

Lincoln Anglican Academy Trust

Registered number: 08737412

Annual report and financial statements

For the year ended 31 August 2018

Lincoln Anglican Academy Trust

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Lincoln Anglican Academy Trust

Reference and Administrative Details For the 12 months ended 31 August 2018

Trustees

Professor John Visser (Chair, resigned 31 December 2017)
Jeremy Woolner (Chair, appointed 1 January 2018)
Gregory Marsden (Vice Chair)
Reverend Canon Andrew Dodd
Daryl Summers (term of office ended 17 October 2017)
Gillian Wright (term of office ended 17 October 2017)
Joanne Kerry
Trevor Hughes (resigned 17 July 2018)
Oliver Tasker
Barrie Shipley (resigned 3 July 2018)
Reverend Canon Keith Wilkinson
Dr Michael Smalley
Richard Wilson (resigned 8 December 2017)
Dr Emma Clarke (appointed 15 November 2017)
Jacqueline Waters-Dewhurst, Chief Executive

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

Company registered number

08737412

Principal and registered office

Edward King House
Minster Yard
Lincoln
LN2 1PU

Senior Leadership Team

Jacqueline Waters-Dewhurst, Chief Executive
Paul Thompson, Deputy Chief Executive
Leanne Holmes, Finance and Operations Director

Lincoln Anglican Academy Trust

Reference and Administrative Details For the 12 months ended 31 August 2018

Advisers

Independent auditor

Mazars LLP
Chartered Accountants
Statutory Auditor
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

Trustee's Report For the 12 months ended 31 August 2018

Introduction by the Chairman – Jerry Woolner

As newly appointed Chair, this is the first time that I have had the opportunity to present the annual report and accounts for the Lincoln Anglican Academy Trust. I am delighted to report that 2018 has been another year of good progress against our strategic objectives. Once again, we have expanded our portfolio of schools and improved our performance.

The addition of a further 3 schools during the year, namely Whaplode, Coningsby St Michael and Tattershall Holy Trinity, has strengthened the Trust significantly. These schools have already demonstrated a clear commitment to supporting the Trust's group of schools and I look forward to seeing these relationships flourish in the coming years.

This year has seen some changes to the Board of Trustees. During the year, we said goodbye to Professor John Visser, Chair of Trustees. John served on the Trust Board for three years, during which time he played a key part in the Trust's growth, as well as providing expert knowledge around teaching practice and in particular, special educational needs. We wish John all the best in his retirement.

We were delighted to welcome Dr Emma Clarke to our Board of Trustees. Emma is a lecturer in education at Bishop Grosseteste University and her research interests include challenging behaviour and special educational needs.

In the summer, we bid farewell to two of our trustees, Barrie Shipley and Trevor Hughes. Barrie and Trevor brought a wealth of knowledge of the education sector and will be sadly missed.

The diocesan vision for church schools talks of "Excellence, Exploration and Encouragement", making it clear that our schools must provide an opportunity for all pupils and staff to become the best that they can be including, but not limited to, academic excellence". It was therefore pleasing to see that the Trust's progress scores are much improved on previous years and our challenge now is to ensure that all of our schools' attainment results either meet or exceed national targets at the end of each key stage.

Of course, none of this would be possible if it wasn't for the dedication of the staff, governors and volunteers who work tirelessly to support the children in our schools. I am also grateful for the support and contribution from fellow Trustees and Members. Through their skills, ideas and hard work, every one of them has contributed to our common goal, namely the success of our pupils.

Chief Executive's Statement

It is a pleasure to report that once again, we have welcomed new schools, colleagues and pupils to our growing family. Over the past few years, the Trust has gone from strength to strength, moving from 5 schools in 2016, to 14 schools by the end of August 2018, with East Ravendale joining at the start of the new academic year, taking the total number of schools to 15.

The School Improvement Team has worked extremely hard this year to support and challenge all of our schools and the fruits of their efforts can now be seen in the shape of improving results across the Trust. The Trust serves some of the most disadvantaged pupils in the country and it is therefore pleasing to see that the results for this group of children have improved significantly year on year. With writing in particular, the progress scores for these children are now ahead of the national benchmarks for all children.

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Trustee's Report (continued)

For the 12 months ended 31 August 2018

Following a difficult eighteen months, Ulceby St Nicholas was reinspected by OFSTED and I am delighted to report that the school has now been graded as "good". Unfortunately, William Lovell has fared less well and received an OFSTED rating of inadequate when the school was inspected during the year. The academy has faced an extremely challenging few years, with a rapidly declining roll and recruitment and retention issues slowing down the pace of change. The Trust has put in place a detailed action plan, together with a highly experienced leadership team. However, with only one secondary school in the portfolio, the Trust has struggled to make the impact that is being achieved within the primary schools. For this reason, in early 2018, the Trustees approached the Regional Schools Commissioner to start discussions on how the school could best be supported and these discussions are ongoing. In the meantime, the Trust is continuing to support the school in implementing necessary improvements.

It is fair to say that the funding challenges facing the education sector have been very much in the news over the past few months and to this end, it is important that we continue to look for innovative ways to drive up standards, in the face of falling income levels.

For this reason, I am pleased to say that the Executive Head role, which the Trust introduced last year, has been rolled out further and we now have Executive Heads across six of our schools. In the same vein, we have now appointed Area Business Managers in to a number of our schools. These models foster a great spirit of collaboration and allow smaller schools in particular to benefit from high quality leadership, whilst making budgetary savings.

As the Trust has continued to grow, the capacity of the central team has had to be tailored to match the increasing needs of the organisation. In the spring, a decision was taken to consolidate and outsource part of the HR service to ensure that the team was able to serve our expanding Trust. This new service has been operating for around four months and has increased the Trust's ability to deal effectively with the wide range of HR issues that comes with a growing portfolio of schools.

Looking ahead, the Trust's HR Business Partner, Laura Lowe, will be focussing on initiatives to improve employee engagement and well-being. Recruitment and retention remain pressing issues in the education sector and good succession planning is essential to ensuring that we have sufficient staff with the necessary skills to work in and lead our schools. As a result, Continuing Professional Development will be a key area of investment for the Trust, with training initiatives such as the Future Leaders programme set to be rolled out in 2018/19.

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

With increasingly constrained budgets has come the pressure to reduce costs, which we continue to address through procurement initiatives and new ways of working. At the same time, we have continued to look for additional sources of income, for example to allow us to improve the services we offer or for much needed investment in our estate.

