

LOWBROOK ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Dominique Du Pre
Christine Rogers
Paul Harrison

Trustees / Governors

Dominique Du Pre	Chair and Member
Paul Harrison	Member
Dave Rooney	Principal and Accounting Officer
Mary Gallop	Staff Trustee
James Spiteri	Trustee
Guy van der Knaap	Trustee
Bianca Iasi	Staff Trustee
Christine Sherwood-Phelps	Trustee
Heather Miller	Trustee (appointed 19 October 2018)

Company Secretary

Kate Bailey

Senior Management Team

Dave Rooney	Principal
Bianca Iasi	Head of School/KS1 Leader
Laura Denham	KS2 Leader
Frances Garland	SEN
Paula West/Kay Redjeb	HLTA Representative
Pauline Reid	Business Manager
Kate Bailey	Clerk

Company Name

Lowbrook Academy Trust

Principal and Registered Office

Lowbrook Academy Trust, The Fairway, Cox Green, Maidenhead, Berkshire SL6 3AR

Company Registered Number

07533254 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Bankers

Natwest Bank Plc, 66 High Street, Maidenhead, Berkshire SL6 1QA

Solicitors

Brethertons LLP, The Robbins Building, 25 Albert Street, Rugby, Warwickshire CV21 2SD

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Maidenhead. It has a pupil capacity of 300 and had a roll of 331 in the school census on 5th October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Lowbrook Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lowbrook Trading Company Limited.

Details of the trustees who served throughout 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 £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £750.

Method of Recruitment and Appointment or Election of Trustees

The members may appoint up to 3 Trustees. The Members may appoint Staff Trustees through such process as they may determine, Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected. The community Trustee may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee, lives and or works in the community.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are not normally many new governors a year, induction tends to be done informally and is tailored specifically to the individual.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The organisational structure consists of two levels: the Governing Body and the Senior Leadership Team (SLT). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team includes the Principal, Head of School, Business Manager, Office Manager/Clerk and HLTA representative. This team is responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The Senior Leadership team have their remuneration determined by recommendations given by the Principal to the Pay Committee based on their performance management. The guideline for these awards are listed in the Academy's Pay Policy, which is reflective of National and Local Authority pay tables.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
None	None

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	None
1%-50%	None
51%-99%	None
100%	None

Percentage of pay bill spent on facility time

Provide the total cost of facility time	Nil
Provide the total pay bill	Nil
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	Nil

Paid trade union activities

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as:	Nil
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(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Related Parties and other Connected Charities and Organisations

Whilst there is no legal agreement between ourselves and Holt Trinity C of E Primary School we have forged a close connection during the period that Mr Rooney has been Executive Principal over both schools. Standards at Holy Trinity have dramatically risen by the efforts of all staff. This resulted in an OFSTED rating of 'Outstanding' at the October section 5 inspection. Moving from 'Requires Improvement' to 'Outstanding' is not only an amazing and rapid transformation but it would not have been possible without the huge amount of support from all at Lowbrook Academy. The successful partnership with Lowbrook was also highlighted in Holy Trinity's recent SIAMs inspection report that also graded the school to be 'Outstanding' in all areas. This is an excellent example of the Academy model working very well to support another school. We are currently embarking on our joint leadership model across both schools and are in the process of organising a joint session with both sets of Governors and key staff that share this responsibility.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Lowbrook Academy to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum for pupils of different abilities between the ages of 4 and 11.

Objectives, Strategies and Activities

- To develop and plan with appropriate funding to expand the school to a 60PAN
- To raise attainment and improve pupil achievements for in year transfer children
- To improve higher level reading standards across the school;
- To ensure that 75% of teaching is Outstanding;
- To further develop the innovative curriculum, resources and grounds within the Academy;
- To obtain best value in purchasing of resources and services;
- To ensure that financial resources are maximised so that educational resources are available to raise standards of pupil achievement;
- To maintain 3 year budget planning with the aims of incorporating all priorities identified within the school's development plan;
- To budget for a rolling programme of improvement to the internal and external decoration of the school without detriment to the wider aims of raising pupils' attainments.

Public Benefit

The Governors of the Academy Trust 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. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include all statutory obligations outlined within the school's funding agreement.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and Performance

Lowbrook Academy had a successful year in 2017/18: Some of the main highlights were:

