

Registered number: 07533254

LOWBROOK ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

LOWROOK ACADEMY TRUST
(A company limited by guarantee)

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LOWROOK ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

Free Market Street 1

Solicitors

Free Market Street 2
Free Market Street 21 2D

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The financial statements are set out in the trustees' report, and a directors' report under company law.

The financial statements are prepared in accordance with the 11 requirements of the Companies Act 2006 and the Companies (Accounts) Regulations 2008 and are prepared in accordance with the Companies Act 2006 and the Companies (Accounts) Regulations 2008 as they apply to the company for the year ended 31 August 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is a charitable company limited by guarantee and is exempt from company law. The company's memorandum and articles of association are the primary governing documents of the company.

The Trustees are the governing body of the company and are responsible for the management of the company. The Trustees are also responsible for the financial management of the company.

The Trustees are also responsible for the financial management of the company. The Trustees are also responsible for the financial management of the company.

Members' Liability

Each member of the company is liable to contribute to the assets of the company in the event of the company being wound up. The liability of a member is limited to the amount of the member's contribution to the company. The liability of a member is limited to the amount of the member's contribution to the company.

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 £720.00.

Method of Recruitment and Appointment or Election of Trustees

The members of the company are eligible to be elected as Trustees. The Trustees are elected by the members of the company. The Trustees are elected by the members of the company.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees have adopted policies and procedures for the induction and training of Trustees. The Trustees have adopted policies and procedures for the induction and training of Trustees.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The Trust's organisational structure is set out in the diagram below. The Trustees are responsible for the overall strategic direction of the Trust and for the appointment and removal of the Executive Director. The Executive Director is responsible for the day-to-day management of the Trust and for the implementation of the Trust's strategy.

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Arrangements for setting pay and remuneration of key management personnel

The Trustees are responsible for setting the remuneration of key management personnel. The remuneration of the Executive Director is determined by the Trustees in accordance with the Academy's Pay Policy, which is available on the Trust's website.

Related Parties and other Connected Charities and Organisations

The Trust is a charitable company and is connected to other charities and organisations. The Trust's relationship with these organisations is set out in the diagram below. The Trust is a member of the Lowrook Academy Trust and is connected to other charities and organisations. The Trust's relationship with these organisations is set out in the diagram below.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects and aims of the Trust are set out in the Trust's Memorandum of Association. The Trust's objects and aims are to provide education for the children of the Lowrook Academy Trust and to promote the welfare of the children of the Lowrook Academy Trust.

LOWROOK ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

The Academy continued to build on its success in the year ended 31 August 2019. The Academy's financial performance is set out in the accounts for the year ended 31 August 2019.

The Academy's financial performance for the year ended 31 August 2019 is set out in the accounts for the year ended 31 August 2019. The Academy's financial performance is set out in the accounts for the year ended 31 August 2019.

Going Concern

The trustees have considered the Academy's ability to continue to operate as a going concern for the year ended 31 August 2019. The Academy's financial performance is set out in the accounts for the year ended 31 August 2019.

FINANCIAL REVIEW

The Academy's financial performance for the year ended 31 August 2019 is set out in the accounts for the year ended 31 August 2019.

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Reserves Policy

The Academy's reserves policy is set out in the accounts for the year ended 31 August 2019.

For the year ended 31 August 2019 the reserves are as follows:

Restricted		£00,900
Unrestricted	£2,000,000	
Other	£2,000,000	
		£4,000,000

LOWROOK ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Investment Policy

The Academy's investment policy is set out in the Academy's Investment Policy Statement, which is available on the Academy's website.

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.

PLANS FOR FUTURE

The Academy Trust has a number of projects planned for the future, including the development of new facilities and the implementation of new initiatives. These projects are subject to the availability of funding and the approval of the relevant authorities.