In spring 2018, the Trust was able to secure a substantial grant from the MAT Development and Improvement Fund and this has been used to build additional capacity within our School Improvement Team. Funding has also been provided to enable us to create a Data Manager post, the focus of which will be to help the Trust to consolidate, analyse and act on the huge volume of data that is generated by our schools. Most importantly, this will assist the School Improvement Team in identifying areas of need and ensuring that support can be targeted where it is needed most, as quickly as possible.

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Trustee's Report (continued) For the 12 months ended 31 August 2018

Every year, Multi Academy Trusts with up to 3000 pupils have the opportunity to bid for Condition Improvement Funding to enable schools to address high priority building issues. This year, the Trust had great success in the bidding round and was able to secure funding for projects with a combined value of £1.1m across six of our schools. These projects are largely complete and include roofing works, a heating system and a full kitchen refurbishment.

One of the key challenges of being part of a Multi Academy Trust is having to work across a large number of schools, each with different systems. During the year, we undertook a project to introduce a new common management information system at significant cost savings to the Trust. The project has now been successfully completed and feedback to date has been very positive.

Looking ahead to the new financial year, we are expecting a further year of uncertainty and challenges, as we continue to be affected by financial pressures such as increases to the Teachers Pension Scheme contributions and sector pay issues at a time when expectations are growing. However, we will continue to plan ahead to protect the long-term viability of our schools and ensure that our pupils are able to access the highest quality education, delivered in accordance with our Christian principles.

Finally, I would like to take this opportunity to thank all of my colleagues at the Lincoln Anglican Academy Trust for their dedication and hard work.

Lincoln Anglican Academy Trust

Strategic Report For the 12 months ended 31 August 2018

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 2018. The Annual Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

By the end of the year, the Multi Academy Trust was operating fourteen academies with a combined pupil roll of 2,356 (2016: 1,803) within the area of the Diocese of Lincoln. Thirteen 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

Structure, governance and management

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.

Details of the Trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' Liability

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

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.

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.

Lincoln Anglican Academy Trust

Strategic Report For the 12 months ended 31 August 2018

Policies and Procedures 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.

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.

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.

Trade union facility time

The relevant disclosure in relation to trade union facility time for the year ended 31 August 2018 is shown in the tables below:

Relevant union officials

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

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Strategic Report For the 12 months ended 31 August 2018

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

The total cost of facility time	£0
The total pay bill	£9,456,000
The percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Connected Parties and other Related Charities or Organisations

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

Objects and Activities

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

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

The main objectives of the Trust, carried out under the vision statement, during the period ending 31st August 2018 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

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Strategic Report For the 12 months ended 31 August 2018

- 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.

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.

Achievements and performance

The year ended 2018 was a year of further growth and following the addition of East Ravendale on 1 September 2018, the Trust now provides education for approximately 2,433 pupils across 15 academies.

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

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Strategic Report For the 12 months ended 31 August 2018

Progress data for Key Stage 2 performance shows a significant improvement on last year in reading, writing and maths. Reading and writing progress across the Trust is now ahead of the national average. Whilst Maths is below the national average at -0.36, this represents a substantial improvement on last year's figures.

A comparison of the Trust's attainment figures for 2018 and 2017 shows improvements in writing and maths, along with a slight decline in reading. There is still work to do to ensure that the Trust's figures both meet and exceed national expected standards and to encourage more pupils to be working at greater depth. Consequently, further training programmes are now underway, together with targeted interventions.

It should be noted that the proportion of children receiving free school meals across the Trust is 36%, significantly above the national average of 25%. Whilst this factor presents the Trust with additional challenges, we are committed to raising standards for all children. Further information is provided below in respect of the progress of disadvantaged pupils and this highlights a significant improvement year on year across all subjects, with writing progress being ahead of the national average for all pupils.

Progress Data

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

KS2/Yr 6	Trust 2018	Trust 2017	LAAT difference: 2017 to 2018	LAAT difference to National 2018
Reading	+0.10	-0.65	+0.75	+0.10
Writing	+0.27	-0.52	+0.79	+0.27
Maths	-0.36	-1.74	+2.10	-0.36

KS2/Yr6: Disadvantaged pupils	Trust 2018	Trust 2017	LAAT difference: 2017 to 2018	LAAT difference to National 2018
Reading	-0.55	-2.21	+1.66	-0.55
Writing	+0.29	-1.08	+1.37	+0.29
Maths	-1.02	-2.82	+1.80	-1.02

Note: this table benchmarks the Trust's disadvantaged pupils against national all pupils.

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Attainment Data

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

KS2/Yr 6	Trust 2018 %	Trust 2017 %	LAAT difference: 2017 to 2018	National 2018 %	National difference: 2017 to 2018	LAAT difference to National 2018
Reading – EXS+	68	69	-1	75	+4	-7
Reading – GDS	22	23	-1	28	+3	-6
Writing – EXS+	74	71	+3	78	+2	-4
Writing – GDS	14	13	+1	20	+2	-6
Maths – EXS+	71	65	+6	76	+1	-5
Maths – GDS	14	16	-2	23	0	-9
GPS – EXS+	71	72	-1	78	+1	-7
GPS – GDS	31	23	+8	34	+3	-3
RWM combined – EXS+	60	59	+1	65	+1	-5
RWM combined – GDS+	5	9	-4	10	+1	-5

KS1/Yr 2	Trust 2018 %	Trust 2017 %	LAAT difference: 2017 to 2018	National 2018 %	National difference: 2017 to 2018	LAAT difference to National 2018
Reading	73	72	+1	76	0	-3
Writing	64	66	-2	70	+2	-6
Maths	73	72	+1	76	+1	-3
RWM combined	60	59	+1	65	+1	-5

Yr 1 Phonics check	Trust 2018 %	Trust 2017 %	LAAT difference: 2018 to 2017	National 2018 %	National difference: 2017 to 2018	LAAT difference to National 2018
Met Standard	85	81	+4	83	+2	+2

The provisional results for GCSE's have been recently published. The table below sets out the provisional KS4 results for the William Lovell Academy for 2018:

	2018: Academy	2018: National	2017: Academy	2017: National
English & Maths GCSE Grade 5 or above	21.0%	39.9%	21.0%	39.6%
Progress 8 score	-0.68	-0.02	-0.6 2	-0.03
Attainment 8 score	33.8	44.3	36.3	44.6

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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	Inadequate - 2017	Inadequate - 2013
William Lovell	Inadequate - 2018	Good - 2013
St Peter's Academy, Cleethorpes	Good – 2016	Good - 2010
Morton	Good – 2013	Satisfactory - 2011
Brown's, Horbling	Good - 2014	Good - 2009
Edenham	Good – 2011	Satisfactory – 2008
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 - 2012	Satisfactory - 2009

Ruskington Chestnut Street continued to be good when reinspected in October 2017. Ulceby St Nicholas underwent a Section 5 in September 2018 and was deemed to be “good”, thus highlighting the significant progress made by the Head Teacher in improving standards. Weston St Mary has received a section 8 inspection visit in May 2018, which confirmed that the inspectorate is satisfied that effective action is being taken toward removal of special measures. William Lovell was inspected in March 2018 and disappointingly was graded as “inadequate”. The Trust has put in place a detailed action and a new leadership team in place.