- We were the highest performing school for Key Stage 2 results in the local borough yet again. 97% of children attained the expected standard in all areas as compared to 64% nationally.
- Key Stage 1 children continue to achieve well above national average in Reading 92% of children achieved the expected standard compared to 75% nationally. Writing 93% achieved the expected standard compared to 70% nationally. Maths 97% of the children achieved the expected to 76% nationally. Lowbrook children at greater depth were Reading: 42%, Writing: 53%, Maths: 53%, National Average was Reading: 25%, Writing: 16%, Maths: 21%
- 100% of children passed the Year 1 Phonic Screening Test compared to 82% nationally.
- 83% of the 30 children in Early Years Foundation Stage have achieved GLD (Good Level of Development), compared to 72% nationally.
- The Lowbrook Mile has been incentivised this year with personal booklets to reward the most improved. Lowbrook children completed over 1000 miles in term 3 alone.
- Lowbrook competed in competition in many sports including Rugby, Football, Netball, Golf and Cricket
- Sports week was another success with 100% of the pupils participating in more than 30 different activities
- Attendance at school was very high at 98% attendance

Key Performance Indicators

The Academy has achieved a Good rating from the Dfe for the FMGE (Financial Management and Governance Evaluation)

The staffing costs as a percentage of the GAG for the financial year 2017-18 were 82% due to some unforeseen additional costs. However, moving forwards we anticipate that staffing costs will revert back to 79% of the GAG for the next financial year.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The academy met all its academic targets whilst being fully staffed and within budget. Resource management is successfully managed within the budget and the learning environment within the academy is outstanding.

Income for the year ended 31 August 2018 was £1,604,233 and expenditure after depreciation of £92,834 and FRS 102 pension adjustments of £72,000 was £1,635,672. The surplus for the year before depreciation and pension adjustments was £34,206.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Reserves Policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors wish to maintain unrestricted funds at year end towards future projects.

Compare the amount of reserves held with the academy's reserves policy and explain, where relevant, the steps being taken to bring the level of reserves into line with the level identified by the trustees as being appropriate.

In reviewing reserves the academy must state the amount of total funds at 31 August 2018 and identify the amount of any restricted funds not available for general purposes of the academy trust at 31 August 2018.

The trust must also review the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018. In the statements that follow this would be a net surplus of £316,999.

At 31 August 2018 the total funds comprised:

Unrestricted		290,760
Restricted:	Fixed asset funds	3,751,671
	Pension reserve	(404,000)
	Other	26,239
		<hr/>
		£3,703,670
		<hr/>

Investment Policy

The Academy's Financial Procedures states that steps should be taken to invest surplus funds, but due to the ongoing development during the year the surplus funds were kept in a bank saving account enabling the Academy to access them at short notice without incurring any penalties.

If significant balances can be foreseen, the academy's Financial Procedures policy states that steps should be taken to invest the surplus funds in the academy's bank savings account.

Principal Risks and Uncertainties

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

FUNDRAISING

Lowbrook Academy Trust has a Parent Association (LPA) which organises parent/children events throughout the year. These events are only for Lowbrook parents and children and do not extend to out in the community. These mainly consist of School discos, quiz night, second-hand uniform sales etc. The funds raised by the LPA are then spent on various school projects.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS

Lowbrook Academy aims to maintain its high standards both in the classroom and outside. We will attempt to raise attainment and achievement in Writing at the great depth standard. There will be an added focus on In-Year Transfer children and disadvantaged children to improve pupil achievement.

We have found that the results of the monitoring such as the Learning Walks and the Lesson Observations have helped us to improve and these will be continued and focussed on.

The Interactive Learning Environment Room (ILE) is now being using by both staff and pupils, which has given the school another space for additional activities I e music, arts, and creative learning.

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.

This Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2018 and signed on the board's behalf by:

.....
D Du Pre
Trustee

LOWBROOK ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Lowbrook 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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lowbrook Academy Trust and the Secretary of State for Education. He is 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 3 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
Dominique Du Pre	Chair	6	6
Paul Harrison	Vice Chair	8	9
Dave Rooney	(Principal/Accounting Officer)	12	12
Mary Gallop	(Staff trustee)	3	6
Bianca Iasi	(Staff trustee)	9	9
Christine Sherwood-Phelps	(Community trustee)	8	9
James Spiteri	(Parent trustee)	3	6
Guy van der Knaap	(Parent trustee)	9	9
Heather Miller	(Community trustee)	6	6

- Heather Miller (X Trustee) was added to the board of trustees
- The board is entrusted with the task of adopting policies that set clear expectations and standards for pupil's achievements and promote student wellbeing. This includes, allocating resources, planning and goal setting, establishing a vision for the school and recruiting and reviewing the performance of the chief executive.
- At Lowbrook Academy there is a multitude of information that the board can use to assist it in helping guide the school in the right direction. This includes academic results, surveys of pupils, parents and staff. Funding decisions for pupil premium and sports premium

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE (continued)

The Finance, Sites and Buildings Committee is a sub-committee of the main board of trustees. Its purpose is to:

