

LINGFIELD EDUCATION TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dame D Smith (resigned 4 December 2019)
J S Crowther
T Damer
J Edwards
K R Thomason
M D Shorney (appointed 1 September 2020)

Trustees

J S Crowther, Chair¹
N J Blackburn, Accounting officer¹
C W Eglington (resigned 17 June 2020)¹
G Fitzgerald¹
J Martin
J R Steel (deceased 27 July 2020)¹
E Watson (appointed 5 December 2019)¹
K A Whitmore

¹ Members of the Finance, Audit and General Purposes Committee

Company registered number

08027885

Company name

Lingfield Education Trust

Principal and registered office

Corporation Road Community Primary School
Corporation Road
Darlington
DL3 6AR

Company secretary

Prima Secretary Limited

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Executive Leadership Team

N J Blackburn, CEO
R Pavey, Deputy CEO
M Dent, Executive Head Teacher
H Ferguson, Director of Operations
K Hull, Finance Director
A Pringleton, Head Teacher
H Tarokh, Head Teacher
K Edmenson, Head Teacher
Z Beach, Head Teacher
J Blackham, Head of School
A Maddison, Head Teacher

Independent auditors

Clive Owen LLP
Chartered Accountants & Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank plc
21-23 Northgate
Darlington
County Durham
DL1 1TL

Solicitors

Womble Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

LINGFIELD EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates 7 academies for pupils aged 2 to 11 serving a catchment area in Darlington, North Yorkshire and Middlesbrough. Net pupil capacity between reception and year 6 is 1,887 with a roll of 1,724 with an additional 163 pre-school children in nursery provision from the school census in the Spring Term 2020.

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 Lingfield Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lingfield Education Trust.

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

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

The Academy Trust has purchased insurance to protect trustees from claims arising against negligent acts, errors or omissions occurring whilst on Academy Trust business. Further details are provided in note 13.

Method of Recruitment and Appointment or Election of Trustees

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to the CEO or any post held ex officio. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new trustees are given a tour of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only one or two trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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

Structure, Governance and Management (continued)

Organisational Structure

During the year the academy continued to operate a unified management structure. The structure consists of 3 levels: The trustees, the Executive Leadership Team and the Local Governing Bodies. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels in line with the Scheme of Delegation which is reviewed annually.

Arrangements for setting pay and remuneration of key management personnel

The Deputy CEO, Executive Head Teacher, Head Teachers, Heads of School and Director of Operations are performance managed by the Chief Executive Officer alongside the Chair of Trustees. Decisions around pay progression are taken to the Pay Review Committee for approval. The Chair of Trustees, with an external consultant, sets the performance objectives of the CEO and after review makes pay recommendations to the Pay Review Committee.

Trade Union Facility Time

The Academy Trust pays into a local authority scheme that provides this service.

Related Parties and other Connected Charities and Organisations

North East Wellbeing Trust is a charity set up to help schools meet the wellbeing needs of their children in the context of local authority cuts. The charity provides a one-stop service for schools who can put together bespoke packages of care (counselling, speech & language, family support etc...) in the knowledge that, although it will cost money, the charity will not be making a profit. North East Wellbeing Trust is more than a referral service; it also provides training and promotes good practice, nurturing a community of experienced and qualified practitioners who place child development and wellbeing at the forefront of their work. The charity also cares for our schools, knowing that in this age of fragmentation, working and planning together remain vital skills that need to be protected.

Further details are stated in note 27 to the Financial Statements

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Lingfield Education Trust to provide education for pupils of different abilities between the ages of 2 and 11.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy Trust, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy Trust during the year ended 31 August 2020 are summarised below:

- To provide the highest quality education to enable every pupil to realise their full potential.
- Utilise the power of partnership working as a catalyst for ensuring more children receive an excellent education.
- Provide value for money for the funds expended.

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

Objectives and Activities (continued)

Objectives, Strategies and Activities

The Academy Trust's main objectives are encompassed in its vision statement which is of young people supported educationally, socially and practically to achieve their highest potential in school and life. We are determined to become the Academy Trust that makes the biggest difference to the whole child, our working colleagues and the local community. Our vision is to do this while remaining true to our ethos and values.