Financial Performance Indicators

A summary of key performance indicators is set out below:

	Actual 17/18	Target 17/18	Actual 16/17
Staff costs % total income	73.4%	76.2%	75.8%
Agency costs % staffing costs	1.7%	0.9%	3.4%
Average class size	26	25	25
Average no of pupils per school	174	n/a	169

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.

Going Concern

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

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Strategic Report For the 12 months ended 31 August 2018

Financial review

Reserves Policy

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

For the purposes of the reserves policy, the reserves balance excludes restricted fixed assets funds and liabilities arising from the Local Government Pension Schemes (LGPS). The current reserves figure is £1,311k, which is within the overall target range of between £1,133k and £2,267k. The Trustees have determined that each school should maintain reserves equal to between one and two months' worth of operating expenditure.

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.

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.

Principal Risks and Uncertainties

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

Financial Risk – The Trust will need to expand further to ensure that it is sustainable in the long term. It is therefore reliant firstly on new schools choosing to join the organisation and secondly, that approval is granted by the Regional Schools Commissioner.

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

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

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

Liquidity risk - The Trust's exposure to institutional credit risk is managed through internal restrictions on how funds can be invested. Exposure to price and credit risk is low, as much of the Trust's income is derived from the Education and Skills Funding Agency and Local Authorities. There are substantial deficits within the Local Government Pension Schemes, as described in note 28 to the financial statements. The deficit is subject to periodic actuarial review and regular monitoring by the Trustees.

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

Principal Funding

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 2018 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.

Lincoln Anglican Academy Trust

Strategic Report For the 12 months ended 31 August 2018

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

The academies do not undertake activities which:

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

Plans for future periods

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

Following a year of working closely with the Trust, East Ravendale Academy joined the Trust on 1 September 2018. Discussions are ongoing with a number of other primary schools who have expressed an interest in joining the Trust.

The Trustees have determined that as an organisation that is predominantly made up of primary schools, the Trust is no longer best placed to meet the needs of William Lovell. Work with the Regional Schools Commissioner is ongoing to find the best solution for the school.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

This report was approved by order of the board of trustees as the company directors, on 4 December 2018 and signed on its behalf by:



Jeremy Woolner
Chair of Trustees
4 December 2018

Lincoln Anglican Academy Trust

Governance Statement For the 12 months ended 31 August 2018

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Professor John Visser (Chair, resigned 31 December 2017)	2	2
Gregory Marsden (Vice Chair)	4	5
Reverend Canon Andrew Dodd	3	5
Jeremy Woolner (Chair, appointed 1 January 2018)	5	5
Dr Emma Clarke (appointed 15 November 2017)	4	4
Joanne Kerry	3	5
Trevor Hughes (resigned 17 July 2018)	3	4
Oliver Tasker	3	5
Barrie Shipley (resigned 3 July 2018)	2	4
Reverend Canon Keith Williamson	4	5
Dr Michael Smalley	4	5
Richard Wilson (resigned 8 December 2017)	0	2
Jacqueline Waters-Dewhurst, Chief Executive	5	5

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

Matters determined by the Finance Committee during the year included recommending the approval of the annual budget for 2018/19, the approval for pay increases and the approval for new schools joining the Trust.

Lincoln Anglican Academy Trust

Governance Statement For the 12 months ended 31 August 2018

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gregory Marsden (Finance Committee Chair)	6	6
Gillian Wright (Finance Committee Vice Chair: term of office ended 16 October 2017)	1	1
Trevor Hughes (resigned 17 July 2018)	4	5
Jeremy Woolner	5	6
Barrie Shipley (resigned 3 July 2018)	4	5
Dr Michael Smalley	6	6
Jacqueline Waters-Dewhurst, Chief Executive	4	6

The Purpose of the System of Financial 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 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Committee of reports which highlight financial performance against forecasts, major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

Lincoln Anglican Academy Trust

Governance Statement For the 12 months ended 31 August 2018

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi 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.

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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:

Restructuring and streamlining HR services to ensure that the most effective service could be provided across a widespread geographical area. Following a competitive tender process, this is now delivered through a combination of in-house and external provision. In addition, time savings have been achieved for schools as the Trust now offers a combined HR and payroll portal, reducing duplication of data entry.

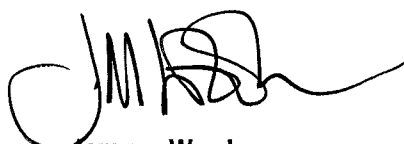
Procuring a new Management Information System for all primary schools

Securing over £1m of capital funding for schools through successful CIF bids.

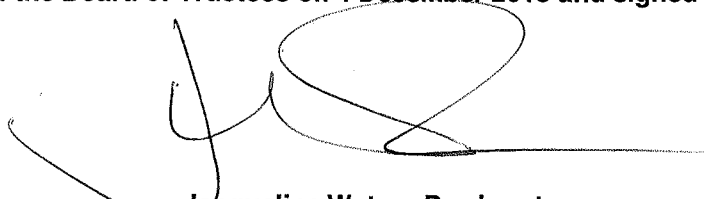
Introduced the Area Business Manager role, allowing smaller schools access to high quality ground level support and fostering greater collaboration between all schools.

Upgrading the existing accounting software to the latest version and moving it on to the Cloud, thus improving operating efficiency and freeing up capacity on local servers.

Approved by order of the members of the Board of Trustees on 4 December 2018 and signed on their behalf, by:



Jeremy Woolner
Chair of Trustees



Jacqueline Waters-Dewhurst
Accounting Officer

Lincoln Anglican Academy Trust

Statement on Regularity, Propriety and Compliance For the 12 months ended 31 August 2018

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 2017.

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 2017.