- In consultation with the Principal, to draft the first formal budget plan of the financial year
- To establish and maintain an up to date 3 year financial plan
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Financial Regulations of the new Academies Handbook
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To annually review charges and remissions policies and expenses policies.
- To make decisions in respect of service agreements
- To make decisions on expenditure following recommendations from other committees
- To prepare financial statements for inclusion in the governing body report to parents
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Principal
- In the light of the Principal's Performance Management Group's recommendations, to determine whether sufficient funds are available for increments
- To monitor the progress and development of the school development plan and report back to the governing body
- To monitor the school self-evaluation cycle and to report findings back to the governing body
- To monitor the progress of development and review of policies
- Collect evidence from monitoring visits by governors
- To monitor the progress, development and review of policies
- To ensure that Auditors are in place
- To monitor and review Single Central Record
- Monitor the use of Pupil Premium and Sports Premium

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a Possible
C Sherwood-Phelps	3	3
P Harrison	2	3
D Rooney	3	3
G van der Knaap	3	3
B Iasi	3	3

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF VALUE FOR MONEY

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

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

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives set out in our School Development Plans (SDP). Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in our achievements and services.

The Academy strives to obtain best value for money from all purchases. A large proportion of purchases will be paid for by public funds, therefore the Academy needs to maintain the integrity of these funds.

The allocation of funding each year is decided by the Governing Body in close consultation with the Principal. If during the year, it becomes necessary to increase or decrease the allocation, then the matter must first be discussed with the Governors, who will either make a decision or, if the matter falls outside their delegated authority, make a recommendation to the full Governing Body. Virements will only be made in accordance with the Academy's Virements Policy.

We use the principles of Best Value as they apply to securing continuous improvement in the school and will:-

- Regularly review the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement.
- Monitor outcomes and compare performance with similar schools and within the school.
- Consult appropriate stakeholders before major decisions are made.
- Promote fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

The Governors and Senior Leadership Team apply these principles of best value when making decisions about:

- Staffing - Teaching - Learning - Use of Premise - Use of Resources - Purchasing
- Income Generated - Student Welfare - Health & Safety.
- Monitoring of Best Value

The monitoring of these areas for Best Value, take place in several ways:-

- In-house by the Senior Leadership Team and by other senior members of staff through classroom practice and work sampling.
- Target setting meetings between members of the Leadership Team and other senior members of staff
- Annual Review Meetings.
- Annual Budget Planning process and the preparation of Annual Accounts.
- School Development Plan
- Analysis of school pupil performance data, including exam result, and Raise online data
- Ofsted Inspection Reports
- Classroom observation
- Full Governing Body Meetings
- Information to parents via school website and weekly newsletters

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lowbrook Academy Trust for the period 1st September 2017 to 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2017 to 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 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

On a quarterly basis, the finance governor will report to the board of trustees, 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.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 7 December 2018 and signed on its behalf by:

.....
D Du Pre
Chair of Trustees

.....
D Rooney
Accounting Officer

**LOWBROOK ACADEMY TRUST
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As accounting officer of Lowbrook Academy Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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 EFA.

.....
Dave Rooney
Accounting officer

7 December 2018

LOWBROOK ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Lowbrook Academy Trust and are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the consolidated financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare consolidated financial statements for each financial year. Under company law the Trustees must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these consolidated 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 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 consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group 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 and the Group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 7 December 2018 and signed on its behalf by:

.....
D Du Pre
Chair of Trustees

LOWBROOK ACADEMY TRUST
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**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') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated and Academy Trust Balance Sheets, 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 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of 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.

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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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

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.

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

USE OF OUR REPORT

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24 - 28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2018

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & 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 Lowbrook Academy Trust during the year 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 Lowbrook 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 Lowbrook Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lowbrook Academy Trust and the 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 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

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

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;
- evaluating the internal control procedures and reporting lines; and
- making appropriate enquires of the Accounting Officer.

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 year 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.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24 - 28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 19 December 2018

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	3	13,176	-	42,586	55,762	410,630
Charitable activities	5	-	1,316,974	-	1,316,974	1,252,594
Other trading activities	4	231,497	-	-	231,497	242,113
TOTAL INCOME		244,673	1,316,974	42,586	1,604,233	1,905,337
EXPENDITURE ON:						
Raising funds		33,976	-	-	33,976	27,946
Charitable activities	8	87,391	1,421,471	92,834	1,601,696	1,544,780
TOTAL EXPENDITURE	6	121,367	1,421,471	92,834	1,635,672	1,572,726
NET BEFORE TRANSFERS		123,306	(104,497)	(50,248)	(31,439)	332,611
Transfers between Funds	18	(17,100)	32,497	(15,397)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		106,206	(72,000)	(65,645)	(31,439)	332,611
Actuarial gains on defined benefit pension schemes	22	-	111,000	-	111,000	21,000
NET MOVEMENT IN FUNDS		106,206	39,000	(65,645)	79,561	353,611
RECONCILIATION OF FUNDS:						
Total funds brought forward	18	184,554	(377,761)	3,817,316	3,624,109	3,270,498
TOTAL FUNDS CARRIED FORWARD		290,760	(338,761)	3,751,671	3,703,670	3,624,109

