Trust was operating sixteen academies with a combined pupil roll of 2,968 pupils (2019 - 2,481) within the area of the Diocese of Lincoln. Fifteen of these academies are primary schools and one is a secondary school. The academies are as follows:

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

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

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

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

e. Policies adopted for the induction and training of Trustees

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

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

f. Organisational structure

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

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

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

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

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

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

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	3
Total pay bill	12,480
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

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

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

The COVID pandemic has highlighted the importance of employee communication and this year the Trust has worked hard to try and ensure that colleagues feel well informed about what is happening within the Trust and the wider sector. Weekly bulletins have been a regular feature of the Trust's communications for some time, but this year we have tried to reach our staff through additional means, such as letters and briefings from the Directors and Chief Executive to all staff, offering HR drop-in sessions and attendance at staff meetings. When business change has been required, we have undertaken consultation to seek the views of our colleagues and ensure that these are factored into our decision-making. With regard to our COVID risk assessments, we have endeavoured to consult with colleagues on a regular basis, which has allowed us to take on board their views and also reassure them of the steps that we are taking as an organisation. The work that the Trust has been done to support staff throughout the pandemic is reflected in the various staff surveys which have been carried out.

This year, the Senior Leadership Team took the decision to share detailed Trust-wide financial reporting information with all colleagues. This has allowed staff to understand the financial position of the Trust and the challenges it faces. School leaders are now able to benchmark their school against others in the organisation, as well as holding the central team to account for the financial performance of the Head office.

A similar approach is being taken with school improvement data, allowing colleagues the opportunity to discuss common themes, share successes and work together on areas of weakness.

The Trust is an Equal Opportunities Employer and we are committed to ensuring that everyone will receive equal treatment regardless of gender, colour, ethnic origin, disability, age, marital status, sexual orientation or religion.

We give full and fair consideration to applications for employment from disabled persons for all vacancies in accordance with their aptitudes and abilities. In the event of an employee becoming disabled, we make every effort to retrain them and/or make reasonable adjustments in order that their employment within the Trust may continue. It is the Trust's policy to make training, career development and promotion opportunities available to all employees.

Objectives and activities

a. Objectives and activities

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

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

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, Strategies and Activities

The main objectives of the Trust, carried out under the vision statement, during the year ending 31st August 2020 are summarised below:

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

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

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

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

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

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

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

c. Public benefit

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

This has been considered when reviewing the Trust's aims and objectives and in planning any future activities.

The key public benefit delivered by the Trust is the provision of a broad and balanced, high quality education to the pupils it serves. The Trust is a fully inclusive organisation.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The addition of Spalding Parish Church of England Day School on 1 December 2019 means the Trust now provides education for approximately 3,000 pupils across 16 academies.

The COVID pandemic has meant that the usual attainment and progress reporting has been out on hold for this year. Furthermore, all routine inspections of schools were suspended.

a. Key performance indicators

The table below shows OFSTED gradings by school

	Current OFSTED	Previous OFSTED
Ulceby St Nicholas	Good – 2018	Inadequate 2016
Ruskington Chestnut Street	Good 2017	Good 2013
Canon Peter Hall	Good 2017	Good 2011
The Magdalen School, Wainfleet	Good – 2017	Requires improvement 2013
Weston St Mary	Good 2019	Inadequate 2017
William Lovell	Requires Improvement - 2020	Inadequate - 2018
St Peter's Academy, Cleethorpes	Good – 2019	Good 2016
Morton	Good – 2019	Good 2013
Brown's, Horbling	Good 2019	Good 2014
Edenham	Good – 2019	Good – 2011
Branston Infant	Outstanding 2008	n/a 2003
Whaplode	Good – 2014	Requires improvement 2012
Coningsby St Michael	Good – 2018	Good 2014
Tattershall Holy Trinity	Good – 2014	Good 2009
East Ravendale	Good 2016	Satisfactory – 2012
Spalding Parish Day School	Inadequate – 2018	Good – 2014

During 2019/20, there was one OFSTED inspection at William Lovell, which saw the academy move from an "inadequate" grading to a "requires improvement" grading. The academy now has a new senior leadership team who will oversee the changes that are required and ensure that the pace of transformation is accelerated.

Spalding Parish Church of England Day School joined the Trust as a sponsored conversion following an inadequate OFSTED inspection as a maintained school in 2018. The Trust immediately put in place a rapid improvement package and the School Improvement Team are now confident that the necessary improvements have been made.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. Financial performance indicators

The results set out in these financial statements represents a strong financial performance for the Trust, delivering a deficit of £55k for the year. Income for the year was £16.6m (2018/19 £15.1m), which is an increase of 10% on last year. This was driven by the conversion of Spalding Parish Day School and additional funding from the Fairer Funding formula.

The closure/partial closure of schools has led to savings in variable overheads and the Trust took the opportunity to redirect some of these savings into improving its ICT infrastructure, the need for which was highlighted as learning moved online. Ensuring that all children have access to online learning will remain a key theme in the new academic year.