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

4 December 2018

Lincoln Anglican Academy Trust

Statement of Trustees' Responsibilities For the year ended 31 August 2018

The Trustees, (who act as governors of Lincoln Anglican Academy Trust and 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 Annual Accounts Direction issued 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 2015 (FRS 102) and the Academies Accounts Direction 2017 to 2018;
- make judgments 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; and
- 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 the 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 on 4 December 2018 and signed on its behalf by:



Jeremy Woolner
Chair of Trustees

Lincoln Anglican Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Lincoln Anglican Academy Trust

We have audited the financial statements of Lincoln Anglican Academy Trust ("the 'trust'") for the Year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the Year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditors' reports 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.

Lincoln Anglican Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Lincoln Anglican Academy Trust

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees (who are directors 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Lincoln Anglican Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Lincoln Anglican Academy Trust

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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 and Statutory Auditor

Park View House,
58 The Ropewalk,
Nottingham,
NG1 5DW

Date: 4 December 2018

Lincoln Anglican Academy Trust

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 11 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 period 1 September 2017 to 31 August 2018 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 to it 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 the 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 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 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.

Lincoln Anglican Academy Trust

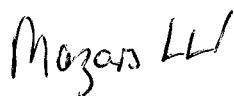
Independent Reporting Auditor's Assurance Report on Regularity to Lincoln Anglican Academy Trust and the Education and Skills Funding Agency

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
- Concluded on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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: 4 December 2018

Lincoln Anglican Academy Trust

Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	2	17	23	1,265	1,305	101
Charitable expenditure - transfer from local authority on conversion	2	240	(851)	392	(219)	(917)
Charitable expenditure - transfer from existing academy	2	-	-	-	-	(365)
Charitable activities:						
Funding for the Multi Academy Trust's educational operations	3	-	11,492	-	11,492	9,595
Other trading activities	4	442	-	-	442	387
Investments	5	1	-	-	1	1
Total		700	10,664	1,657	13,021	8,802
Expenditure on:						
Raising funds	6	461	-	-	461	264
Charitable activities:						
Multi Academy Trust's educational operations	6,7	9	11,904	203	12,116	10,436
Total		470	11,904	203	12,577	10,700
Net income / (expenditure)		230	(1,240)	1,454	444	(1,898)
Transfers between funds	18	(2)	(338)	340	-	-
Other recognised gains / (losses):						
Actuarial gains on defined benefit pension schemes	18,27	-	1,137	-	1,137	1,105
Net movement in funds		228	(441)	1,794	1,581	(793)
Reconciliation of funds						
Total funds brought forward		858	(4,327)	2,407	(1,062)	(269)
Total funds carried forward		1,086	(4,768)	4,201	519	(1,062)

All income is derived from continuing operations.

The notes on pages 26 to 50 form an integral part of these financial statements.

Lincoln Anglican Academy Trust

Balance Sheet
as at 31 August 2018

Company number 08737412

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	12		37		58
Tangible assets	13		3,887		2,376
Current assets					
Stock	14	-		4	
Debtors	15	911		588	
Cash at bank and in hand	25	2,380		1,731	
		<u>3,291</u>		<u>2,323</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(1,672)		(1,062)	
Net current assets			<u>1,619</u>		<u>1,261</u>
Total assets less current liabilities			5,543		3,695
Creditors: Amounts falling due after more than one year	17		(31)		(33)
Net assets excluding pension liability			<u>5,512</u>		<u>3,662</u>
Defined benefit pension scheme liability	27		(4,993)		(4,724)
Total assets			<u>519</u>		<u>(1,062)</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	18	4,201		2,407	
. Restricted income fund	18	225		397	
. Pension reserve	18	(4,993)		(4,724)	
Total restricted funds			(567)		(1,920)
Unrestricted income funds	18		1,086		858
Total funds			<u>519</u>		<u>(1,062)</u>

The notes on pages 26 to 50 form an integral part of these financial statements.

The financial statements were approved by the trustees, and authorised for issue on 4 December 2018 and are signed on their behalf by:



Jeremy Woolner
Chair of the Trustees

Lincoln Anglican Academy Trust

Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	393	119
Cash flows from investing activities	24	12	(75)
Cash flows from financing activities	23	4	-
Cash transferred on conversion to an academy trust		240	629
Change in cash and cash equivalents in the reporting period		649	673
Cash and cash equivalents as at 1 September 2017		1,731	1,058
Cash and cash equivalents as at 31 August 2018	25	2,380	1,731

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

1 Statement of 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.

Basis of Preparation

The financial statements of the Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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. During 2016/17 and following revised guidance from the Church of England, a decision was taken to remove church owned buildings occupied under licence from the balance sheet. As a result, the balance sheet for the Lincoln Anglican Academy Trust showed net liabilities for 2016/17. This was as a result of deficits in the Local Government Pension Schemes of which the Trust's non-teaching staff are members. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. In 2017/18 the balance sheet for the Lincoln Anglican Academy Trust has returned to a net assets position. As a result, it is the opinion of the Board of Trustees that assumptions around the ability of the Trust to continue in business remain valid.

Income

All incoming resources are recognised when the Multi 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 period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of the 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.

- **Sponsorship Income**

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions) and where the receipt is probable and it can be measured reliably.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities, services and fixed assets**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

- **Transfer on conversion**

Where assets and liabilities are received by the Multi 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 Multi Academy Trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Expenditure on Charitable Activities

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 Multi 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 Multi 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.

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

- Purchased computer software **33% Straight line**
-

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

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:

• Long leasehold land	over the term of the lease
• Furniture and equipment	25%
• Computer equipment	33%
• Property Improvement	10%

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

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

Land and Buildings

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 2018.

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.

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 Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased Assets

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

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pensions Benefits

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

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

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

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018

Fund Accounting

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

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

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

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

The present value of the Local Government Pension Schemes' defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pensions 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 2018. 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.

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

• Long leasehold land	over the term of the lease
• Furniture and equipment	25%
• Computer equipment	33%
• Property Improvement	10%

The land donated on conversion is included at a provisional valuation based on an assessment of the location and size of the property as desktop valuations were not available at the date of approval of the financial statements. These provisional valuations will be updated as necessary in the 2019 financial statements.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

2 Donations and Capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital Grants	-	1,265	1,265	68
Donated assets - on conversion	240	(459)	(219)	(917)
Donated assets - on transfer of existing academy	-	-	-	(365)
Donations	17	23	40	33
	<u>257</u>	<u>829</u>	<u>1,086</u>	<u>(1,181)</u>

The income from donations and capital grants was £764,000 (2017: £1,181,000 expenditure) of which income of £257,000 was unrestricted (2017: £293,000), expenditure of £851,000 was restricted (2017: £2,123,000 expenditure) and income of £1,358,000 was in respect of restricted fixed assets (2017: £649,000 income).