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FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF

The Academy Trust holds funds on behalf of the following trusts:

AUDITOR

The Academy Trust has been audited by the following auditor:

- there is no relevant audit information of which the charitable company's auditor is aware
- the auditor has not identified any material weaknesses in the Academy Trust's internal controls

Trustees' report, incorporating a strategic report, was approved by the board of trustees on 10 December 2019 and signed on the board's behalf by

D Du Pre
Director

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

SCOPE OF RESPONSIBILITY

The trustees of the academy are responsible for ensuring that the academy complies with the requirements of the Education Act 2002, the Education and Inspections Act 2011, the Academies Act 2010 and the relevant provisions of the Companies Act 2006. The trustees are also responsible for ensuring that the academy complies with the requirements of the relevant regulatory bodies, including the Department for Education, the Ofsted, the Financial Conduct Authority and the Charity Commission.

The board of trustees has delegated the day-to-day management of the academy to the principal and senior management team. The board of trustees has also delegated the day-to-day management of the academy to the principal and senior management team. The board of trustees has also delegated the day-to-day management of the academy to the principal and senior management team.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Memorandum of Trustees' Responsibilities. The board of trustees has met 10 times during the year.

The attendance during the year of the board of trustees is as follows:

Trustee		Meetings attended	Out of a possible
Domènec Dore	Chair	0	0
Chairman	Chair	0	0
Deputy Chair	Chairman	10	11
Member	Trustee	0	0
Member	Trustee	0	9
Member	Trustee	0	9
Member	Trustee	0	0
Member	Trustee	0	0

- The board has ensured that the academy complies with the requirements of the Education Act 2002, the Education and Inspections Act 2011, the Academies Act 2010 and the relevant provisions of the Companies Act 2006. The board has also ensured that the academy complies with the requirements of the relevant regulatory bodies, including the Department for Education, the Ofsted, the Financial Conduct Authority and the Charity Commission.
- The board of trustees has delegated the day-to-day management of the academy to the principal and senior management team. The board of trustees has also delegated the day-to-day management of the academy to the principal and senior management team.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNANCE (continued)

Information concerning the year ended 31 August 2019

Trustee	Meetings Attended	Out of a Possible
Mr [Name]	0	0
Mr [Name]	2	0
Dr [Name]	0	0
Mr [Name]	0	0
Mr [Name]	0	0

REVIEW OF VALUE FOR MONEY

As the Academy Trust's governing body, we are responsible and accountable for ensuring that the Academy Trust's resources are used in the most effective and efficient manner possible to secure the best possible educational outcomes for our pupils. We have a duty to ensure that the Academy Trust's resources are used in the most effective and efficient manner possible to secure the best possible educational outcomes for our pupils.

I set out below how I have ensured that the Academy Trust's use of its resources has been efficient and effective in meeting the Academy Trust's objectives.

The Governing Body is accountable for the way in which the school's resources are allocated to meet the objectives of the Academy Trust. The Governing Body has a duty to ensure that the Academy Trust's resources are used in the most effective and efficient manner possible to secure the best possible educational outcomes for our pupils.

The Academy Trust's objectives are set out in the Academy Trust's governing documents. The Academy Trust's resources are used in the most effective and efficient manner possible to secure the best possible educational outcomes for our pupils.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk or to achieve absolute compliance and therefore cannot be regarded as a guarantee of compliance with the financial reporting framework. The system of internal control is designed to detect and prevent the risk of the achievement of the financial reporting framework and objectives of the trust. The system of internal control is designed to be reviewed and the management to be reviewed and monitored to ensure that the system of internal control is effective and economic. The system of internal control has been in place in the trust since 1st September 2017 to 31 August 2019 and on the date of the financial reporting framework.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the level of risk to which the trust is exposed and the capacity to handle risk. The board of trustees has considered the risk to which the trust is exposed and the capacity to handle risk. The board of trustees has considered the risk to which the trust is exposed and the capacity to handle risk. The board of trustees has considered the risk to which the trust is exposed and the capacity to handle risk.

THE RISK AND CONTROL FRAMEWORK

The trust's system of internal financial control is based on a framework of regular management reporting and administrative procedures which are designed to ensure that the system of internal financial control is effective and economic.