The staffing to income ratio was subject to careful monitoring during the latter half of the year in particular and remains below target at 74%. Whilst income was adversely affected by a reduction in the take up of services such as extended provision, nursery and catering, staff have been redeployed to assist in other areas of the schools and to provide cover for vacant posts in the short term.

A summary of key performance indicators is set out below:

	Actual 19/20	Target 19/20	Actual 18/19
Average annual income per pupil	£5,960	£5,728	£5,846
Average annual expenditure per pupil	£5,672	£5,696	£5,822
Staff costs % total income	74.0%	76.1%	72.4%
Agency costs % staffing costs	1.1%	0.8%	1.1%
Average class size	26	26	25
Average no of pupils per school	186	164	165

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

c. Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and after making appropriate enquiries, have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Academy Trust continues to grow and build its reserves which enables it to support itself during times such as the recent/current pandemic, in which the Trust is suffering no or minimal detriment throughout the continuing situation. At the same time, careful financial management including robust forward planning will enable the Trust to respond proactively as new challenges emerge. It is for these reasons in which the Trustees have concluded there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Reserves policy

The Trustees have reviewed the level of reserves of the Trust in conjunction with the guidance issued by the Charities Commission. A level of reserves is being built and will then be maintained to ensure that the LAAT has sufficient working capital requirements to take account of short term fluctuations in funding and expenditure and to support future growth plans. The level of reserves is kept under review by the Trustees. The Trustees reviewed the reserves policy during the coronavirus pandemic and agreed that the target range of one to two months' operating expenses (£1,369k to £2,739k) remains appropriate.

For the purposes of the reserves policy, the actual position of the reserves balance excludes restricted fixed assets funds and liabilities arising from the Local Government Pension Schemes (LGPS). It should however be noted that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years.

At the end of 2019/20, total funds amounted to (£1,222k), made up of unrestricted reserves of £1,373k, restricted reserves of £992k, fixed asset reserves of £6,238k and a pension reserve deficit of £9,825k.

During the financial year 2019/20, the Trust added £518k surplus to its reserves figure. This brings the current reserves figure (excluding fixed assets reserves and pension reserves) to £2,365k, which is within the overall target range of between £1,369k and £2,739k. The Trustees are satisfied with current levels of reserves.

b. Investment policy

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

c. Risk management

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

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

Financial management and liquidity – Education budgets face significant pressure with rising costs and income that has seen a real term decline. The Trust is managing this situation carefully by preparing longer term forecasts and taking action where the need arises. Cash levels are monitored and reported daily, and long term forecasts updated on a monthly basis. Levels of cash held are sufficient to cope with short term cash shortfalls, for example such as those arising from new academies joining the Trust or delays in receiving payments. There are substantial deficits within the Local Government Pension Schemes, as described in note 28 to the financial statements. The deficit is subject to periodic actuarial review and regular monitoring by the Trustees.

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

Legal and Compliance – The organisation is subject to numerous legislative requirements and compliance failures could lead to financial loss, reputational damage and claims against the Trust. To mitigate against this, there are comprehensive policies and procedures in place, including risk management. The Trust works in partnership with AJ Gallagher Risk Management and is also part of the RPA insurance scheme, which offers comprehensive cover, together with other risk management services, such as training and audits. The Trust operates its own quality assurance processes and the results of these are reported to the Board on a regular basis, with action plans being implemented for those schools that are not performing in line with required standards.

Pupil roll – There are risks associated with falling pupil rolls and the Trust continues to work with the Local Authority to understand projected admission numbers.

COVID risk – The virus has the potential to impact on the health and well-being of pupils and staff, as well as necessitating significant changes to our working practices. Our planning commenced for the outbreak in January 2020; this included business continuity planning, sourcing of sufficient PPE supplies and daily monitoring of data relating to staffing and potential cases. Directors met on a fortnightly basis to review risks relating to Covid. This was swiftly followed by the issuing of detailed guidance and robust risk assessments to cover off operational aspects, whilst financial forecasts continue to be regularly updated to accommodate additional costs incurred.

Cyber risk – There is risk that a cyber attack could be carried out, resulting in loss of critical data and/or financial loss. The Trust continues to work with outsourced providers to ensure systems are as robust as possible and has insurance in place to cover potential costs of an attack.

Estates and property – as the Trust continues to grow, so does the need to maintain and plan the investment in its estate. The Trust has historically relied heavily on CIF bids to fund the cost of major improvements, but going forward, the school will move on to school condition allocation funding and will be able to take a more proactive approach to estate management.

LINCOLN ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

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

An academy order has been granted for Wrawby St Mary's Church of England Primary School to join the Trust and we anticipate that the conversion will take place in early 2021. At the same time, there is another application in progress from another primary school to join the Trust and conversations are taking place with other schools on a similar note.