3 Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	9,295	9,295	7,883
Start Up Grants	-	56	56	79
Other DfE/EFA grants	-	1,436	1,436	1,044
	<u>-</u>	<u>10,787</u>	<u>10,787</u>	<u>9,006</u>
Other Government grants				
Local authority grants	-	705	705	589
	<u>-</u>	<u>705</u>	<u>705</u>	<u>589</u>
	<u>-</u>	<u>11,492</u>	<u>11,492</u>	<u>9,595</u>

The funding for the Trust's educational operations was £11,492,000 (2017: £9,595,000) of which £NIL was unrestricted (2017: £NIL), £11,492,000 restricted (2017: £9,595,000) and £NIL restricted fixed assets (2017: £NIL).

4 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	41	-	41	22
Sale of goods	31	-	31	26
Staff insurance income	53	-	53	59
Catering income	96	-	96	109
Trip income	78	-	78	46
Income from other charitable activities	142	-	142	125
Income from ancilliary trading activities	1	-	1	-
	<u>442</u>	<u>-</u>	<u>442</u>	<u>387</u>

The income from other trading activities was £442,000 (2017: £387,000) of which £442,000 was unrestricted (2017: £385,000), £NIL restricted (2017: £2,000) and £NIL was in respect of restricted fixed assets (2017: £NIL).

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Bank interest receivable	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from investment income was £1,000 (2017: £1,000) of which £1,000 was unrestricted (2017: £1,000), £NIL restricted (2017: £NIL) and £NIL restricted fixed assets (2017: £NIL).

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises Other £000 £000		Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
. Direct costs	141	-	134	275	165
. Allocated support costs	105	41	40	186	99
Multi Academy Trust's educational operations:					
. Direct costs	7,726	163	898	8,787	7,578
. Allocated support costs	1,709	538	1,082	3,329	2,858
	<u>9,681</u>	<u>742</u>	<u>2,154</u>	<u>12,577</u>	<u>10,700</u>

In 2017, of the total expenditure on raising funds of £264,000, £98,000 related to staff costs, £NIL related to premises costs and £166,000 related to other expenditure.

In 2017, of the total direct expenditure of £7,578,000, £6,632,000 related to staff costs, £141,000 related to premises costs and £805,000 related to other expenditure.

In 2017, of the total support costs of £2,858,000, £1,446,000 related to staff costs, £578,000 related to premises costs and £834,000 related to other expenditure.

Net income/(expenditure) for the period includes:

	2018 £000	2017 £000
Operating lease rentals	32	23
Depreciation	134	112
Amortisation of intangible fixed assets (included within Charitable Activities – Multi Academy Trust's educational operations)	29	28
Fees payable to External Auditor for:		
- Audit of financial statements	20	20
- Other services	5	5
Fees payable to Internal Auditor for:		
- Internal audit fees	<u>3</u>	<u>5</u>

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

7 Charitable activities

	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	8,787	7,578
Support costs - educational operations	3,329	2,858
	12,116	10,436

Analysis of support costs	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	1,709	1,709	1,446
Technology costs	90	90	13
Premises costs	538	538	578
Other support costs	914	914	728
Governance costs	78	78	93
Total support costs	3,329	3,329	2,858

In 2017, all of the total support costs of £2,858,000 related to Educational operations.

8 Staff Costs

a. Staff costs during the period were as follows:

	Total 2018 £000	Total 2017 £000
Wages and salaries	7,152	5,951
Social security costs	570	492
Operating costs of defined benefit pension schemes	1,712	1,332
Apprenticeship levy	21	6
	9,455	7,781
Supply staff costs	156	271
Staff restructuring costs	70	124
	9,681	8,176
Staff restructuring costs comprise:		
Redundancy payments	-	14
Severance payments	70	110
	70	124

b Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £70,000 (2017: £110,000). Individually, the payments were £15,000 made in December, £25,000 made in April and £30,000 made in December.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

c Staff numbers

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

	2018	2017
	No.	No.
Teachers	127	96
Administration and support	291	230
Management	17	11
	435	337

d Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	4	1
£70,001 - £80,000	0	1
£90,001 - £100,000	0	1

e Key management personnel

The key management personnel of the Multi Academy Trust comprises the Trustees and the Senior Leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi Academy Trust was £173,000 (2017: £164,000).

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi-academy trust. The CEO and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members.

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

J Waters-Dewhurst (CEO and trustee):
Remuneration £55,000 - £60,000 (2017: £40,000 - £45,000)
Employers' pension contributions paid £0 - £5,000 (2017: £0,000 - £5,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £2,400 were reimbursed or paid directly to 5 trustees (2017: £2,800 to 5 trustees).

10 Trustees' and Officers' Insurance

The Multi 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 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.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

11 Central Services

The Multi 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 and Quality Assurance
- Banking services
- Provision and support of financial software
- Procurement services
- Health and Safety advice
- Governance support

During the year schools were charged a management fee ranging from 4% to 5% of GAG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Canon Peter Hall Church of England Primary School	47	48
Ulceby St Nicholas Church of England Primary School	25	23
Magdalen Church of England and Methodist Primary School	41	43
Weston St. Mary's Church of England Primary School	13	15
William Lovell Church of England Academy	92	103
Brown's Church of England Primary School	16	16
Morton Church of England Primary School	24	24
St Peter's Church of England Primary Academy	35	36
Ruskington Chestnut Church of England Primary Academy	44	34
Edenham Church of England Primary School	17	16
Branston Church of England Infant Academy	19	3
Whaplode Church of England Primary School	21	-
Coningsby St Michael's Church of England Primary School	27	-
Holy Trinity Church of England Primary School (Tattershall)	11	-
	<u>432</u>	<u>361</u>

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

12 Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 1 September 2017	98	98
Additions	8	8
At 31 August 2018	<u>106</u>	<u>106</u>
Amortisation		
At 1 September 2017	40	40
Charged in year	29	29
At 31 August 2018	<u>69</u>	<u>69</u>
Carrying amount		
At 31 August 2017	58	58
At 31 August 2018	<u>37</u>	<u>37</u>

13 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						
At 1 September 2017	373	1,613	265	265	113	2,631
Additions	-	-	1,114	66	66	1,246
Assets donated on transfer of existing academy	-	-	-	-	-	-
Assets donated on conversion	-	400	-	-	-	400
At 31 August 2018	<u>373</u>	<u>2,013</u>	<u>1,379</u>	<u>331</u>	<u>179</u>	<u>4,277</u>
Depreciation						
At 1 September 2017	-	29	45	105	76	255
Charged in year	1	15	32	55	32	135
At 31 August 2018	<u>1</u>	<u>44</u>	<u>77</u>	<u>160</u>	<u>108</u>	<u>390</u>
Net book values						
At 31 August 2017	373	1,584	220	160	37	2,376
At 31 August 2018	<u>372</u>	<u>1,969</u>	<u>1,302</u>	<u>171</u>	<u>71</u>	<u>3,887</u>

Included in freehold land and buildings is land at valuation of £357,000 (2017 - £357,000) which is not depreciated.