- compliance with the trust's policies and procedures
- regular review of the trust's performance
- clear defined responsibilities and roles
- delegation of authority and responsibility
- identification and management of risks

The board of trustees has considered the need for a regular review of the system of internal financial control and has decided to

- monitor the system of internal financial control
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The board of trustees has considered the need for a regular review of the system of internal financial control and has decided to

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF EFFECTIVENESS

The Director has reviewed the effectiveness of the arrangements for the financial reporting process and the internal control system. The Director has also reviewed the effectiveness of the arrangements for the financial reporting process and the internal control system.

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The Director has reviewed the effectiveness of the arrangements for the financial reporting process and the internal control system on 10 December 2019 and has concluded that the arrangements are effective.

D Du Pre
Director

D Rooney
Director

LOWROOK ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

The accounts of the Academy Trust for the year ended 31 August 2019 have been prepared in accordance with the provisions of the Companies Act 2006 and the Financial Reporting Manual 2019. The accounts have been prepared on a going concern basis and are true and fair. The accounts have been prepared in accordance with the provisions of the Companies Act 2006 and the Financial Reporting Manual 2019. The accounts have been prepared on a going concern basis and are true and fair.

The accounts of the Academy Trust for the year ended 31 August 2019 have been prepared in accordance with the provisions of the Companies Act 2006 and the Financial Reporting Manual 2019. The accounts have been prepared on a going concern basis and are true and fair.

The accounts of the Academy Trust for the year ended 31 August 2019 have been prepared in accordance with the provisions of the Companies Act 2006 and the Financial Reporting Manual 2019. The accounts have been prepared on a going concern basis and are true and fair.

Dave Rooney
Director

10 December 2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Trustees are responsible for ensuring that in their conduct and operation the Group and the charitable company apply 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 10 December 2019 and signed on its behalf by:

D Du Pre
Chair of trustees

Dave Rooney

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

Opinion

We have audited the financial statements of Lowbrook Academy Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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.

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

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and the Directors' Report, the Governance Statement, the Statement of Regularity, Proprietary and Compliance and the Trustees Responsibilities Statement. 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 (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors

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

Date: 12 December 2019

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

In accordance with the terms of our engagement letter dated 13th July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lowbrook Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Lowbrook Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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

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

Date: 12 December 2019

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Donations and capital grants	3	9,978	-	33,370	43,348	55,762
Charitable activities		-	1,303,811	-	1,303,811	1,316,974
Other trading activities		238,866	-	-	238,866	231,497
Investments	6	6	-	-	6	-
Total income and endowments		248,850	1,303,811	33,370	1,586,031	1,604,233
Expenditure on:						
Raising funds		31,711	-	-	31,711	33,976
Charitable activities		96,565	1,371,336	92,791	1,560,692	1,601,696
Total expenditure		128,276	1,371,336	92,791	1,592,403	1,635,672
Net income/ (expenditure)		120,574	(67,525)	(59,421)	(6,372)	(31,439)
Transfers between funds	17	(10,431)	-	10,431	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	(102,000)	-	-	(102,000)	111,000
Net movement in funds		8,143	(67,525)	(48,990)	(108,372)	79,561
Reconciliation of funds:						
Total funds brought forward		290,760	(338,761)	3,751,671	3,703,670	3,624,109
Net movement in funds		8,143	(67,525)	(48,990)	(108,372)	79,561
Total funds carried forward		298,903	(406,286)	3,702,681	3,595,298	3,703,670