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

Funds held as custodian on behalf of others

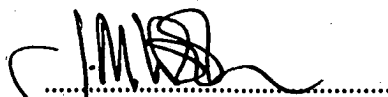
The Academy does not hold funds as custodian on behalf of others.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 DECEMBER 2020 and signed on its behalf by:


.....
Jeremy Woolner
Chair of Trustees

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

e. Principal fundraising

Much of the LAAT's income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the Department for Education during the year ending 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Fundraising

Approach to fundraising

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

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

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

Fundraising conforming to recognised standards

The fundraising activities of the Trust conform to recognised standards.

Monitoring of fundraising carried out on its behalf

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

Fundraising complaints

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

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

The academies do not undertake activities which:

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

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees typically meets formally six times per year and reviews the vision and strategic direction of the Trust, the educational performance of the Trust's schools and the financial performance of the Trust. In the year 2019/20, the Board met an additional five times in order to take decisions or review matters arising as a result of the COVID pandemic. Due to the restrictions and challenges posed by the outbreak, all meetings since April have been conducted remotely and this has proved highly successfully.

Particularly challenging for the Board was the decision as to whether schools should partially reopen at the start of June in line with government guidance. In making their deliberations, Trustees considered their duty of care towards employees, the needs of pupils, the views of parents and carers, as well as risk assessments and the latest scientific advice. The final decision made was that the reopening of schools should be delayed for a period of two weeks, allowing schools more time for their preparations and to reduce the risk to school communities.

The Board continued to meet at fortnightly intervals to review the level of risk and consider all of the data made available to them by the Executive team.

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

Trustee	Meetings attended	Out of a possible
Jeremy Woolner, Chair	13	13
Gregory Marsden, Vice Chair	11	13
Reverend Canon Andrew Dodd	10	13
Joanne Kerry	5	13
Oliver Tasker	1	3
Reverend Canon Keith Wilkinson	11	13
Dr Michael Smalley	8	13
Richard Eaton	12	12
Helen Doyle	12	13
Jacqueline Waters Dewhurst, Chief Executive	11	13
Hannah Wells	8	12

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

There was one new Board appointment made during the year, that of Hannah Wells in November 2019, bringing further education expertise to the Board. Dr Michael Smalley announced his intention to retire in November 2020, whilst Oliver Tasker has been granted a sabbatical.

Following an external review of governance, the Board has put in place an annual cycle of self assessment using external evaluation tools. The latest review of governance was carried out in October 2019 and this demonstrated that the Board has a broad skills mix including education, financial, legal and governance experts. The next review is due in November 2020. In addition, a 360° review of the Chair was carried out in September 2020 and results and learning fed back to the Board.

During the year, a decision was also made to form an Audit and Risk Committee, in addition to the Business and Finance Committee and Schools and Standards Committees already in operation. This was in response to recommendations made in the Academies Financial Handbook.

Matters determined by the Finance and Business Committee during the year included:

Recommending the approval of the annual budget for 2020/21
Approving applications for new schools wishing to join the Trust
Agreeing teaching and support staff pay awards
Reviewing requests from schools to access funds held in reserves

Attendance during the year at Finance and Business Committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gregory Marsden, Finance Committee Chair	4	5
Jeremy Woolner	5	5
Dr Michael Smalley	3	5
Jacqueline Waters-Dewhurst, Chief Executive	5	5
Richard Eaton	4	5

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Lincoln Anglican Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Appointing a full time Deputy Chief Executive and two full time School Effectiveness Advisors to support and challenge the school with the delivery of educational objectives.
- Appointing a centrally based Business and Operations Manager to work closely with the schools to improve their operational performance.
- Rolling out Area Finance roles, allowing smaller schools access to high quality ground level support and fostering greater collaboration between all schools.
- Rolling out a new safeguarding system, obtained at a discounted price, to streamline safeguarding issues.
- Providing comprehensive support and advice at every stage of the COVID outbreak to ensure the safety and well-being of staff and pupils.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Lincoln Anglican Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Lincoln Anglican Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees have decided to employ SAAF as internal auditor and the checks that have been carried out in these period include:

- Testing of income
- Testing of purchasing systems
- Testing of staff expenses and credit card usage
- Testing of payroll systems
- Testing of HR compliance
- Review of control accounts and bank reconciliations
- Review of financial reporting
- Testing of other compliance matters

The Internal Auditor has delivered their programme of work as planned and no material control issues have been identified.

The Internal Auditor reports to the Board of Trustees on an annual basis through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions assess year on year progress.

