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LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Neither the Academy Trust nor its governors are acting as custodian trustee on behalf of others

AUDITOR

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 1st December 2021 and signed on the board's behalf by:

D Du Pre
Trustee

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to maintain Guy van der Knaap as internal auditor
- management accounts will be reviewed by him
- monthly meeting with the school business manager
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The finance governor will report to the board of trustees 3 times a year, through the Sites and Finance Committee Meetings on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, Dave Rooney 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 Finance Governor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

Approved by order of the members of the board of trustees on
by:

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2021 and signed on its behalf
[Signature]

D Du Pre
Chair of Trustees

D Rooney
Accounting Officer

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LOWBROOK ACADEMY TRUST**

Opinion

We have audited the financial statements of Lowbrook Academy Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LOWBROOK ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LOWBROOK ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LOWBROOK ACADEMY TRUST (CONTINUED)**

Use of our report

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson (Statutory Auditor)
Maidenhead, United Kingdom

Date: 11/11/2021

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lowbrook Academy Trust during the year 1 September 2020 to 31 August 2021 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 Lowbrook Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lowbrook Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lowbrook Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Lowbrook Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson (Statutory Auditor)
Maidenhead, United Kingdom

Date: 11 December 2021

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and capital grants	3	11,061	-	137,785	148,846	8,162
Charitable activities	4	-	1,474,276	-	1,474,276	1,298,190
Other trading activities	5	93,005	-	-	93,005	217,190
Investments	6	33	-	-	33	-
Total income and endowments		104,099	1,474,276	137,785	1,716,160	1,523,542
Expenditure on:						
Raising funds		13,604	-	-	13,604	18,196
Charitable activities		2,661	1,454,868	85,052	1,542,581	1,559,296
Total expenditure	7	16,265	1,454,868	85,052	1,556,185	1,577,492
		87,834	19,408	52,733	159,975	(53,950)
Net income/ (expenditure)						
Transfers between funds	18	(14,421)	-	14,421	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(160,000)	-	(160,000)	(134,000)
Net movement in funds		73,413	(140,592)	67,154	(25)	(187,950)
Reconciliation of funds:						
Total funds brought forward		471,944	(739,000)	3,674,404	3,407,348	3,595,298
Net movement in funds		73,413	(140,592)	67,154	(25)	(187,950)
Total funds carried forward		545,357	(879,592)	3,741,558	3,407,323	3,407,348

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

The notes on pages 24 to 54 form part of these financial statements.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533254

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	14		3,611,486		3,674,404
Current assets					
Debtors	16	189,872		61,558	
Cash at bank and in hand		672,548		519,002	
		<u>862,420</u>		<u>580,560</u>	
Creditors: amounts falling due within one year	17	(88,583)		(108,616)	
Net current assets			773,837		471,944
Total assets less current liabilities					
			<u>4,385,323</u>		<u>4,146,348</u>
Defined benefit pension scheme liability	24	(978,000)		(739,000)	
Total net assets			<u>3,407,323</u>		<u>3,407,348</u>
Funds of the Academy Trust					
Restricted fixed asset fund	18		3,741,558		3,674,404
Restricted funds:					
Restricted income funds	18	98,408		-	
Pension reserve	18	(978,000)		(739,000)	
Total restricted funds	18		(879,592)		(739,000)
Unrestricted income funds	18		545,357		471,944
Total funds			<u>3,407,323</u>		<u>3,407,348</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 19 to 54 were approved by the Trustees, and authorised for issue on 1 D 1 and are signed on their behalf, by:

D Du Pre
Chair of Trustees

D Rooney
Accounting Officer

The notes on pages 24 to 54 form part of these financial statements.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533254

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,611,486	3,674,404
Investments	15	100	100
		<u>3,611,586</u>	<u>3,674,504</u>
Current assets			
Debtors	16	248,996	136,452
Cash at bank and in hand		611,324	442,008
		<u>860,320</u>	<u>578,460</u>
Creditors: amounts falling due within one year	17	(86,583)	(106,616)
		<u>773,737</u>	<u>471,844</u>
Net current assets		<u>773,737</u>	<u>471,844</u>
Total assets less current liabilities		<u>4,385,323</u>	<u>4,146,348</u>
Net assets excluding pension liability		<u>4,385,323</u>	<u>4,146,348</u>
Defined benefit pension scheme liability	24	(978,000)	(739,000)
Total net assets		<u><u>3,407,323</u></u>	<u><u>3,407,348</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	3,741,558	3,674,404
Restricted income funds	18	98,408	-
		<u>3,839,966</u>	<u>3,674,404</u>
Restricted funds excluding pension liability	18	3,839,966	3,674,404
Pension reserve	18	(978,000)	(739,000)
		<u>2,861,966</u>	<u>2,935,404</u>
Total restricted funds	18	<u>2,861,966</u>	<u>2,935,404</u>
Unrestricted income funds	18	<u>545,357</u>	<u>471,944</u>
Total funds		<u><u>3,407,323</u></u>	<u><u>3,407,348</u></u>