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

The notes on pages 24 to 51 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	13		3,702,681		3,751,671
Current assets					
Debtors	15	68,753		59,128	
Cash at bank and in hand		459,044		387,708	
		527,797		446,836	
Creditors: amounts falling due within one year	16	(100,180)		(129,837)	
Net current assets			427,617		316,999
Total assets less current liabilities			4,130,298		4,068,670
Defined benefit pension scheme liability	22	(535,000)		(365,000)	
Total net assets			3,595,298		3,703,670
Funds of the Academy Trust					
Restricted fixed asset fund	17		3,702,681		3,751,671
Restricted funds:					
Restricted income funds	17	26,714		26,239	
Pension reserve	17	(535,000)		(365,000)	
Total restricted funds	17		(508,286)		(338,761)
Unrestricted income funds	17		400,903		290,760
Total funds			3,595,298		3,703,670

The financial statements on pages 20 to 51 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

Dominque Du Pre
Chair of Trustees

Dave Rooney
Accounting officer

The notes on pages 24 to 51 form part of these financial statements.

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

ACADEMY TRUST STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	13		3,702,681		3,751,671
Investments	14		100		100
			<u>3,702,781</u>		<u>3,751,771</u>
Current assets					
Debtors	15	144,623		126,377	
Cash at bank and in hand		377,938		313,828	
		<u>522,561</u>		<u>440,205</u>	
Creditors: amounts falling due within one year	16	(95,044)		(123,306)	
			<u>427,517</u>		<u>316,899</u>
Total assets less current liabilities			<u>4,130,298</u>		<u>4,068,670</u>
Defined benefit pension scheme liability	22	(535,000)		(365,000)	
Total net assets			<u><u>3,595,298</u></u>		<u><u>3,703,670</u></u>
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	17	3,702,681		3,751,671	
Restricted income funds	17	37,074		26,239	
Pension reserve	17	(535,000)		(365,000)	
Total restricted funds			<u>3,204,755</u>		<u>3,412,910</u>
Unrestricted income funds	17		390,543		290,760
Total funds			<u><u>3,595,298</u></u>		<u><u>3,703,670</u></u>

The financial statements on pages 20 to 51 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

Dominque Du Pre
Chair of Trustees

Dave Rooney
Accounting Officer

The notes on pages 24 to 51 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	81,767	35,226
Cash flows from investing activities	20	(10,431)	15,397
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		71,336	50,623
Cash and cash equivalents at the beginning of the year		387,708	337,085
Cash and cash equivalents at the end of the year	21	459,044	387,708
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Basis for consolidation

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

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

The statement of financial activities incorporating income and expenditure account for the year dealt with in the accounts of the Academy Trust was a deficit of £108,373 (2018 - £132,310 surplus).

1.3 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Consolidated Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

Assets costing more than £500 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

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

1.8 Investments

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

1.9 Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Taxation

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

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

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 recognised when the Academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 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 2019

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	9,978	12,000	21,978
Devolved formula capital	-	21,370	21,370
Capital grants from local authority	-	-	-
	<u>9,978</u>	<u>33,370</u>	<u>43,348</u>
Comparatives for 2018:			
	Unrestricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Donations	13,176	-	13,176
Capital Grants	-	7,735	7,735
Grants	-	34,851	34,851
	<u>13,176</u>	<u>42,586</u>	<u>55,762</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,132,384	1,132,384	1,142,180
Pupil premium	26,418	26,418	22,622
Other DfE/ESFA grants	85,758	85,758	77,144
	<u>1,244,560</u>	<u>1,244,560</u>	<u>1,241,946</u>
Other government grants			
SEN funding	12,044	12,044	37,295
	<u>12,044</u>	<u>12,044</u>	<u>37,295</u>
Other funding			
SEN funding	47,207	47,207	37,733
	<u>47,207</u>	<u>47,207</u>	<u>37,733</u>
	<u><u>1,303,811</u></u>	<u><u>1,303,811</u></u>	<u><u>1,316,974</u></u>

All 2018 income was in restricted funds.
There are no unfulfilled conditions or other contingencies attached to the government grants above.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Trading subsidiary operations	73,274	73,274	74,537
School clubs	95,536	95,536	91,940
Consultancy	60,551	60,551	61,136
Other income	9,505	9,505	3,884
	<u>238,866</u>	<u>238,866</u>	<u>231,497</u>