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

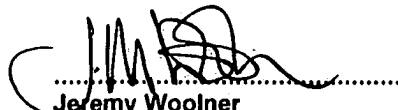
Review of effectiveness

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

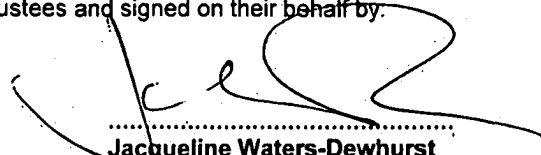
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the risk review process and quality assurance visits
- the work of the executive managers within the Academy Trust who have responsibility for the development and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

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

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


.....
Jeremy Woolner
Chair of Trustees

Date: 14.12.2020


.....
Jacqueline Waters-Dewhurst
Accounting Officer

Date: 1.12.20

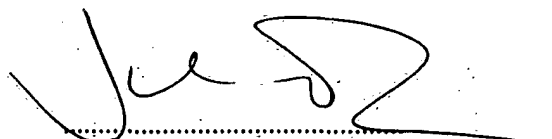
LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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



.....
Jacqueline Waters-Dewhurst
Accounting Officer

Date: 1.12.20

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

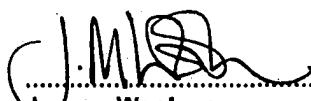
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


.....
Jeremy Woolner
Chair of Trustees

Date: 14.12.2020

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the 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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

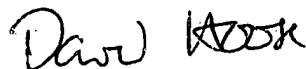
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



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

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18/12/2020

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 8 September 2020 and further to the requirements of the Education and Skills Funding Agency ('the 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 Lincoln Anglican Academy Trust during the year 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 Lincoln Anglican Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lincoln Anglican Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lincoln Anglican Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lincoln Anglican Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lincoln Anglican Academy Trust's funding agreement with the Secretary of State for Education dated 24 December 2013 and the Academies Financial Handbook, extant from 1 September 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 year 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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

Mazars LLP

Mazars LLP

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *18/12/2020*

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Transfer of existing academy joining the Academy Trust		-	-	-	-	97
Transfer on conversion from local authority		120	(758)	500	(138)	381
Other donations and capital grants		2	55	719	776	723
Charitable activities	4	-	15,539	-	15,539	13,404
Other trading activities	5	382	-	-	382	478
Investments	6	1	-	-	1	1
Total income		505	14,836	1,219	16,560	15,084
Expenditure on:						
Raising funds	7	406	-	-	406	507
Charitable activities	8	-	15,801	408	16,209	13,922
Total expenditure		406	15,801	408	16,615	14,429
Net income		99	(965)	811	(55)	655

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Net income brought forward		99	(965)	811	(55)	655
Transfers between funds	19	(145)	(247)	392	-	-
Net movement in funds before other recognised gains/(losses)		(46)	(1,212)	1,203	(55)	655
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	641	-	641	(2,982)
Net movement in funds		(46)	(571)	1,203	586	(2,327)
Reconciliation of funds:						
Total funds brought forward		1,419	(8,262)	5,035	(1,808)	519
Net movement in funds		(46)	(571)	1,203	586	(2,327)
Total funds carried forward		1,373	(8,833)	6,238	(1,222)	(1,808)

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08737412

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	14	2	11
Tangible assets	15	5,874	4,738
		<u>5,876</u>	<u>4,749</u>
Current assets			
Debtors	16	881	576
Cash at bank and in hand	24	3,332	2,893
		<u>4,213</u>	<u>3,469</u>
Liabilities			
Creditors: Amounts falling due within one year	17	(1,447)	(1,311)
		<u>2,766</u>	<u>2,158</u>
Net current assets			
		<u>8,642</u>	<u>6,907</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	18	(39)	(25)
		<u>8,603</u>	<u>6,882</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	28	(9,825)	(8,690)
		<u>(1,222)</u>	<u>(1,808)</u>
Total net (liabilities)/assets			
		<u>(1,222)</u>	<u>(1,808)</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	6,238	5,035
Restricted income funds	19	992	428
		<u>7,230</u>	<u>5,463</u>
Restricted funds excluding pension liability	19	7,230	5,463
Pension reserve	19	(9,825)	(8,690)
		<u>(2,595)</u>	<u>(3,227)</u>
Total restricted funds	19	(2,595)	(3,227)
Unrestricted income funds	19	1,373	1,419
		<u>1,373</u>	<u>1,419</u>
Total funds		<u>(1,222)</u>	<u>(1,808)</u>

LINCOLN ANGLICAN ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08737412

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 27 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Jeremy Woolner
Chair of Trustees

Date: 14.12.2020

The notes on pages 32 to 66 form part of these financial statements.

LINCOLN ANGLICAN ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	605	399
Cash flows from investing activities	23	(183)	121
Cash flows from financing activities	22	17	(7)
Change in cash and cash equivalents in the year		439	513
Cash and cash equivalents at the beginning of the year		2,893	2,380
Cash and cash equivalents at the end of the year	24, 25	<u>3,332</u>	<u>2,893</u>

The notes on pages 32 to 66 form part of these financial statements.