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

The land donated on conversion is included at a provisional valuation based on an assessment of the location and size of the property as desktop valuations were not available at the date of approval of the financial statements. These provisional valuations will be updated as necessary in the 2019 financial statements.

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.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

14 Stock

	2018	2017
	£000	£000
Clothing	-	4

15 Debtors

	2018	2017
	£000	£000
Trade debtors	26	45
VAT recoverable	157	56
Other debtors	5	-
Prepayments and accrued income	723	487
	<u>911</u>	<u>588</u>

16 Creditors: Amounts Falling due within one year

	2018	2017
	£000	£000
Trade creditors	488	322
Other taxation and social security	152	120
Other creditors	177	120
Accruals and deferred income	848	495
Other loans	7	5
	<u>1,672</u>	<u>1,062</u>

Deferred income

	2018	2017
	£000	£000
Deferred income at 1 September 2018	249	61
Released from previous years	(230)	(61)
Resources deferred in the year	291	249
Deferred Income at 31 August 2018	<u>310</u>	<u>249</u>

Deferred income held at 31 August 2018, relates to the following:

Conversion grant	£6,000
Governance grant	£15,000
Universal Infant Free School Meals funding relating to 2017/18	£167,000
Rates reimbursements relating to 2017/18	£29,000
SEN funding relating to 2017/18	£19,000
DFC income relating to 2017/18	£50,000
Early Years income in relation to Autumn term 2018	£23,000
Income received in advance of trips	£1,000

Included within other creditors is a loan of £6,000 from Salix which is provided interest free and a loan of £1,000 from LCC upon which interest of 0.75% is chargeable.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Creditors: Amounts Falling due in greater than one year

	2018	2017
	£000	£000
Other creditors	31	33
	<u>31</u>	<u>33</u>

Included within other creditors are two Salix loans, one of £28,000 (2017 - £33,000) which is provided on an interest free basis over a period of eight years. This loan is being repaid through biannual instalments of £2,520. The other is of £3,000 (2017 - £NIL) which is provided on an interest free basis over a period of seven years. This loan is being repaid through biannual instalments of £360.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

18 Funds

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	7	9,295	(9,198)	(314)	(210)
Start Up Grant	-	56	(48)	(8)	-
Pupil Premium	211	943	(947)	(7)	200
Other DfE/EFA grants	28	446	(398)	(9)	67
Other grants	151	775	(758)	-	168
Pension reserve	(4,724)	(851)	(555)	1,137	(4,993)
	(4,327)	10,664	(11,904)	799	(4,768)
Restricted fixed asset funds					
Transfer on conversion	1,991	400	(35)	-	2,356
DfE/EFA capital grants	12	1,265	(41)	(921)	315
Purchased fixed assets	442	-	(127)	1,253	1,568
Salix loan	(38)	(8)	-	8	(38)
	2,407	1,657	(203)	340	4,201
Total restricted funds	(1,920)	12,321	(12,107)	1,139	(567)
Total unrestricted funds	858	700	(470)	(2)	1,086
Total funds	(1,062)	13,021	(12,577)	1,137	519

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/EFA 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.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:	Total 2018 £000	Total 2017 £000
Canon Peter Hall Church of England Primary School	241	213
Ulceby St Nicholas Church of England Primary School	(26)	(23)
Magdalen Church of England and Methodist Primary School	129	85
Weston St. Mary's Church of England Primary School	69	51
William Lovell Church of England Academy	284	408
Ruskington Chestnut Street Church of England Academy	467	415
Brown's Church of England Primary School	74	71
Morton Church of England Primary School	65	107
St Peter's Church of England Primary Academy	23	21
Edenham Church of England Primary School	49	64
Branston Church of England Infant Academy	34	26
Whaplode Church of England Primary School	118	-
Coningsby St Michael's Church of England Primary School	15	-
Holy Trinity Church of England Primary School (Tattershall)	138	-
Central services	(367)	(183)
Total before fixed assets and pension reserve	1,313	1,255
Restricted fixed asset fund	4,201	2,407
Pension reserve	(4,993)	(4,724)
Total	521	(1,062)

Ulceby St Nicholas Church of England Primary School is carrying a net deficit of £26,000 and this increased in 2017/18 due to two CIF projects, towards which the school was required to contribute. These projects were not completed by the end of 2017/18 and so only half of the schools contribution were recorded in 2017/18. A further 50% of the contribution will be required in 2018/19. These costs were necessary to restore the condition of the kitchen and the roof of the school. The academy has produced a surplus budget for 2019/20 and plans to return to a net surplus position by the end of 2020/21.

The central services reserves are also in deficit. The Trustees have prepared a carefully considered and costed growth plan that will correct this situation in coming years.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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

	Balance as previously stated at 1 September 2016	Prior year adjustment	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000	£000	£000
Restricted general funds							
General Annual Grant (GAG)	235	-	235	8,219	(8,298)	(149)	7
Start Up Grant	-	-	-	79	(75)	(4)	-
Pupil Premium	77	-	77	807	(673)	-	211
Other DfE/EFA grants	-	-	-	248	(247)	27	28
Other grants	-	-	-	679	(547)	19	151
Pension reserve	(2,864)	-	(2,864)	(2,558)	(407)	1,105	(4,724)
	<u>(2,552)</u>	<u>-</u>	<u>(2,552)</u>	<u>7,474</u>	<u>(10,247)</u>	<u>998</u>	<u>(4,327)</u>
Restricted fixed asset funds							
Transfer on conversion	10,877	(9,432)	1,445	581	(35)	-	1,991
DfE/EFA capital grants	4	-	4	68	(35)	(25)	12
Purchased fixed assets	422	(18)	404	-	(106)	144	442
Salix loan	(40)	-	(40)	-	-	2	(38)
	<u>11,263</u>	<u>(9,450)</u>	<u>1,813</u>	<u>649</u>	<u>(176)</u>	<u>121</u>	<u>2,407</u>
Total restricted funds	8,711	(9,450)	(739)	8,123	(10,423)	1,119	(1,920)
Total unrestricted funds	470	-	470	679	(277)	(14)	858
Total funds	9,181	(9,450)	(269)	8,802	(10,700)	1,105	(1,062)