All 2018 income was in unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest received	6	6

There was no investment income in 2018.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income	14,187	-	17,524	31,711
Academy's educational operations:				
Direct costs	908,038	54,704	194,514	1,157,256
Support costs	163,506	89,719	150,211	403,436
	<u>1,085,731</u>	<u>144,423</u>	<u>362,249</u>	<u>1,592,403</u>

Comparatives for 2018:

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on raising voluntary income	10,124	-	23,852	33,976
Academy's educational operations:				
Direct costs	946,436	54,873	189,979	1,191,288
Support costs	155,855	97,690	156,863	410,408
	<u>1,112,415</u>	<u>152,563</u>	<u>370,694</u>	<u>1,635,672</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Academy trust's educational operations	1,157,256	403,436	1,560,692

Comparatives for 2018:

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Academy trust's educational operations	1,191,288	410,408	1,601,696

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Teaching and educational support staff costs	908,038	946,436
Depreciation	92,791	92,834
School trip expenditure	47,371	36,902
Educational supplies	74,229	76,405
Educational consultancy	875	63
Other staff costs	13,582	12,195
Other direct costs	20,370	26,453
	1,157,256	1,191,288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	9,000	9,000
Staff costs	163,506	155,855
Maintenance of premises and equipment	32,502	35,680
Cleaning	22,123	21,208
Energy	24,086	18,858
Rates	4,273	9,228
Catering supplies	37,643	50,728
Legal and professional	10,605	13,623
Non staff related insurance	7,801	10,269
Technology costs	27,639	32,292
Other support costs	49,078	37,124
Bank charges	2,330	2,588
Governance costs	12,850	13,955
	403,436	410,408

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	7,880	3,851
Depreciation of tangible fixed assets - owned by the charitable group	92,791	92,834
Fees paid to auditors for:		
- audit	6,250	8,050
- other services	6,600	5,905

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	Academy Trust 2019 £	Academy Trust 2018 £
Wages and salaries	815,435	828,053	815,435	828,053
Social security costs	63,912	74,648	63,912	74,648
Pension costs	196,269	197,388	196,269	197,388
	1,075,616	1,100,089	1,075,616	1,100,089
Agency staff costs	10,115	12,326	10,115	12,326
	1,085,731	1,112,415	1,085,731	1,112,415

b. Staff numbers

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

	Group 2019 No.	Group 2018 No.
Teachers	16	14
Administration and support	25	28
Management	1	1
	42	43

c. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £90,001 - £100,000	1	1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £474,123 (2018: £427,023).

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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Dave Rooney, Principal	Remuneration	90,000 - 95,000	90,000 - 95,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Mary Gallop, Staff Trustee	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Bianca Iasi, Staff Governor	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and officers' insurance

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £720 (2018 - £495). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Tangible fixed assets

Group and Academy Trust

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	3,884,197	304,762	189,831	4,378,790
Additions	24,000	6,462	13,339	43,801
At 31 August 2019	<u>3,908,197</u>	<u>311,224</u>	<u>203,170</u>	<u>4,422,591</u>
Depreciation				
At 1 September 2018	238,956	213,229	174,934	627,119
Charge for the year	44,010	31,712	17,069	92,791
At 31 August 2019	<u>282,966</u>	<u>244,941</u>	<u>192,003</u>	<u>719,910</u>
Net book value				
At 31 August 2019	<u><u>3,625,231</u></u>	<u><u>66,283</u></u>	<u><u>11,167</u></u>	<u><u>3,702,681</u></u>
At 31 August 2018	<u><u>3,645,241</u></u>	<u><u>91,533</u></u>	<u><u>14,897</u></u>	<u><u>3,751,671</u></u>

Included within long leasehold property is land at value of £1,711,984 (2018: £1,711,984) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Fixed asset investments

	Shares in group undertaking £
Academy Trust	
Cost	
At 1 September 2018	100
At 31 August 2019	100
Net book value	
At 31 August 2019	100
<i>At 31 August 2018</i>	<i>100</i>