The notes on pages 25 to 50 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		3,751,671		3,817,316
CURRENT ASSETS					
Debtors	16	59,128		129,716	
Cash at bank and in hand	21	387,708		337,085	
			446,836	466,801	
CREDITORS: amounts falling due within one year	17	(129,837)		(256,008)	
NET CURRENT ASSETS			316,999		210,793
TOTAL ASSETS LESS CURRENT LIABILITIES			4,068,670		4,028,109
Defined benefit pension scheme liability	22		(365,000)		(404,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			3,703,670		3,624,109
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	26,239		26,239	
Restricted fixed asset funds	18	3,751,671		3,817,316	
Restricted income funds excluding pension liability		3,777,910		3,843,555	
Pension reserve	18	(365,000)		(404,000)	
Total restricted income funds			3,412,910		3,439,555
Unrestricted income funds	18		290,760		184,554
TOTAL FUNDS			3,703,670		3,624,109

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue, on 7 December 2018 and are signed on their behalf, by:

.....
D Du Pre
Chair of Trustees

.....
D Rooney
Accounting officer

The notes on pages 25 to 50 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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		3,751,671		3,817,316
Investments	15		100		100
			<u>3,751,771</u>		<u>3,817,416</u>
CURRENT ASSETS					
Debtors	16	126,377		184,188	
Cash at bank and in hand		313,828		279,873	
		<u>440,205</u>		<u>464,061</u>	
CREDITORS: amounts falling due within one year	17	(123,306)		(253,368)	
			<u>316,899</u>		<u>210,693</u>
NET CURRENT ASSETS					
			<u>316,899</u>		<u>210,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>4,068,670</u>		<u>4,028,109</u>
Defined benefit pension scheme liability	22		(365,000)		(404,000)
			<u>3,703,670</u>		<u>3,624,109</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES					
			<u>3,703,670</u>		<u>3,624,109</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	26,239		26,239	
Restricted fixed asset funds	18	3,751,671		3,817,316	
			<u>3,777,910</u>	<u>3,843,555</u>	
Restricted funds excluding pension asset					
Pension reserve	18	(365,000)		(404,000)	
			<u>3,412,910</u>	<u>3,439,555</u>	
Total restricted funds					
Unrestricted funds	18		290,760		184,554
			<u>3,703,670</u>		<u>3,624,109</u>
TOTAL FUNDS					
			<u>3,703,670</u>		<u>3,624,109</u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2018 and are signed on their behalf, by:

.....
D Du Pre
Chair of Trustees

.....
D Rooney
Accounting officer

The notes on pages 25 to 50 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	35,226	108,627
Cash flows from investing activities:			
Purchase of tangible fixed assets		(27,189)	(444,070)
Capital grants from DfE Group		7,735	7,353
Capital funding received from local authority		34,851	393,953
Net cash provided by/(used in) investing activities		15,397	(42,764)
Change in cash and cash equivalents in the year		50,623	65,863
Cash and cash equivalents brought forward		337,085	271,222
Cash and cash equivalents carried forward	21	387,708	337,085

The notes on pages 25 to 50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and 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.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Basis of 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 dealt with in the accounts of the Academy Trust was a surplus of £132,310 (2017 - £272,976).

1.3 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 incorporating Income and Expenditure Accou 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 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.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided 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:

Long leasehold property	-	2% per annum on cost (on buildings only)
Furniture and equipment	-	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 Statement of Financial Activities incorporating Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. 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 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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 2018

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

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.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2018.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	13,176	-	-	13,176	9,324
Devolved formula capital	-	-	7,735	7,735	7,353
Capital grants from local authority	-	-	34,851	34,851	393,953
	<u>13,176</u>	<u>-</u>	<u>42,586</u>	<u>55,762</u>	<u>410,630</u>
<i>Total 2017</i>	<u>3,182</u>	<u>6,142</u>	<u>401,306</u>	<u>410,630</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	646	-	646	1,648
Trading subsidiary operations	74,537	-	74,537	71,340
School clubs	91,940	-	91,940	93,643
Placement students	-	-	-	148
Consultancy	61,136	-	61,136	65,428
Other income	3,238	-	3,238	9,906
	<u>231,497</u>	<u>-</u>	<u>231,497</u>	<u>242,113</u>
<i>Total 2017</i>	<u>242,113</u>	<u>-</u>	<u>242,113</u>	