LINCOLN ANGLICAN ACADEMY TRUST
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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 of financial statements

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

Lincoln Anglican Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

LINCOLN ANGLICAN ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

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

LINCOLN ANGLICAN ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Intangible assets

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

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

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 33 %
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LINCOLN ANGLICAN ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Leasehold land	- 2%
Leasehold buildings	- over the term of the lease
Furniture and equipment	- 20%
Computer hardware	- 33%
Property improvements	- 10%

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

Land and buildings held by the Diocesan Trust & Board of Finance Limited on trust and made available to the academies are not included on the balance sheet. The Multi Academy Trust does not own any of these premises. The land and buildings are made available to the schools by a Church Supplemental Agreement. The site Trustees can withdraw the land and buildings at any time on two years notice. The Multi Academy Trust cannot sell the land and buildings or mortgage it as security for any borrowing. The economic benefit to the Multi Academy Trust is that it does have the use of the site for £NIL consideration, but only for the use as a church school. The risks and rewards of ownership have not been passed to the Multi Academy Trust and therefore no value has been attributed to the land and buildings at 31 August 2020.

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

1.7 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.

LINCOLN ANGLICAN ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8. Provisions

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

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

1.9 Leased assets

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

1.10 Financial instruments

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

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

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

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

1.11 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

LINCOLN ANGLICAN ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

LINCOLN ANGLICAN ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

When new schools convert to academy status and join the Academy Trust, the Academy Trust makes an initial estimate in respect of the valuation of the land and buildings (where buildings are not occupied under Church Supplemental Agreement) being recognised upon conversion. These estimates are calculated using available valuation information from previous conversions of similar locations and calculated on a depreciated replacement cost basis. Subsequently, formal ESFA valuations are obtained and the asset valuations are updated accordingly.

Critical areas of judgement:

At 15 of the trust's academies, the charitable company occupies the buildings under a Church Supplemental Agreement which includes a two year break clause, thus judgement has been applied in determining that these buildings should not be recognised on the balance sheet.

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Transfer of existing academy joining the Academy Trust	-	-	-	-	97
Transfer on conversion from local authority	120	(758)	500	(138)	381
Donations	2	55	-	57	82
Capital Grants	-	-	719	719	641
Total 2020	122	(703)	1,219	638	1,201
Total 2019	314	(103)	990	1,201	

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants			
General Annual Grant (GAG)	12,038	12,038	10,740
Start Up Grants	-	-	1
Other DfE Group grants	2,312	2,312	1,839
	14,350	14,350	12,580
Other Government grants			
Local authority grants	1,189	1,189	824
Total 2020	15,539	15,539	13,404
Total 2019	13,404	13,404	

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

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Hire of facilities	31	31	37
Income from other charitable activities	351	351	441
Total 2020	382	382	478
Total 2019	478	478	

6. Investment income

	Total funds 2020 £000	Total funds 2019 £000
Bank interest receivable	1	1
Total 2019	1	

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

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Expenditure on fundraising trading activities:					
Direct costs	158	-	82	240	296
Allocated support costs	35	36	95	166	211
Academy Trust's educational operations:					
Direct costs	10,580	408	851	11,839	10,167
Allocated support costs	2,577	708	1,085	4,370	3,755
Total 2020	13,350	1,152	2,113	16,615	14,429
Total 2019	11,202	1,001	2,226	14,429	

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

8. Charitable activities

	2020 £000	2019 £000
Direct costs - educational operations	11,839	10,167
Support costs - educational operations	4,370	3,755
	<u>16,209</u>	<u>13,922</u>

	2020 £000	2019 £000
Analysis of support costs		
Support staff costs	2,577	1,959
Technology costs	170	144
Premises costs	708	632
Legal costs - conversion	9	-
Legal costs - other	1	-
Other support costs	768	876
Governance costs	137	144
	<u>4,370</u>	<u>3,755</u>

9. Net expenditure

Net expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	35	39
Depreciation of tangible fixed assets	387	290
Amortisation of intangible assets	9	31
Fees paid to auditor for:		
- audit	19	18
- other services	5	5
	<u></u>	<u></u>

LINCOLN ANGLICAN ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£000	£000
Wages and salaries	9,400	8,283
Social security costs	777	710
Pension costs	2,963	1,935
	13,140	10,928
Agency staff costs	134	241
Staff restructuring costs	76	33
	13,350	11,202

Staff restructuring costs comprise:

	2020	2019
	£000	£000
Redundancy payments	12	5
Severance payments	64	28
	76	33

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £18k (2019 - £24k). Individually, the payments were £12k and £6k.

c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	153	129
Administration and support	342	291
Management	18	21
	513	441

LINCOLN ANGLICAN ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	8
In the band £70,001 - £80,000	7	1
In the band £80,001 - £90,000	1	-

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £232k (2019 - £195k).