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07533254

ACADEMY TRUST BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 19 to 54 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

1 **D Du Pre** **D Rooney**

D Du Pre
Chair of Trustees

D Rooney
Accounting Officer

The notes on pages 24 to 54 form part of these financial statements.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	167,934	110,176
Cash flows from investing activities	21	(14,388)	(50,218)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		153,546	59,958
Cash and cash equivalents at the beginning of the year		519,002	459,044
Cash and cash equivalents at the end of the year	22, 23	672,548	519,002
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

Lowbrook Academy is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operations and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

The Financial Statements are prepared in British Pound Sterling (£), the functional and presentational currency, rounded to the nearest £1.

1.2 Basis for consolidation

The financial statements consolidate the accounts of Lowbrook Academy Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities incorporating income and expenditure account.

The statement of financial activities incorporating income and expenditure account for the year is dealt with in the accounts of the parent company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Fund accounting

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

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

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

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

1.4 Income

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

- **Grants**

Grants are included in the Consolidated 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 Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets

Assets costing more than £500 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 Consolidated 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 Consolidated 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 leasehold land, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% per annum on cost (on buildings only)
Fixtures and fittings	- 20 - 33% per annum on cost
Computer equipment	- 33% per annum on cost

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

1.8 Investments

The Academy's shareholding in the wholly owned subsidiary, Lowbrook Trading Company Limited, is included in the Balance Sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.9 Operating leases

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

1.10 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

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

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

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

1.14 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group 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 to spread the cost of pensions over employees' working lives with the Group 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 as stated in note 23. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	11,061	-	11,061
Capital grants	-	137,785	137,785
	<u>11,061</u>	<u>137,785</u>	<u>148,846</u>

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	461	-	461
Capital grants	-	7,701	7,701
	<u>461</u>	<u>7,701</u>	<u>8,162</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,233,750	1,233,750
Other DfE/ESFA grants		
Pupil premium	30,350	30,350
UIFSM	44,905	44,905
Teachers pension	44,923	44,923
Others	41,826	41,826
	<hr/> 1,395,754	<hr/> 1,395,754
Other Government grants		
SEN funding	4,392	4,392
	<hr/> 4,392	<hr/> 4,392
Other income from the Academy Trust's educational operations	20,442	20,442
COVID-19 additional funding (DfE/ESFA)		
Catch-up premium	26,160	26,160
Other DfE/ESFA COVID-19 funding	27,528	27,528
	<hr/> 53,688	<hr/> 53,688
	<hr/> 1,474,276	<hr/> 1,474,276

The academy received £26,160 of funding for catch-up premium and costs incurred in respect of this funding totalled £26,160.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	1,126,537	1,126,537
Other DfE/ESFA grants		
Pupil premium	31,060	31,060
UFSM	33,431	33,431
Teachers pension	51,680	51,680
Others	33,913	33,913
	<u>1,276,621</u>	<u>1,276,621</u>
Other Government grants		
SEN funding	4,378	4,378
	<u>4,378</u>	<u>4,378</u>
Other income from the Academy Trust's educational operations	17,191	17,191
	<u>1,298,190</u>	<u>1,298,190</u>

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading subsidiary operations	54,425	54,425
School clubs	13,876	13,876
Other income	24,704	24,704
	<u>93,005</u>	<u>93,005</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Trading subsidiary operations	60,585	60,585
School clubs	71,634	71,634
Consultancy	61,494	61,494
Other income	23,477	23,477
	<u>217,190</u>	<u>217,190</u>

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest received	<u>33</u>	<u>33</u>	<u>-</u>

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on raising voluntary income	9,475	-	4,129	13,604
Academy's educational operations:				
Direct costs	964,438	45,003	151,816	1,161,257
Allocated support costs	109,397	125,330	146,597	381,324
	<u>1,083,310</u>	<u>170,333</u>	<u>302,542</u>	<u>1,556,185</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure (continued)