To this end the objectives and the strategies used to achieve them include:

- Strong leadership is the key to the success of our schools. We seek to develop excellent leadership skills throughout our organisation.

In pursuit of the above aims, the CEO, Deputy CEO, Executive Head Teacher, Head Teacher and Heads of School draw on its school improvement plan with progress against the plan being reviewed by the Local Governing Bodies.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for pupils between the ages of 2 to 11.

Public Benefit

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the trustees have considered this guidance in deciding what activities the academy should undertake.

Strategic report

Achievements and Performance

In the past academic year two of our schools have been subject to Ofsted inspections. Both schools demonstrated marked improvement on their previous inspection grades. Heathfield Primary School was graded as a 'Good' school after a full section 5 inspection an improvement from their previous 'Requires Improvement' grading. Corporation Road Primary School, one of our sponsored schools, was inspected in September 2019 and improved from 'Inadequate' to a 'Requires Improvement' judgement. Cambrai Primary School, our new free school which opened in September 2019, received a full quality assurance visit and performed well, with no areas of concern or findings.

Overall the Academy Trust has now seen its vision to achieve the best education for all its pupils, demonstrated through improved or maintained Ofsted ratings in all five schools which have been inspected to date.

The tables below detail the outcomes and performance data for 2019 which is the last externally moderated performance data, It has therefore been included in this report together with the Teacher assessed data from 2020.

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

Strategic report (continued)

Achievements and Performance (continued)

Key Stage 2 2019 – Academy Trust Overview

	Reading		Writing		Mathematics
Progress Score	1.10 Significantly positive		1.8 Significantly positive		2.0 Significantly positive
Overall Attainment					
	Reading	Writing	Mathematics	EGPS	RWM Combined
Expected Standard or Above	78%	82%	84%	80%	72%
National Average	73%	78%	79%	78%	65%
Difference	+5	+4	+5	+2	+7
High Score / Greater Depth	22%	26%	30%	35%	11%
National Average	27%	20%	27%	36%	11%
Difference	-5	+6	+3	-1	-
Average Scaled Score	104	N/A	106	106	N/A
National Average	104	N/A	105	106	N/A
Difference	-	N/A	+1	-	N/A
Disadvantaged Performance 47% of the Y6 cohort (121/156)					
Progress	0.9 Significantly positive	1.6 Significantly positive	1.8 Significantly positive	N/A	N/A
Expected Standard or Above	71%	77%	80%	75%	64%
National Average – Non Disadvantaged	78%	83%	84%	83%	71%
Difference	-7	-6	-4	-8	-7
National Average – Disadvantaged	62%	68%	67%	67%	51%
Difference	+9	+9	+13	+8	+13
High Score / Greater Depth	16%	20%	23%	30%	7%
National Average – Non Disadvantaged	31%	24%	31%	41%	13%
Difference	-15	-4	-8	-11	-6

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

Strategic report (continued)

Achievements and Performance (continued)

National Average – Disadvantaged	17%	11%	16%	24%	5%
Difference	-1	+9	+7	+6	+2

In 2020, due to COVID-19, no national data has been collected by central or local government. As such, there are no published outcomes or progress data calculations.

As an Academy Trust, we asked our schools to report the proportion of children on track to meet the statutory expectations at the time of closure. These results are presented below. Due to the nature of these results it is challenging to draw parallels or conclusions between previous year's data. Importantly, however, it appears that our KS2 children still typically outperform national expectations in most measures; this includes an improvement in reading at both expected and greater depth standards – which was a key priority across the Academy Trust for 2019-20. For this year, attainment across other key aspects of our Academy Trust are also reported – from Early Years to Year 2. This demonstrates well how over time our children catch up, often from challenging starting points, to then typically exceed national averages by the time they move on to secondary provision. Across 2020-21, ensuring that GPS 'High Score' attainment is improved is a key priority for the Academy Trust.