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,142,180	1,142,180	1,059,661
Pupil Premium	-	22,622	22,622	19,164
Other DfE/ESFA grants	-	77,144	77,144	77,419
	-	1,241,946	1,241,946	1,156,244
Other government grants				
Local Authority grants	-	37,295	37,295	66,418
	-	37,295	37,295	66,418
Other funding				
School Trips	-	37,733	37,733	29,932
	-	37,733	37,733	29,932
	-	1,316,974	1,316,974	1,252,594
<i>Total 2017</i>	-	1,252,594	1,252,594	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	10,124	-	23,852	33,976	27,946
Academy's educational operations:					
Direct costs	946,436	54,873	189,979	1,191,288	1,160,310
Support costs	155,855	97,690	156,863	410,408	384,470
	1,112,415	152,563	370,694	1,635,672	1,572,726
<i>Total 2017</i>	1,044,303	157,572	370,851	1,572,726	

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Gifts made by the trust	261	-	

8. CHARITABLE ACTIVITIES

	Total	Total
	funds	funds
	2018	2017
	£	£
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	946,436	912,653
Depreciation	92,834	103,764
Other staff costs	12,195	12,187
Educational supplies	76,405	69,929
School trip expenditure	36,902	32,871
Educational consultancy	63	433
Other direct costs	26,453	28,473
	<u>1,191,288</u>	<u>1,160,310</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	155,855	121,789
Pension finance cost	9,000	8,000
Maintenance of premises and equipment	35,680	34,577
Cleaning	21,208	18,514
Energy	18,858	32,456
Rates	9,228	11,645
Catering supplies	50,728	67,287
Legal and professional	13,623	12,111
Non staff related insurance	10,269	9,783
Technology costs	32,292	16,513
Other support costs	37,124	37,884
Bank charges	2,588	2,336
Governance costs	13,955	11,575
	<u>410,408</u>	<u>384,470</u>
	<u><u>1,601,696</u></u>	<u><u>1,544,780</u></u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	92,834	<i>103,764</i>
Auditors' remuneration - audit	8,050	<i>6,200</i>
Auditors' remuneration - other services	5,905	<i>5,375</i>
Operating lease rentals	3,851	<i>2,511</i>
	=====	=====

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	828,053	784,987
Social security costs	74,648	70,770
Operating costs of defined benefit pension schemes	197,388	156,793
	<hr/> 1,100,089	<hr/> 1,012,550
Agency staff costs	12,326	31,753
	<hr/> 1,112,415 <hr/>	<hr/> 1,044,303 <hr/>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	14	14
Administration and support	28	24
Management	1	1
	<hr/> 43 <hr/>	<hr/> 39 <hr/>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this staff member amounted to £15,293 (2017: £16,758).

d. Key management personnel

The key management personnel of the Academy Trust comprises the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £427,023 (2017: £424,746).

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	<i>2017</i>
		£	£
David Rooney (Principal)	Remuneration	90,000-95,000	<i>100,000-105,000</i>
	Pension contributions paid	15,000-20,000	<i>15,000-20,000</i>
Mary Gallop (Staff Governor)	Remuneration	40,000-45,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Bianca Iasi (Staff Governor)	Remuneration	45,000-50,000	
	Pension contributions paid	5,000-10,000	

During the year, 1 Trustee (2017: 1 Trustee) received reimbursement of expenses relating to a training course amounting to £40 (2017 - £418).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy 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 2018 was £495 (2017 - £483).

13. PENSION FINANCE COST

	2018	<i>2017</i>
	£	£
Interest on pension scheme liabilities	(9,000)	<i>(8,000)</i>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS

Group and Academy trust	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2017	3,884,197	277,573	189,831	4,351,601
Additions	-	27,189	-	27,189
At 31 August 2018	<u>3,884,197</u>	<u>304,762</u>	<u>189,831</u>	<u>4,378,790</u>
Depreciation				
At 1 September 2017	194,778	187,657	151,850	534,285
Charge for the year	44,178	25,572	23,084	92,834
At 31 August 2018	<u>238,956</u>	<u>213,229</u>	<u>174,934</u>	<u>627,119</u>
Net book value				
At 31 August 2018	<u>3,645,241</u>	<u>91,533</u>	<u>14,897</u>	<u>3,751,671</u>
At 31 August 2017	<u>3,689,419</u>	<u>89,916</u>	<u>37,981</u>	<u>3,817,316</u>

Included within long leasehold property is land at value of £1,711,984 (2017: £1,711,984) which is not depreciated.