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

15. Debtors

	Group 2019 £	Group 2018 £	Academy Trust 2019 £	Academy Trust 2018 £
Due within one year				
Trade debtors	13,557	21,751	11,635	21,158
Amounts owed by group undertakings	-	-	87,289	77,203
Other debtors	9,497	183	-	-
Prepayments and accrued income	31,983	25,977	31,983	16,799
Tax recoverable	13,716	11,217	13,716	11,217
	68,753	59,128	144,623	126,377

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Academy Trust 2019 £	Academy Trust 2018 £
Trade creditors	46,182	50,237	43,046	45,706
Other creditors	14,901	23,357	14,901	23,357
Accruals and deferred income	39,097	56,243	37,097	54,243
	100,180	129,837	95,044	123,306
	Group 2019 £	Group 2018 £	Academy Trust 2019 £	Academy Trust 2018 £
Deferred income at 1 September 2018	32,758	39,130	32,758	39,130
Resources deferred during the year	25,747	32,758	25,747	32,758
Amounts released from previous periods	(32,758)	(39,130)	(32,758)	(39,130)
	25,747	32,758	25,747	32,758

At the Balance Sheet date, the Academy Trust was holding funds received in advance for universal infant free school meals provision for September 2019 onwards.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds - Group

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	290,760	175,576	(117,083)	51,650	-	400,903
Lowbrook trading company	-	73,274	(11,193)	(62,081)	-	-
	<u>290,760</u>	<u>248,850</u>	<u>(128,276)</u>	<u>(10,431)</u>	<u>-</u>	<u>400,903</u>
Restricted fixed asset funds						
Fixed asset fund	3,751,671	-	(92,791)	43,801	-	3,702,681
Devolved formula capital	-	21,370	-	(21,370)	-	-
Donations	-	12,000	-	(12,000)	-	-
	<u>3,751,671</u>	<u>33,370</u>	<u>(92,791)</u>	<u>10,431</u>	<u>-</u>	<u>3,702,681</u>
Restricted general funds						
General annual grant	-	1,132,384	(1,131,909)	26,239	-	26,714
Predecessor school	26,239	-	-	(26,239)	-	-
Other DFE/ESFA income	-	112,176	(112,176)	-	-	-
Other restricted income	-	47,207	(47,207)	-	-	-
LA income	-	12,044	(12,044)	-	-	-
Pension reserve	(365,000)	-	(68,000)	-	(102,000)	(535,000)
	<u>(338,761)</u>	<u>1,303,811</u>	<u>(1,371,336)</u>	<u>-</u>	<u>(102,000)</u>	<u>(508,286)</u>
Total funds	<u><u>3,703,670</u></u>	<u><u>1,586,031</u></u>	<u><u>(1,592,403)</u></u>	<u><u>-</u></u>	<u><u>(102,000)</u></u>	<u><u>3,595,298</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

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

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

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

LOWBROOK ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	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 fixed asset funds						
Fixed asset fund	3,817,316	-	(92,834)	27,189	-	3,751,671
Devolved formula capital	-	7,735	-	(7,735)	-	-
Other capital grants	-	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>
Restricted general 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>
Total funds	<u><u>3,624,109</u></u>	<u><u>1,604,233</u></u>	<u><u>(1,635,672)</u></u>	<u><u>-</u></u>	<u><u>111,000</u></u>	<u><u>3,703,670</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Analysis of net assets between funds

Analysis of net assets between funds - current year - Group

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restrictd fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,702,681	3,702,681
Current assets	400,903	126,894	-	527,797
Creditors due within one year	-	(100,180)	-	(100,180)
Provisions for liabilities and charges	-	(535,000)	-	(535,000)
Total	400,903	(508,286)	3,702,681	3,595,298

Analysis of net assets between funds - prior year - Group

	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)
Provisions for liabilities and charges	-	(365,000)	-	(365,000)
Total	290,760	(338,761)	3,751,671	3,703,670