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising voluntary income	10,049	-	8,147	18,196
Academy's educational operations:				
Direct costs	1,001,673	54,317	137,975	1,193,965
Support costs	128,524	96,530	140,277	365,331
	<u>1,140,246</u>	<u>150,847</u>	<u>286,399</u>	<u>1,577,492</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Academy trust's educational operations	<u>1,161,257</u>	<u>381,324</u>	<u>1,542,581</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Academy trust's educational operations	<u>1,193,965</u>	<u>365,331</u>	<u>1,559,296</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Teaching and educational support staff costs	964,438	1,001,673
Depreciation	85,052	86,196
School trip expenditure	26,441	21,269
Educational supplies	67,285	53,913
Educational consultancy	-	117
Other staff costs	4,164	6,540
Other direct costs	13,877	24,257
	<u>1,161,257</u>	<u>1,193,965</u>

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Pension finance cost	12,000	9,000
Staff costs	109,397	128,524
Maintenance of premises and equipment	35,505	27,121
Cleaning	35,274	27,811
Energy	35,602	24,561
Rates	11,488	9,078
Catering supplies	28,283	20,611
Legal and professional	11,675	14,252
Non staff related insurance	7,461	7,959
Technology costs	33,513	28,994
Other support costs	46,947	53,661
Bank charges	1,529	1,459
Governance costs	12,650	12,300
	<u>381,324</u>	<u>365,331</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of specific expenses

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Gifts made by the trust	120	-	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	3,649	3,112
Depreciation of tangible fixed assets - owned by the charitable group	85,052	86,196
Fees paid to auditors for:		
- audit	6,450	6,450
- other services	6,200	5,850
	100,351	101,608

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group	Group	Academy	Academy
	2021	2020	Trust	Trust
	£	£	2021	2020
			£	£
Wages and salaries	780,558	812,724	780,558	812,724
Social security costs	63,348	61,533	63,348	61,533
Pension costs	234,953	230,186	234,953	230,186
	1,078,859	1,104,443	1,078,859	1,104,443
Agency staff costs	4,451	35,803	4,451	35,803
	1,083,310	1,140,246	1,083,310	1,140,246

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

b. Staff numbers

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

	Group 2021 No.	Group 2020 No.
Teachers	14	14
Administration and support	16	23
Management	1	1
	<u>31</u>	<u>38</u>

c. Higher paid staff

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

	Group 2021 No.	Group 2020 No.
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £456,496 (2020 - £502,184).

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Related Party Transactions - Trustees' remuneration and expenses

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

		2021	2020
		£	£
Dave Rooney, Principal	Remuneration	90,000 - 95,000	110,000 - 115,000
	Pension contributions paid	15,000 - 20,000	25,000 - 30,000
Mary Gallop, Staff Trustee	Remuneration	0 - 5,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
Bianca Iasi, Staff Governor	Remuneration	5,000 - 10,000	50,000 - 55,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

13. Trustees' and officers' insurance

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was included in the total insurance premium.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets

Group and Academy Trust

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	3,908,198	350,994	221,320	4,480,512
Additions	8,860	2,868	10,406	22,134
At 31 August 2021	<u>3,917,058</u>	<u>353,862</u>	<u>231,726</u>	<u>4,502,646</u>
Depreciation				
At 1 September 2020	327,050	277,480	201,578	806,108
Charge for the year	44,167	27,287	13,598	85,052
At 31 August 2021	<u>371,217</u>	<u>304,767</u>	<u>215,176</u>	<u>891,160</u>
Net book value				
At 31 August 2021	<u><u>3,545,841</u></u>	<u><u>49,095</u></u>	<u><u>16,550</u></u>	<u><u>3,611,486</u></u>
At 31 August 2020	<u><u>3,581,148</u></u>	<u><u>73,514</u></u>	<u><u>19,742</u></u>	<u><u>3,674,404</u></u>

Included within long leasehold property is land at value of £1,711,984 (2020: £1,711,984) which is not depreciated.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Fixed asset investments

Academy Trust

Academy Trust	Shares in group undertaking £
Cost or valuation	
At 1 September 2020	100
At 31 August 2021	100
Net book value	
At 31 August 2021	100
At 31 August 2020	100

Investments at cost comprise the wholly owned subsidiary, Lowbrook Trading Company Limited. All the fixed asset investments are held in the UK.