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance as previously stated at 1 September 2016	Prior year adjustment	Restated Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000	£000	£000
Restricted general funds							
General Annual Grant (GAG)	235	-	235	17,514	(17,496)	(463)	(210)
Start Up Grant	-	-	-	135	(123)	(12)	-
Pupil Premium	77	-	77	1,750	(1,620)	(7)	200
Other DfE/EFA grants	-	-	-	694	(645)	18	67
Other grants	-	-	-	1,454	(1,305)	19	168
Pension reserve	(2,864)	-	(2,864)	(3,409)	(962)	2,242	(4,993)
	(2,552)	-	(2,552)	18,138	(22,151)	1,797	(4,768)
Restricted fixed asset funds							
Transfer on conversion	10,877	(9,432)	1,445	981	(70)	-	2,356
DfE/EFA capital grants	4	-	4	1,333	(76)	(946)	315
Purchased fixed assets	422	(18)	404	-	(233)	1,397	1,568
Salix loan	(40)	-	(40)	(8)	-	10	(38)
	11,263	(9,450)	1,813	2,306	(379)	461	4,201
Total restricted funds	8,711	(9,450)	(739)	20,444	(22,530)	2,258	(567)
Total unrestricted funds	470	-	470	1,379	(747)	(16)	1,086
Total funds	9,181	(9,450)	(269)	21,823	(23,277)	2,242	519

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2018	2017
	£000	£000	£000	£000	£000	£000
Canon Peter Hall CofE Primary School	881	173	88	149	1,291	1,255
Ulceby St Nicholas CofE Primary School	382	47	49	90	568	579
Magdalen CofE & Methodist Primary School	685	150	57	121	1,013	1,064
Weston St. Mary's CofE Primary School	187	50	30	42	309	380
William Lovell CofE Academy	1,510	279	206	239	2,234	2,299
Ruskington Chestnut Street CofE Academy	842	132	67	164	1,205	1,323
Brown's CofE Primary School	323	45	64	69	501	486
Morton CofE Primary School	582	75	58	93	808	768
St Peter's CofE Primary Academy	728	152	71	157	1,108	1,106
Edenham CofE Primary School	349	52	47	79	527	488
Branston CofE Infant Academy	301	44	26	98	469	77
Whaplode CofE Primary School	426	96	33	77	632	-
Coningsby St Michael's CofE Primary School	509	93	42	73	717	-
Holy Trinity CofE Primary School (Tattershall)	170	32	21	22	245	-
Central services	-	386	59	342	787	734
Multi Academy Trust	7,875	1,806	918	1,815	12,414	10,559

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds	Total Funds
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Intangible fixed assets	-	-	37	37	58
Tangible fixed assets	-	-	3,887	3,887	2,376
Current assets	1,086	1,890	315	3,291	2,323
Current liabilities	-	(1,665)	(7)	(1,672)	(1,062)
Non-current liabilities	-	-	(31)	(31)	(33)
Pension scheme liability	-	(4,993)	-	(4,993)	(4,724)
Total net assets	1,086	(4,768)	4,201	519	(1,062)

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds	Total Funds
	2017	2017	2017	2017	2016
	£000	£000	£000	£000	£000
Intangible fixed assets	-	-	58	58	30
Tangible fixed assets	-	-	2,376	2,376	1,819
Current assets	858	1,454	11	2,323	1,285
Current liabilities	-	(1,057)	(5)	(1,062)	(504)
Non-current liabilities	-	-	(33)	(33)	(35)
Pension scheme liability	-	(4,724)	-	(4,724)	(2,864)
Total net assets	858	(4,327)	2,407	(1,062)	(269)

20 Capital commitments

	2018	2017
	£000	£000
Contracted for, but not provided in the financial statements	408	95

21 Commitments under operating leases

Operating Leases

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts due within one year	31	30
Amounts due between one and five years	49	38
Amounts due after five years	9	10
	89	78

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

22 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities	2018	2017
	£000	£000
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	444	(1,898)
Adjusted for:		
Carry forward and other school funds transfer on Conversion	(240)	(706)
Amortisation (note 12)	29	28
Depreciation charges (note 13)	135	112
Fixed asset donation	(400)	(581)
Capital grants from DfE and other capital income	(1,265)	(68)
Interest receivable (note 5)	(1)	(1)
Defined benefit pension scheme obligation inherited	851	2,558
Defined benefit pension scheme finance cost (note 28)	555	407
(Decrease)/Increase in stocks	4	(2)
(Increase)/decrease in debtors	(323)	(199)
Increase in creditors	604	469
Net cash provided by Operating Activities	393	119
23 Cash Flows from Financing Activities	2018	2017
	£000	£000
Cash inflows from new borrowing	4	-
Net cash provided by financing activities	4	-
24 Cash Flows from Investing Activities	2018	2017
	£000	£000
Dividends, interest and rents from investments	1	1
Purchase of intangible fixed assets	(8)	(56)
Purchase of tangible fixed assets	(1,246)	(88)
Capital grants from DfE/EFA	1,265	68
Net cash (used in) investing activities	12	(75)
25 Analysis of Cash and Cash Equivalents	At 31 August	At 31 August
	2018	2017
	£000	£000
Cash in hand and at bank	2,380	1,731
Total cash and cash equivalents	2,380	1,731

26 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.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the period ended 31 August 2018 (continued)

27 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £NIL were payable to the schemes at 31 August 2018 (2017: £116,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer contribution rate was 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £651,000 (2017; £551,000).

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

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

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

27 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The Lincolnshire and East Riding Local Government Pension Schemes are funded defined benefit pension schemes, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2018 were £803,000 (2017: £668,000), of which employer's contributions totalled £650,000 (2017: £543,000) and employees' contributions totalled £153,000 (2017: £125,000). The agreed contribution rates for future years vary per academy but range from 15.7% to 21.7%. In addition to this, many of the academies have also been levied with secondary pension contributions which again vary by academy. These secondary pension contributions have been set for the next two fiscal years. The future rates for employees varies between 5.5% to 12.5%.