15. FIXED ASSET INVESTMENTS

Academy trust	Shares in group undertakings £	
Cost		
At 1 September 2017 and 31 August 2018		<u>100</u>
Academy trust investments at cost comprise:		
	2018	2017
	£	£
Lowbrook Trading Company Limited	<u>100</u>	<u>100</u>

All the fixed asset investments are held in the UK.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. DEBTORS

	Group		Academy trust	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	21,751	10,061	21,158	9,205
Amounts owed by group undertakings	-	-	77,203	64,586
Other debtors	183	175	-	-
Prepayments and accrued income	25,977	66,312	16,799	57,229
VAT recoverable	11,217	53,168	11,217	53,168
	59,128	129,716	126,377	184,188

17. CREDITORS: Amounts falling due within one year

	Group		Academy trust	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	50,237	170,402	45,706	169,762
Taxation and social security	23,357	17,566	23,357	17,566
Accruals and deferred income	56,243	68,040	54,243	66,040
	129,837	256,008	123,306	253,368

	Group		Academy trust	
	2018	2017	2018	2017
	£	£	£	£
Deferred income				
Deferred income at 1 September 2017	39,130	39,013	39,130	39,013
Resources deferred during the year	32,758	39,130	32,758	39,130
Amounts released from previous years	(39,130)	(39,013)	(39,130)	(39,013)
Deferred income at 31 August 2018	32,758	39,130	32,758	39,130

At the Balance Sheet date, the Academy Trust was holding funds received in advance for universal infant free school meals provision for September 2018 onwards.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS - GROUP

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	184,554	170,136	(105,075)	41,145	-	290,760
Lowbrook trading company	-	74,537	(16,292)	(58,245)	-	-
	<u>184,554</u>	<u>244,673</u>	<u>(121,367)</u>	<u>(17,100)</u>	<u>-</u>	<u>290,760</u>
Restricted funds						
General annual grant	-	1,142,180	(1,174,677)	32,497	-	-
Predecessor school	26,239	-	-	-	-	26,239
Other DfE/ESFA Income	-	99,766	(99,766)	-	-	-
Other restricted income	-	37,733	(37,733)	-	-	-
LA income	-	37,295	(37,295)	-	-	-
Pension reserve	(404,000)	-	(72,000)	-	111,000	(365,000)
	<u>(377,761)</u>	<u>1,316,974</u>	<u>(1,421,471)</u>	<u>32,497</u>	<u>111,000</u>	<u>(338,761)</u>
Restricted fixed asset funds						
Fixed asset fund	3,817,316	-	(92,834)	27,189	-	3,751,671
Devolved formula capital	-	7,735	-	(7,735)	-	-
Capital grants from LA	-	34,851	-	(34,851)	-	-
	<u>3,817,316</u>	<u>42,586</u>	<u>(92,834)</u>	<u>(15,397)</u>	<u>-</u>	<u>3,751,671</u>
Total restricted funds	<u>3,439,555</u>	<u>1,359,560</u>	<u>(1,514,305)</u>	<u>17,100</u>	<u>111,000</u>	<u>3,412,910</u>
Total of funds	<u>3,624,109</u>	<u>1,604,233</u>	<u>(1,635,672)</u>	<u>-</u>	<u>111,000</u>	<u>3,703,670</u>

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 Authority 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.

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS - GROUP (continued)

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 subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses whether the limit was exceeded.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Resources expended £</i>	<i>Transfers in/out £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General funds	138,880	173,955	(105,649)	(22,632)	-	184,554
Lowbrook trading company	-	71,340	(11,712)	(59,628)	-	-
	<u>138,880</u>	<u>245,295</u>	<u>(117,361)</u>	<u>(82,260)</u>	<u>-</u>	<u>184,554</u>
Restricted funds						
General annual grant	7,369	1,059,661	(1,106,526)	39,496	-	-
Predecessor school	26,239	-	-	-	-	26,239
Other DFE/ESFA Income	-	96,583	(96,583)	-	-	-
Other restricted income	-	36,074	(36,074)	-	-	-
LA income	-	66,418	(66,418)	-	-	-
Pension reserve	(379,000)	-	(46,000)	-	21,000	(404,000)
	<u>(345,392)</u>	<u>1,258,736</u>	<u>(1,351,601)</u>	<u>39,496</u>	<u>21,000</u>	<u>(377,761)</u>
Restricted fixed asset funds						
Fixed asset fund	3,477,010	-	(103,764)	444,070	-	3,817,316
Devolved formula capital	-	7,353	-	(7,353)	-	-
Capital grants from LA	-	393,953	-	(393,953)	-	-
	<u>3,477,010</u>	<u>401,306</u>	<u>(103,764)</u>	<u>42,764</u>	<u>-</u>	<u>3,817,316</u>
Total restricted funds	<u>3,131,618</u>	<u>1,660,042</u>	<u>(1,455,365)</u>	<u>82,260</u>	<u>21,000</u>	<u>3,439,555</u>
Total of funds	<u><u>3,270,498</u></u>	<u><u>1,905,337</u></u>	<u><u>(1,572,726)</u></u>	<u><u>-</u></u>	<u><u>21,000</u></u>	<u><u>3,624,109</u></u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	138,880	344,091	(210,724)	18,513	-	290,760
Lowbrook trading company	-	145,877	(28,004)	(117,873)	-	-
	<u>138,880</u>	<u>489,968</u>	<u>(238,728)</u>	<u>(99,360)</u>	<u>-</u>	<u>290,760</u>
Restricted funds						
General annual grant	7,369	2,201,841	(2,281,203)	71,993	-	-
Predecessor school	26,239	-	-	-	-	26,239
Other DFE/ESFA Income	-	196,349	(196,349)	-	-	-
Other restricted income	-	73,807	(73,807)	-	-	-
LA income	-	103,713	(103,713)	-	-	-
Pension reserve	(379,000)	-	(118,000)	-	132,000	(365,000)
	<u>(345,392)</u>	<u>2,575,710</u>	<u>(2,773,072)</u>	<u>71,993</u>	<u>132,000</u>	<u>(338,761)</u>
Restricted fixed asset funds						
Fixed asset fund	3,477,010	-	(196,598)	471,259	-	3,751,671
Devolved formula capital	-	15,088	-	(15,088)	-	-
Capital grants from LA	-	428,804	-	(428,804)	-	-
	<u>3,477,010</u>	<u>443,892</u>	<u>(196,598)</u>	<u>27,367</u>	<u>-</u>	<u>3,751,671</u>
	<u>3,131,618</u>	<u>3,019,602</u>	<u>(2,969,670)</u>	<u>99,360</u>	<u>132,000</u>	<u>3,412,910</u>
Total of funds	<u><u>3,270,498</u></u>	<u><u>3,509,570</u></u>	<u><u>(3,208,398)</u></u>	<u><u>-</u></u>	<u><u>132,000</u></u>	<u><u>3,703,670</u></u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