LINCOLN ANGLICAN ACADEMY TRUST**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Central services

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

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

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

All central overheads are charged out to schools which amounted to the equivalent of 7% of GAG income.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Canon Peter Hall Church of England Primary School	68	48
Ulceby St Nicholas Church of England Primary School	41	25
Magdalen Church of England and Methodist Primary School	63	43
Weston St. Mary's Church of England Primary School	17	13
William Lovell Church of England Academy	117	88
Brown's Church of England Primary School	25	19
Morton Church of England Primary School	43	31
St Peter's Church of England Primary Academy	61	44
Ruskington Chestnut Church of England Primary Academy	56	41
Edenham Church of England Primary School	31	22
Branston Church of England Infant Academy	29	19
Whaplode Church of England Primary School	51	36
Coningsby St Michael's Church of England Primary School	85	56
Holy Trinity Church of England Primary School (Tattershall)	36	26
East Ravendale Church of England Primary School	36	24
Spalding Parish Church of England Day School	100	-
Total	859	535

LINCOLN ANGLICAN ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Trustees' remuneration and expenses

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

		2020	2019
		£000	£000
J Waters-Dewhurst (CEO and Trustee)	Remuneration	70 - 75	65 - 70
	Pension contributions paid	0 - 5	5 - 10

During the year, retirement benefits were accruing to no Trustees (2019 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses totalling £1,055 were reimbursed or paid directly to 2 Trustees (2019 - £538 to 2 Trustees).

13. Trustees' and Officers' insurance

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

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

14. Intangible assets

	Computer software £000
Cost	
At 1 September 2019	111
At 31 August 2020	<u>111</u>
Amortisation	
At 1 September 2019	100
Charge for the year	9
At 31 August 2020	<u>109</u>
Net book value	
At 31 August 2020	<u><u>2</u></u>
At 31 August 2019	<u><u>11</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Property improvements £000	Furniture and equipment £000	Computer hardware £000	Total £000
Cost or valuation						
At 1 September 2019	278	2,442	2,054	364	280	5,418
Additions	-	-	863	46	114	1,023
Transfer on conversion	-	500	-	-	-	500
At 31 August 2020	278	2,942	2,917	410	394	6,941
Depreciation						
At 1 September 2019	1	67	223	231	158	680
Charge for the year	-	19	243	61	64	387
At 31 August 2020	1	86	466	292	222	1,067
Net book value						
At 31 August 2020	277	2,856	2,451	118	172	5,874
At 31 August 2019	277	2,375	1,831	133	122	4,738

Included in freehold land and buildings is land at valuation of £262k (2019 - £262k) which is not depreciated.

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

Land donated on conversion and previously included at a provisional valuation have been updated in line with the ESFA desktop valuations.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	20	19
VAT repayable	81	183
Other debtors	-	11
Prepayments and accrued income	780	363
	<u>881</u>	<u>576</u>

17. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Other loans	9	6
Trade creditors	470	432
Other taxation and social security	189	167
Other creditors	266	215
Accruals and deferred income	513	491
	<u>1,447</u>	<u>1,311</u>

Included within other loans is a loan of £9k from Salix which is provided interest free.

	2020 £000	2019 £000
Deferred income at 1 September 2019	338	310
Resources deferred during the year	320	338
Amounts released from previous periods	(338)	(310)
	<u>320</u>	<u>338</u>

Deferred income held at 31 August 2020, relates to the following:

- £228k Universal Infant Free School Meals
- £40k Rates reimbursements
- £23k SEN funding
- £19k Early Years
- £2k Breakfast club
- £2k Nursery income
- £4k Trip income
- £2k Donations

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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

	2020	2019
	£000	£000
Other loans	<u>39</u>	<u>25</u>

Included within other loans are five Salix loans, which are as follows:

One of £18k (2019 - £23k) which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £2,520.

One of £2k (2019 - £2k) which is provided on an interest free basis over a period of seven years. This loan is being repaid through biannual instalments of £360.

One of £7k (2019 - £Nil) which is provided on an interest free basis over a period of seven years. This loan is being repaid through biannual instalments of £510.

One of £7k (2019 - £Nil) which is provided on an interest free basis over a period of seven years. This loan is being repaid through biannual instalments of £526.

One of £5k (2019 - £Nil) which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £546.

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

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	1,419	505	(406)	(145)	-	1,373
Restricted general funds						
General Annual Grant (GAG)	(246)	12,038	(11,032)	(227)	-	533
Pupil Premium	249	1,125	(1,218)	-	-	156
Other grants	425	2,431	(2,533)	(20)	-	303
Pension reserve	(8,690)	(758)	(1,018)	-	641	(9,825)
	<u>(8,262)</u>	<u>14,836</u>	<u>(15,801)</u>	<u>(247)</u>	<u>641</u>	<u>(8,833)</u>
Restricted fixed asset funds						
Donated assets	2,656	500	(34)	-	-	3,122
DfE/ESFA capital grant	320	719	(3)	(625)	-	411
Purchased fixed assets	2,090	-	(362)	1,025	-	2,753
Salix loan	(31)	-	(9)	(8)	-	(48)
	<u>5,035</u>	<u>1,219</u>	<u>(408)</u>	<u>392</u>	<u>-</u>	<u>6,238</u>
Total Restricted funds	<u>(3,227)</u>	<u>16,055</u>	<u>(16,209)</u>	<u>145</u>	<u>641</u>	<u>(2,595)</u>
Total funds	<u><u>(1,808)</u></u>	<u><u>16,560</u></u>	<u><u>(16,615)</u></u>	<u><u>-</u></u>	<u><u>641</u></u>	<u><u>(1,222)</u></u>