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.70%	2.75%
Rate of increase for pensions in payment/inflation	2.34%	2.40%
Discount rate for scheme liabilities	2.79%	2.49%
Inflation assumption (CPI)	2.60%	2.60%
Commutation of pensions to lump sums	64.0%	64.0%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.0	22.0
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.6	26.6

Sensitivity analysis	At 31 August 2018	At 31 August 2017
	£000	£000
Discount rate +0.1%	274	218
Discount rate -0.1%	(274)	(218)
Mortality assumption - 1 year increase	(410)	(334)
Mortality assumption - 1 year decrease	410	334
CPI rate +0.1%	43	39
CPI rate -0.1%	(43)	(39)

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	3,847	2,790
Debt instruments	774	444
Property	590	342
Cash	71	64
Total market value of assets	5,282	3,640

The actual return on scheme assets was a gain of £1,000 (2017: £212,000 loss).

Amounts recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(1,070)	(840)
Net interest cost	(135)	(110)
Benefit changes, loss on curtailment and loss on settlement	-	-
Total operating charge	(1,205)	(950)

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

	2018 £'000	2017 £'000
At 1 September 2017	8,364	4,845
Conversion of academies	1,403	1,895
Transferred in on existing academy joining the Trust	-	1,691
Current service cost	1,070	840
Interest cost	242	177
Employee contributions	153	125
Actuarial (gain)/loss	(894)	(1,140)
Benefits paid	(63)	(69)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August 2018	10,275	8,364

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

	2018 £'000	2017 £'000
At 1 September 2017	3,640	1,981
Conversion of academies	552	386
Transferred in on existing academy joining the Trust	-	642
Interest income	107	67
Return on plan assets (excluding net interest on the net defined pension liability)	243	(35)
Actuarial gain/(loss)	-	-
Employer contributions	650	543
Employee contributions	153	125
Benefits paid	(63)	(69)
At 31 August 2018	5,282	3,640

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

28 Related Party Transactions

Owing to the nature of the Multi 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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH and the Trust's finance policy and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

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

- Lincoln Diocesan Board of Education charged the Lincoln Anglican Academy Trust a total of £39,000 (2017: £17,000) for various services provided to it during the period. There was no balance outstanding at 31 August 2018 (2017: £NIL).
- Lincoln Diocesan Board of Education charged the Lincoln Anglican Academy Trust a total of £10,000 (2017: £NIL) for the use of the offices made available to the Multi Academy Trust during the period. There was no balance (2017: £NIL) outstanding at 31 August 2018.
- Lincoln Diocesan Board of Education charged the Lincoln Anglican Academy Trust a total of £118,000 (2017: £72,000) for the provision of staff shared with the Multi Academy Trust during the period. There was a balance of £4,000 (2017: £114,000) outstanding at 31 August 2018.

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

- Lincoln Diocesan Board of Finance charged the Lincoln Anglican Academy Trust a total of £9,000 (2017: £12,000) for the use of the offices made available to the Trust during the period. There was no balance outstanding at 31 August 2018 (2017: £NIL).
- Lincoln Diocesan Board of Finance charged the Lincoln Anglican Academy Trust a total of £72,000 (2017: £8,000) for the provision of staff shared with the Multi Academy Trust during the period. There was no balance (2017: £8,000) outstanding at 31 August 2018.

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

- Wilkin Chapman charged the Lincoln Anglican Academy Trust a total of £42,000 (2017: £9,000) for the provision of HR legal support services to the Trust during the period. There was no balance outstanding at 31 August 2018 (2017: £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 2017.

Horne Bros Carpets Ltd - an organisation with which the daughter of Elaine Barber (an employee of the Trust with an element of financial control) is employed:

- Horne Bros Carpets Ltd charged the Lincoln Anglican Academy Trust a total of £13,000 (2017: £NIL) for the provision of carpeting to the Trust during the period. There was no balance outstanding at 31 August 2018 (2017: £NIL).
The Trust made the purchase of these products at arm's length following a tendering exercise in accordance with its financial regulations, which Mrs Barber did not influence. In entering into the transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2017.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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 £8,000 (2017: £NIL) for the provision of maths consultancy to the Trust during the period. There was no balance outstanding at 31 August 2018 (2017: £NIL).
The Trust made the purchase of these products at arm's length following a tendering exercise in accordance with its financial regulations, which Mr Thompson did not influence.
In entering into this transaction, the Trust has complied with the requirements of the Academies Financial Handbook 2017.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

29 Conversion to an Academy Trust

On 1st of December 2017, the Whaplode Church of England Primary School converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to the Lincoln Anglican Academy Trust Ltd from the 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 headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Donations - 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 SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	-	-
Budget surplus on LA funds	103	-	-	103
Budget surplus on other school funds	-	-	-	-
Pension scheme liability	-	(217)	-	(217)
Net assets/(liabilities)	103	(217)	-	(114)

On 1st of March 2018, the Coningsby St Michael's Church of England Primary School converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to the Lincoln Anglican Academy Trust Ltd from the 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 headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Donations - 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 SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	300	300
Budget surplus on LA funds	17	-	-	17
Budget surplus on other school funds	-	-	-	-
Pension scheme liability	-	(429)	-	(429)
Net assets/(liabilities)	17	(429)	300	(112)

Included in Restricted Fixed Asset Funds is the provisional valuation of land leased to the academy by the Local Authority under a 125 year lease.

Lincoln Anglican Academy Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

On 1st of April 2018, the Holy Trinity Church of England Primary School, Tattershall, converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to the Lincoln Anglican Academy Trust Ltd 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 headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Donations - 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 SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	100	100
Budget surplus on LA funds	95	-	-	95
Budget surplus on other school funds	25	-	-	25
Non-current liabilities	-	-	(4)	(4)
Pension scheme liability	-	(205)	-	(205)
Net assets/(liabilities)	120	(205)	96	11

Included in Restricted Fixed Asset Funds is the provisional valuation of land leased to the academy by the Local Authority under a 125 year lease.

The Trust also received £4,000 in respect of schools which converted during 2016/17.

30 Events after the end of the reporting period

East Ravendale Church of England Primary School joined the Lincoln Anglican Academy Trust on 1st of September 2018. This school has approximately 100 pupils and its assets and liabilities have been transferred to the Trust from Lincolnshire County Council. The donation of these assets and liabilities will be reflected in the Financial Statements for the year ended 31 August 2019.