2020 Teacher Assessed Pupil Results

OVERALL Trust %		OVERALL Trust %	2019 National Average	Trust v National Average*	Children Counted
66%	GLD	66%	72%	-5%	240
79%	Y1 Phonics	79%	82%	-3%	212
	Y2				250
70%	Reading Ex	70%	75%	-5%	
69%	Writing Ex	69%	69%	0%	
75%	Maths Ex	75%	76%	-1%	
24%	Reading GDS	24%	25%	-1%	
18%	Writing GDS	18%	15%	3%	
26%	Maths GDS	26%	22%	4%	
	Y6				252
80%	Reading Ex	80%	73%	7%	
77%	Writing Ex	77%	78%	-1%	
82%	Maths Ex	82%	79%	3%	
79%	GPS Ex	79%	78%	1%	
31%	Reading HD	31%	27%	4%	
23%	Writing GDS	23%	20%	3%	
33%	Maths HS	33%	27%	6%	
30%	GPS HS	30%	36%	-6%	

*figures may appear inaccurate due to rounding of Academy Trust figure

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

Strategic report (continued)

Achievements and Performance (continued)

The last externally validated KS2 data for our Academy Trust was 2019. When reviewing our Academy Trust 2019 progress measures against the 2019 league tables, it can be seen that Lingfield Education Trust ranks:

Progress in...	Score	Rank	Percentile
Reading	1.1	46/298	Top 15% of MATs
Writing	0.8	33/298	Top 11% of MATs
Mathematics	1.9	20/298	Top 7% of MATs

There were 298 Academy Trusts with 3 or more schools in 2019.

Impact of COVID on performance and outcomes for pupils

During the financial year the COVID pandemic required schools to partially close and move to a remote learning offer. This impacted upon the ability to offer and teach a full and balanced curriculum. Children received differing levels of support from home which was not equitable and gaps in knowledge and skills have occurred as a result.

The response from the Trust to COVID

The Trust Board used & completed a Decision Making Matrix to evidence the processes undertaken in ensuring that all statutory Public Health England (PHE) & optional DfE Guidance has been either implemented and carefully considered.

A trust wide Risk Assessment document has been updated in line with additional and changed guidance from PHE & DfE. This has been reviewed on a weekly basis at a dedicated COVID 19 Risk Assessment Meeting involving CEO/Deputy CEO/Director of Operations and Governance Manager. Additions and changes are reported to Trustees at the subsequent Weekly Trustees Briefing/Meeting and communicated to Executive Team members in a strategic and timely manner.

On a strategic level the Trust implemented additional risk meetings to ensure all schools were kept updated with latest COVID guidance and risk assessments were implemented in accordance with the government advice to ensure a safe environment for all pupils and staff. Additional Trust meetings with Headteachers, Local Governing Bodies and Trustees were introduced creating a dynamic process to respond to rapidly changing guidance.

Risk assessments were completed for all schools to ensure pupil and staff safety, with additional support for the clinically vulnerable staff and pupils.

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

Strategic report (continued)

Achievements and Performance (continued)

Financial Impact from COVID

COVID has impacted the Trust on many levels including financial. Additional costs were incurred as schools provided welfare and school meal support to the Pupil Premium children and their families. The Government subsequently introduced a national voucher scheme, but wider support for those families still continues at many of our schools.

Additional cleaning, cleaning materials and protective equipment was also required to ensure a COVID safe environment.

To support the online curriculum offer, schools have invested in additional IT equipment including iPads, devices and laptops. Packs of resources and additional reading books were also required to send out to homes.

Staffing costs increased in a number of schools reflecting the holiday school offer which was provided to children of key workers and vulnerable children. Additional costs were also incurred from extra cleaning requirements and from cover arrangements for staff shielding or absent due to COVID.

Finally loss of income due to extra activities, lettings, and loss of catering income have also been incurred in the year.

COVID Impact for 20/21

The COVID restrictions impact upon the broad and enriched curriculum offer the Trust prides itself on delivering. Children are not allowed to mix across all year groups, this is having a detrimental effect on the school community where social experiences enhance the pupils' learning. Teaching time is shorter due to the washing of hands, staggered start and end times and cleaning that happens in the school day. School trips are not taking place which is limiting the experiences children need to have through solidifying their learning. The closing of bubbles or individuals isolating is impacting on the progress pupils may be making in the school catch up curriculums.