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19. Statement of funds (continued)

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

Restricted general funds

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

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

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

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

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

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

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

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

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

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Canon Peter Hall Church of England Primary School	198	202
Ulceby St Nicholas Church of England Primary School	13	(48)
Magdalen Church of England and Methodist Primary School	184	150
Weston St. Mary's Church of England Primary School	79	82
William Lovell Church of England Academy	154	186
Brown's Church of England Primary School	94	72
Morton Church of England Primary School	88	78
St Peter's Church of England Primary Academy	43	1
Ruskington Chestnut Church of England Primary Academy	400	388
Edenham Church of England Primary School	64	62
Branston Church of England Infant Academy	1	3
Whaplode Church of England Primary School	199	192
Coningsby St Michael's Church of England Primary School	155	86
Holy Trinity Church of England Primary School (Tattershall)	250	200
East Ravendale Church of England Primary School	160	162
Spalding Parish Church of England Day School	175	-
Central services	108	31
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,365	1,847
Restricted fixed asset fund	6,238	5,035
Pension reserve	(9,825)	(8,690)
	<hr/>	<hr/>
Total	(1,222)	(1,808)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Canon Peter Hall CofE	956	145	69	128	1,298	1,291
Ulceby St Nicholas CofE	421	65	42	74	602	609
Magdalen CofE and Methodist	764	184	82	132	1,162	1,084
Weston St. Mary's CofE	191	49	22	42	304	280
William Lovell CofE	1,313	282	97	214	1,906	2,017
Brown's CofE	287	58	32	65	442	433
Morton CofE	666	95	44	97	902	877
St Peter's CofE	722	168	64	134	1,088	1,017
Ruskington Chestnut CofE	788	132	63	127	1,110	1,145
Edenham CofE	318	75	30	68	491	473
Branston CofE	364	52	15	108	539	495
Whaplode CofE	624	131	43	91	889	859
Coningsby St Michael's CofE	1,160	238	81	136	1,615	1,505
Holy Trinity CofE (Tattershall)	423	78	39	44	584	582
East Ravendale CofE	425	54	37	84	600	558
Spalding Parish CofE Day School	1,244	222	59	152	1,677	-
Central services	72	584	10	344	1,010	883
Academy Trust	10,738	2,612	829	2,040	16,219	14,108

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19. Statement of funds (continued)

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	5,874	5,874
Intangible fixed assets	-	-	2	2
Current assets	1,373	2,430	410	4,213
Creditors due within one year	-	(1,438)	(9)	(1,447)
Creditors due in more than one year	-	-	(39)	(39)
Provisions for liabilities and charges	-	(9,825)	-	(9,825)
Total	1,373	(8,833)	6,238	(1,222)

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure)/income for the period (as per statement of financial activities)	(55)	655
Adjustments for:		
Amortisation	9	31
Depreciation	387	290
Capital grants from DfE and other capital income	(719)	(641)
Interest receivable	(1)	(1)
Defined benefit pension scheme obligation inherited	758	140
Defined benefit pension scheme cost less contributions payable	838	426
Defined benefit pension scheme finance cost	180	149
(Increase)/decrease in debtors	(305)	335
Increase/(decrease) in creditors	133	(360)
Fixed asset donation	(500)	(349)
Transfer on conversion from local authority	(120)	(179)
Transfer of existing academy joining the Academy Trust	-	(97)
Net cash provided by operating activities	605	399

22. Cash flows from financing activities

	2020 £000	2019 £000
Cash inflows from new borrowing	24	-
Repayments of borrowing	(7)	(7)
Net cash provided by/(used in) financing activities	17	(7)

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Cash flows from investing activities

	2020 £000	2019 £000
Interest received	1	1
Purchase of intangible assets	-	(5)
Purchase of tangible fixed assets	(1,023)	(792)
Capital grants from DfE Group	719	641
Transfer on conversion from local authority	120	179
Transfer of existing academy joining the Academy Trust	-	97
Net cash (used in)/provided by investing activities	(183)	121

24. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	3,332	2,893

25. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Transfer on conversion from local authority £000	At 31 August 2020 £000
Cash at bank and in hand	2,893	319	120	3,332
Debt due within 1 year	(6)	(3)	-	(9)
Debt due after 1 year	(25)	(14)	-	(39)
	2,862	302	120	3,284

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Conversion to an academy trust