16. Debtors

	Group 2021 £	Group 2020 £	Academy Trust 2021 £	Academy Trust 2020 £
Due within one year				
Trade debtors	13,625	418	-	277
Amounts owed by group undertakings	-	-	82,261	84,547
Other debtors	9,512	9,512	-	-
Prepayments and accrued income	152,571	36,328	152,571	36,328
Tax recoverable	14,164	15,300	14,164	15,300
	189,872	61,558	248,996	136,452

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Academy Trust 2021 £	Academy Trust 2020 £
Trade creditors	28,352	59,312	28,352	59,312
Other creditors	15,906	12,193	15,906	12,193
Accruals and deferred income	44,325	37,111	42,325	35,111
	88,583	108,616	86,583	106,616
	Group 2021 £	Group 2020 £	Academy Trust 2021 £	Academy Trust 2020 £
Deferred income at 1 September 2020	19,841	25,747	19,841	25,747
Resources deferred during the year	26,195	19,841	26,195	19,841
Amounts released from previous periods	(19,841)	(25,747)	(19,841)	(25,747)
	26,195	19,841	26,195	19,841

At the Balance Sheet date, the Academy Trust was holding funds received in advance for universal infant free school meals provision for September 2021 onwards.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds - Group

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	471,944	49,674	(13,573)	37,312	-	545,357
Lowbrook trading company	-	54,425	(2,692)	(51,733)	-	-
	<u>471,944</u>	<u>104,099</u>	<u>(16,265)</u>	<u>(14,421)</u>	<u>-</u>	<u>545,357</u>
Restricted fixed asset funds						
Fixed asset fund	3,674,404	-	(85,052)	22,134	-	3,611,486
Devolved formula capital	-	7,713	-	(7,713)	-	-
CIF grant	-	130,072	-	-	-	130,072
	<u>3,674,404</u>	<u>137,785</u>	<u>(85,052)</u>	<u>14,421</u>	<u>-</u>	<u>3,741,558</u>
Restricted general funds						
General annual grant	-	1,233,750	(1,135,342)	-	-	98,408
Other DfE/ESFA	-	162,004	(162,004)	-	-	-
Catch-up premium	-	26,160	(26,160)	-	-	-
Other DfE/ESFA COVID-19	-	27,528	(27,528)	-	-	-
LA income	-	4,392	(4,392)	-	-	-
Other restricted income	-	20,442	(20,442)	-	-	-
Pension reserve	(739,000)	-	(79,000)	-	(160,000)	(978,000)
	<u>(739,000)</u>	<u>1,474,276</u>	<u>(1,454,868)</u>	<u>-</u>	<u>(160,000)</u>	<u>(879,592)</u>
Total funds	<u><u>3,407,348</u></u>	<u><u>1,716,160</u></u>	<u><u>(1,556,185)</u></u>	<u><u>-</u></u>	<u><u>(160,000)</u></u>	<u><u>3,407,323</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/ESFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The restricted fixed assets fund has been set up to recognise the tangible assets transferred to the Academy on conversion and purchased by the Academy following conversion.

Transfers reflect amounts capitalised or spent to fund revenue expenditure during the period.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	400,903	157,066	(35,762)	(50,263)	-	471,944
Lowbrook trading company	-	60,585	(3,846)	(56,739)	-	-
	<u>400,903</u>	<u>217,651</u>	<u>(39,608)</u>	<u>(107,002)</u>	<u>-</u>	<u>471,944</u>
Restricted fixed asset funds						
Fixed asset fund	3,702,681	-	(86,196)	57,919	-	3,674,404
Devolved formula capital	-	7,701	-	(7,701)	-	-
	<u>3,702,681</u>	<u>7,701</u>	<u>(86,196)</u>	<u>50,218</u>	<u>-</u>	<u>3,674,404</u>
Restricted general funds						
General annual grant	26,714	1,126,537	(1,210,035)	56,784	-	-
Other DfE/ESFA	-	150,084	(150,084)	-	-	-
Other income	-	17,191	(17,191)	-	-	-
LA grants	-	4,378	(4,378)	-	-	-
Pension reserve	(535,000)	-	(70,000)	-	(134,000)	(739,000)
	<u>(508,286)</u>	<u>1,298,190</u>	<u>(1,451,688)</u>	<u>56,784</u>	<u>(134,000)</u>	<u>(739,000)</u>
Total funds	<u><u>3,595,298</u></u>	<u><u>1,523,542</u></u>	<u><u>(1,577,492)</u></u>	<u><u>-</u></u>	<u><u>(134,000)</u></u>	<u><u>3,407,348</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Analysis of net assets between funds

Analysis of net assets between funds - current year - Group

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restrictd fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,611,486	3,611,486
Current assets	545,357	186,991	130,072	862,420
Creditors due within one year	-	(88,583)	-	(88,583)
Provisions for liabilities and charges	-	(978,000)	-	(978,000)
Total	545,357	(879,592)	3,741,558	3,407,323

Analysis of net assets between funds - prior year - Group

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,674,404	3,674,404
Current assets	471,944	108,616	-	580,560
Creditors due within one year	-	(108,616)	-	(108,616)
Provisions for liabilities and charges	-	(739,000)	-	(739,000)
Total	471,944	(739,000)	3,674,404	3,407,348