STATEMENT OF FUNDS - ACADEMY

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ losses £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	184,554	228,381	(105,075)	(17,100)	-	290,760
	<u>184,554</u>	<u>228,381</u>	<u>(105,075)</u>	<u>(17,100)</u>	<u>-</u>	<u>290,760</u>
Restricted funds						
General Annual Grant (GAG)	-	1,142,180	(1,174,677)	32,497	-	-
Predecessor school	26,239	-	-	-	-	26,239
Other DfE/ESFA grants	-	99,766	(99,766)	-	-	-
Other restricted income	-	37,733	(37,733)	-	-	-
LA income	-	37,295	(37,295)	-	-	-
Pension reserve	(404,000)	-	(72,000)	-	111,000	(365,000)
	<u>(377,761)</u>	<u>1,316,974</u>	<u>(1,421,471)</u>	<u>32,497</u>	<u>111,000</u>	<u>(338,761)</u>
Restricted fixed asset funds						
Fixed asset fund	3,817,316	-	(92,834)	27,189	-	3,751,671
Devolved formula capital	-	7,735	-	(7,735)	-	-
Capital grants from LA	-	34,851	-	(34,851)	-	-
	<u>3,817,316</u>	<u>42,586</u>	<u>(92,834)</u>	<u>(15,397)</u>	<u>-</u>	<u>3,751,671</u>
Total restricted funds	<u>3,439,555</u>	<u>1,359,560</u>	<u>(1,514,305)</u>	<u>17,100</u>	<u>111,000</u>	<u>3,412,910</u>
Total	<u><u>3,624,109</u></u>	<u><u>1,587,941</u></u>	<u><u>(1,619,380)</u></u>	<u><u>-</u></u>	<u><u>111,000</u></u>	<u><u>3,703,670</u></u>

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

STATEMENT OF FUNDS - ACADEMY - PRIOR YEAR

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ losses £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	138,880	233,583	(105,649)	(82,260)	-	184,554
	<u>138,880</u>	<u>233,583</u>	<u>(105,649)</u>	<u>(82,260)</u>	<u>-</u>	<u>184,554</u>
Restricted funds						
General Annual Grant (GAG)	7,369	1,059,661	(1,106,526)	39,496	-	-
Predecessor school	26,239	-	-	-	-	26,239
Other DfE/ESFA grants	-	96,583	(96,583)	-	-	-
Other restricted income	-	36,074	(36,074)	-	-	-
LA income	-	66,418	(66,418)	-	-	-
Pension reserve	(379,000)	-	(46,000)	-	21,000	(404,000)
	<u>(345,392)</u>	<u>1,258,736</u>	<u>(1,351,601)</u>	<u>39,496</u>	<u>21,000</u>	<u>(377,761)</u>
Restricted fixed asset funds						
Fixed asset fund	3,477,010	-	(103,764)	440,070	-	3,817,316
Condition improvement fund	-	7,353	-	(7,353)	-	-
Devolved formula capital	-	393,953	-	(393,953)	-	-
	<u>3,477,010</u>	<u>401,306</u>	<u>(103,764)</u>	<u>42,764</u>	<u>-</u>	<u>3,817,316</u>
Total restricted funds	3,131,618	1,660,042	(1,455,365)	82,260	21,000	3,439,555
Total	<u><u>3,270,498</u></u>	<u><u>1,893,625</u></u>	<u><u>(1,561,014)</u></u>	<u><u>-</u></u>	<u><u>(21,000)</u></u>	<u><u>3,624,109</u></u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