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Reconciliation of net expenditure to net cash flow from operating activities

	Group 2019 £	Group 2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(6,372)	(31,439)
Adjustments for:		
Depreciation	92,791	92,834
Capital grants from DfE and other capital income	(33,370)	(42,586)
(Increase)/decrease in debtors	(9,625)	70,588
Decrease in creditors	(29,657)	(126,171)
Pension adjustment	68,000	72,000
Net cash provided by operating activities	81,767	35,226

20. Cash flows from investing activities

	Group 2019 £	Group 2018 £
Purchase of tangible fixed assets	(43,801)	(27,189)
Capital grants from DfE Group	21,370	7,735
Capital donation	12,000	34,851
Net cash (used in)/provided by investing activities	(10,431)	15,397

21. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	459,044	387,708

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments

The Group's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of Teachers Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £96,820 (2018 - £93,384).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £60,000 (2018 - £54,000), of which employer's contributions totalled £46,000 (2018 - £41,000) and employees' contributions totalled £ 14,000 (2018 - £13,000). The agreed contribution rates for future years are 19.6% per cent for employers and 12.5% per cent 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.65%	3.80%
Rate of increase for pensions in payment/inflation	2.15%	2.30%
Discount rate for scheme liabilities	1.90%	2.70%
Inflation assumption (CPI)	2.15%	2.30%
RPI increases	3.15%	3.30%

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	876	635
Discount rate -0.1%	931	674
Mortality assumption - 1 year increase	933	675
Mortality assumption - 1 year decrease	874	634
CPI rate +0.1%	929	673
CPI rate -0.1%	878	636

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	205,000	136,000
Bonds	53,000	43,000
Property	46,000	40,000
Cash and other liquid assets	29,000	43,000
Alternative assets	35,000	27,000
Total market value of assets	368,000	289,000

The actual return on scheme assets was £20,000 (2018 - £11,000).

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

	2019	2018
	£	£
Current service cost	(93,000)	(104,000)
Past service cost	(12,000)	-
Interest cost	(9,000)	(9,000)
Total	(114,000)	(113,000)

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

	2019	2018
	£	£
Opening defined benefit obligation	654,000	628,000
Current service cost	93,000	104,000
Interest cost	18,000	16,000
Employee contributions	14,000	13,000
Actuarial losses/(gains)	113,000	(107,000)
Benefits paid	(1,000)	-
Past service costs	12,000	-
Closing defined benefit obligation	903,000	654,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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

	2019	2018
	£	£
Opening fair value of scheme assets	289,000	224,000
Interest on plan assets	9,000	7,000
Actuarial losses	11,000	4,000
Employee contributions	14,000	13,000
Benefits paid	(1,000)	-
Employer contributions	46,000	41,000
	<u>368,000</u>	<u>289,000</u>
	2019	2018
	£	£
The amount shown in the Consolidated Statement of Financial Activities is:		
Changes in financial assumptions	(113,000)	107,000
Return on plan assets	11,000	4,000
	<u>(102,000)</u>	<u>111,000</u>
Actuarial gains/(losses) on defined benefit pension scheme		
	2019	2018
	£	£
The amount shown in the Balance Sheet is:		
Present value of defined benefit obligation	(903,000)	(654,000)
Fair value of scheme assets	368,000	289,000
	<u>(535,000)</u>	<u>(365,000)</u>
Defined benefit pension scheme liability		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Operating lease commitments

At 31 August 2019 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Academy Trust 2019 £	Academy Trust 2018 £
Not later than 1 year	7,880	2,384	7,880	2,384
Later than 1 year and not later than 5 years	4,080	3,576	4,080	3,576
	11,960	5,960	11,960	5,960

24. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a Trustees has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures related to connected and related party transactions.

£40 was paid for supplies to a company in which a Trustee, P Harrison, is a director (2018: £Nil).

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

25. Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

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

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Lowbrook Trading Company Limited	73,274	11,193	62,081	62,181

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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.