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	159,975	(53,950)
Adjustments for:		
Depreciation	85,052	86,196
Capital grants from DfE and other capital income	(137,785)	(7,701)
Interest receivable	(33)	-
Decrease in debtors	1,758	7,195
(Decrease)/increase in creditors	(20,033)	8,436
Pension adjustment	79,000	70,000
Net cash provided by operating activities	167,934	110,176

21. Cash flows from investing activities

	Group	Group
	2021	2020
	£	£
Dividends, interest and rents from investments	33	-
Purchase of tangible fixed assets	(22,134)	(57,919)
Capital grants from DfE Group	7,713	7,701
Net cash used in investing activities	(14,388)	(50,218)

22. Analysis of cash and cash equivalents

	Group	Group
	2021	2020
	£	£
Cash in hand and at bank	672,548	519,002

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23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 August 2021 £
Cash at bank and in hand	519,002	137,607	15,939	672,548
	<u>519,002</u>	<u>137,607</u>	<u>15,939</u>	<u>672,548</u>

24. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £120,870 (2020 - £125,131).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £52,000 (2020 - £58,000), of which employer's contributions totalled £40,000 (2020 - £45,000) and employees' contributions totalled £ 12,000 (2020 - £13,000). The agreed contribution rates for future years are 21.6 for employers and 12.5% for employees.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85%	3.20%
Rate of increase for pensions in payment/inflation	2.85%	2.20%
Discount rate for scheme liabilities	1.70%	1.65%
Inflation assumption (CPI)	2.85%	2.20%
RPI increases	3.15%	3.00%

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

	2021	2020
	Years	Years
Retiring today		
Males	21.3	21.5
Females	24.0	24.1
Retiring in 20 years		
Males	22.6	22.9
Females	25.4	25.5

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	1,369	1,052
Discount rate -0.1%	1,461	1,123
Mortality assumption - 1 year increase	1,469	1,125
Mortality assumption - 1 year decrease	1,361	1,050
CPI rate +0.1%	1,459	1,122
CPI rate -0.1%	1,371	1,053

Share of scheme assets

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24. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	2021 £	2020 £
Equities	267,000	204,000
Bonds	78,000	46,000
Property	51,000	49,000
Cash and other liquid assets	9,000	33,000
Alternative assets	31,000	16,000
Total market value of assets	436,000	348,000

The actual return on scheme assets was £44,000 (2020 - £17,000).

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

	2021 £	2020 £
Current service cost	(107,000)	(106,000)
Interest cost	(12,000)	(9,000)
Total	(119,000)	(115,000)

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

	2021 £	2020 £
Opening defined benefit obligation	1,087,000	903,000
Current service cost	107,000	106,000
Interest cost	18,000	17,000
Employee contributions	12,000	13,000
Actuarial losses	198,000	50,000
Benefits paid	(8,000)	(2,000)
Closing defined benefit obligation	1,414,000	1,087,000

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24. Pension commitments (continued)

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

	2021	2020
	£	£
Opening fair value of scheme assets	348,000	368,000
Interest on plan assets	6,000	8,000
Actuarial losses	38,000	(84,000)
Employee contributions	12,000	13,000
Benefits paid	(8,000)	(2,000)
Employer contributions	40,000	45,000
Closing fair value of scheme assets	436,000	348,000

	2021	2020
	£	£
The amount shown in the Consolidated Statement of Financial Activities is:		
Changes in financial assumptions	(198,000)	(50,000)
Return on plan assets	38,000	(84,000)
Actuarial gains/(losses) on defined benefit pension scheme	(160,000)	(134,000)

	2021	2020
	£	£
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(1,414,000)	(1,087,000)
Fair value of scheme assets	436,000	348,000
Defined benefit pension scheme liability	(978,000)	(739,000)

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NOTES TO THE FINANCIAL STATEMENTS
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25. Operating lease commitments

At 31 August 2021 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Academy Trust 2021 £	Academy Trust 2020 £
Not later than 1 year	2,548	1,738	2,548	1,738
Later than 1 year and not later than 5 years	3,185	-	3,185	-
	5,733	1,738	5,733	1,738

26. Related party transactions

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

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27. Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

Name	Company number	Principal activity	Holding	Included in consolidation
Lowbrook Trading Company Limited	07773819	Premises letting and fundraising	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £
Lowbrook Trading Company Limited	54,425	(2,692)	51,733
Net assets after Gift Aid £			
100			

The profit for the year was donated by Gift Aid to the Academy Trust.

28. Members' liability

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