STATEMENT OF FUNDS - ACADEMY (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 Authority 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 subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2 discloses whether the limit was exceeded.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Group and Academy Trust)

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,751,671	3,751,671
Current assets	290,760	156,076	-	446,836
Creditors due within one year	-	(129,837)	-	(129,837)
Pension liability	-	(365,000)	-	(365,000)
	<u>290,760</u>	<u>(338,761)</u>	<u>3,751,671</u>	<u>3,703,670</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Group and Academy Trust) (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS (Group and Academy Trust) - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	3,817,316	3,817,316
Current assets	184,554	282,247	-	466,801
Creditors due within one year	-	(256,008)	-	(256,008)
Provisions for liabilities and charges	-	(404,000)	-	(404,000)
	<u>184,554</u>	<u>(377,761)</u>	<u>3,817,316</u>	<u>3,624,109</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(31,439)	332,611
Adjustment for:		
Depreciation charges	92,834	103,764
Decrease/(increase) in debtors	70,588	(70,595)
(Decrease)/increase in creditors	(126,171)	98,153
Capital grants from DfE and other capital income	(42,586)	(401,306)
Pension adjustment	72,000	46,000
Net cash provided by operating activities	<u>35,226</u>	<u>108,627</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£	£
Cash in hand	387,708	337,085
Total	<u>387,708</u>	<u>337,085</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 Borough of Windsor and Maidenhead. Both 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.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 rate of 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 £93,384 (2017 - £81,315).

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FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £54,000 (2017 - £46,000), of which employer's contributions totalled £41,000 (2017 - £34,000) and employees' contributions totalled £13,000 (2017 - £12,000). The agreed contribution rates for future years are 19.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis - present value of total obligation		
Discount rate +0.1%	635,000	609,000
Discount rate -0.1%	674,000	647,000
Mortality assumption - 1 year increase	675,000	648,000
Mortality assumption - 1 year decrease	634,000	609,000
CPI rate +0.1%	673,000	646,000
CPI rate -0.1%	636,000	611,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	136,000	111,000
Gilts	-	-
Bonds	43,000	35,000
Property	40,000	31,000
Cash and other liquid assets	43,000	26,000
Alternative assets	27,000	21,000
Total market value of assets	289,000	224,000

The actual return on scheme assets was £11,000 (2017 - £18,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(104,000)	(72,000)
Interest cost	(9,000)	(8,000)
Total	(113,000)	(80,000)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	628,000	592,000
Current service cost	104,000	72,000
Interest cost	16,000	13,000
Employee contributions	13,000	12,000
Actuarial gains	(107,000)	(8,000)
Change in demographic assumption	-	(8,000)
Experience loss/(gain) on defined benefit obligation	-	(45,000)
Closing defined benefit obligation	654,000	628,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. PENSION COMMITMENTS (continued)

Movements in the fair value of the Group's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	224,000	213,000
Return on plan assets (excluding net interest on defined pension liability)	7,000	5,000
Actuarial losses	4,000	13,000
Employer contributions	41,000	34,000
Employee contributions	13,000	12,000
Other actuarial gains/(losses)	-	(53,000)
	<u>289,000</u>	<u>224,000</u>

The amount shown in the Statement of Financial Activities is:

	2018 £	2017 £
Changes in financial assumptions	107,000	8,000
Return on plan assets	4,000	13,000
	<u>111,000</u>	<u>21,000</u>

The amounts recognised in the Balance Sheet was as follows:

	2018 £	2017 £
Present value of defined benefit obligation	(654,000)	(628,000)
Fair value of scheme assets	289,000	224,000
	<u>(365,000)</u>	<u>(404,000)</u>

23. OPERATING LEASE COMMITMENTS

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

Group	2018 £	2017 £
Amounts payable:		
Within 1 year	2,384	1,454
Between 1 and 5 years	3,576	14
	<u>5,960</u>	<u>1,468</u>
Total	<u>5,960</u>	<u>1,468</u>

LOWBROOK ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

25. PRINCIPAL SUBSIDIARIES

Lowbrook Trading Company Limited

Subsidiary name	Lowbrook Trading Company Limited
Company registration number	07773819
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 83,841
Total liabilities as at 31 August 2018	£ (83,741)
Total equity as at 31 August 2018	£ 100
Turnover for the year ended 31 August 2018	£ 74,537
Expenditure for the year ended 31 August 2018	£ (74,537)
Result for the year ended 31 August 2018	£ -

The principal activity of Lowbrook Trading Company Limited is letting of premises and sundry other fundraising.

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 £ 10 for the debts and liabilities contracted before he/she ceases to be a member.