On 1 December 2019 Spading Parish Church of England Day School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Lincoln Anglican Academy Trust from Lincolnshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	500	500
Current assets				
Cash - representing budget surplus on LA funds	120	-	-	120
Non-current liabilities				
LGPS pension surplus / (deficit)	-	(758)	-	(758)
Net liabilities	<u>120</u>	<u>(758)</u>	<u>500</u>	<u>(138)</u>

27. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	<u>75</u>	<u>638</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

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

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

Contributions amounting to £230k were payable to the schemes at 31 August 2020 (2019 - £171k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,208k (2019 - £786k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,084k (2019 - £913k), of which employer's contributions totalled £879k (2019 - £739k) and employees' contributions totalled £205k (2019 - £174k). The agreed contribution rates for future years are 5.5% for employers and 12.5% for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.66	2.66
Rate of increase for pensions in payment/inflation	2.22	2.31
Discount rate for scheme liabilities	1.70	1.86
Inflation assumption (CPI)	2.22	2.31
Commutation of pensions to lump sums	-	52.50

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.3	22.0
Females	23.6	24.4
<i>Retiring in 20 years</i>		
Males	22.3	24.0
Females	25.1	26.6

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	498	426
Discount rate -0.1%	(498)	(426)
Mortality assumption - 1 year increase	739	620
Mortality assumption - 1 year decrease	(739)	(620)
CPI rate +0.1%	446	362
CPI rate -0.1%	(446)	(362)

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

	2020	2019
	£000	£000
Equities	5,934	4,938
Debt instruments	1,670	1,074
Property	899	695
Cash and other liquid assets	168	98
Total market value of assets	8,671	6,805

The amounts recognised in the statement of financial activities are as follows:

	2020	2019
	£000	£000
Current service cost	(1,711)	(1,087)
Past service cost	(6)	(78)
Interest income	148	169
Interest cost	(328)	(318)
Total amount recognised in the statement of financial activities	(1,897)	(1,314)

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	15,495	10,275
Conversion of Academy Trusts	1,616	-
Transferred in on existing academies joining the trust	-	478
Current service cost	1,711	1,087
Interest cost	328	318
Employee contributions	205	174
Actuarial (gains)/losses	(712)	3,160
Benefits paid	(153)	(75)
Past service costs	6	78
At 31 August	18,496	15,495

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

	2020	2019
	£000	£000
At 1 September	6,805	5,282
Conversion of Academy Trusts	858	-
Transferred in on existing academies joining the trust	-	338
Interest income	148	169
Actuarial (losses)/gains	(71)	178
Employer contributions	879	739
Employee contributions	205	174
Benefits paid	(153)	(75)
At 31 August	8,671	6,805

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Operating lease commitments

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

	2020 £000	2019 £000
Not later than 1 year	35	32
Later than 1 year and not later than 5 years	60	51
Later than 5 years	12	9
	<u>107</u>	<u>92</u>

30. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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31. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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

- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £5k (2019 - £27k) for the provision of various services. There was a balance of £Nil outstanding at 31st August 2020 (2019 - £100).
- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £25k (2019 - £27k) for the provision of offices. There was a balance of £Nil outstanding at 31st August 2020 (2019 - £2k).
- Lincoln Diocese Board of Education charged the Lincoln Anglican Academy Trust a total of £108k (2019 - £135k) for the provision of staff shared with the Multi Academy Trust during the period. There was a balance of £Nil outstanding at 31st August 2020 (2019 - £13k).

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

- Lincoln Diocese Board of Finance charged the Lincoln Anglican Academy Trust a total of £600 for rent at East Ravendale (2019 - £1k). There was £Nil balance outstanding at 31st August 2020 (2019 - £Nil).
- Lincoln Diocese Board of Finance charged the Lincoln Anglican Academy Trust a total of £26 (2019 - £16) for various services. There was £Nil balance outstanding at 31st August 2020 (2019 - £Nil).

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

- Wilkin Chapman charged the Lincoln Anglican Academy Trust £Nil for the provision of legal services (2019 - £8k). There was £Nil balance outstanding at 31st August 2020 (2019 - £Nil).

The Trust made the purchase of these services at arm's length following a tendering exercise in accordance with its financial regulations, which Mr Tasker neither participated in, nor influenced. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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31. Related party transactions (continued)

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

- Jenny Cook Consultancy charged the Lincoln Anglican Academy Trust a total of £6k (2019 - £3k) for the provision of maths consultancy to the Trust during the period. There was £Nil balance outstanding at 31 August 2020 (2019 - £Nil).

The Trust made the purchase of these services at arm's length following a tendering exercise in accordance with its financial regulations, which Mr Thompson neither participated in, nor influenced. In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2020.

32. Post balance sheet events

Wrawby St Mary's Church of England Primary School and Friskney All Saints Church of England Primary School are to convert to Academy Trust status and join the Lincoln Anglican Academy Trust on 1 January 2021 and 1 April 2021 respectively.