Staff absence is having an impact on the quality of the school offer that is in place. Schools are being very careful about having volunteers or students in the building and have to balance the school needs against the potential risk of someone bringing in the virus.

The Trust remains determined to ensure the best outcomes for all pupils in their progress and attainment. However the potential closure of bubbles and isolation of staff and pupils creates difficulties in achieving this. The wellbeing for all our employees and pupils will remain of paramount importance in the year ahead.

Key Performance Indicators

Under the Companies Act 2006 there is a requirement for Key Performance Indicators to be reported. The Academy Trust has been reporting on the following KPI as part of their monthly accounts:

- Total income per pupil
- Total GAG income per pupil
- Staff costs per pupil
- Total costs per pupil
- Staff costs as % of total income
- Staff costs as % of total costs
- Premises costs as % of total costs
- Learning resources as % of total costs
- Pupil to teacher ratio
- Average class size

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

Strategic report (continued)

Achievements and Performance (continued)

Key Performance Indicators (continued)

For 2019/20 the KPI for the Academy Trust were as follows:

Total income per pupil	£6,561
Total GAG income per pupil	£4,625
Staff costs per pupil	£5,301
Total costs per pupil	£6,050
Staff costs as % of total income	80.8%
Staff costs as % of total costs	80.0%
Premises costs as % of total costs	4.0%
Learning resources as % of total costs	3.4%
Pupil to teacher ratio	20.8:1
Average class size	22.8

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

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities SORP (FRS 102), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the Academy Trust receives income from catering for pupils and from other schools that use the Academy Trust staff and lettings.

During the year ended 31 August 2020, total expenditure of £12,050,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding fixed asset funds) was £281,000.

The in year surplus, excluding the pension reserves and restricted fixed asset fund, is £241,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2020 net book value of fixed assets was £15,209,000 and movements in tangible fixed assets are

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

Strategic report (continued)

Financial Review (continued)

shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £8,261,000 recognised on the balance sheet.

The Academy Trust held fund balances as at 31 August 2020 of £8,136,000 comprising £7,063,000 of restricted funds and £1,073,000 of unrestricted funds.

The total of restricted general funds, excluding pension reserves, plus unrestricted reserves as at 31 August 2020 is £1,073,000.

Reserves policy

The Academy Trust holds restricted and unrestricted funds (the attached financial statements detail these funds).

Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as PE provision
- To cover ongoing costs in relation to the running of the Academy Trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the Academy Trust is reviewed by the trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees therefore consider it is prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of 4 weeks of expenditure, £842,000.

This is considered sufficient to cover:

- a) wages
- b) invoices

The Academy Trust's current level of free reserves are in surplus by £1,073,000 and are therefore considered to be in excess of the level of reserves required for the ongoing needs of the Academy Trust. Additional reserves are being carried for potential future capital expenditure and uncertainty around future funding and cost pressures. The trustees continue to consider additional activities related to the Academy Trust's objectives to which the excess reserves may be applied

Investment policy

The Academy Trust will operate an interest bearing current account with a bank approved by the board of trustees (Lloyds Bank) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements will be invested in term deposits with Lloyds. The Academy Trust will not take out any long term investments until a reliable cash flow pattern has been established, monies will only be paid into deposits not exceeding 6 months.

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

Strategic report (continued)

Financial Review (continued)

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of significant deficit on the Academy Trust balance sheet.

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the Academy Trust, and its finances. The trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy Trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The Academy Trust is subject to a number of risks and uncertainties in common with other academies. The Academy Trust has in place procedures to identify and mitigate financial risks.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academies. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment by making support resources available and through training and career development.

Fundraising

The Academy Trust does not engage in any fundraising practices to support the education of its pupils. Any donations made towards extra curriculum activities are done on a voluntary basis only.

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

Plans for Future Periods

Future Developments

The Academy Trust will continue to work towards delivering the following core characteristics in all of its schools:

- Outstanding teaching and learning
- A fully inclusive approach where all the children are of equal importance
- Positive relationships
- High aspirations
- A wide range of enrichment activities for all to get involved
- A celebration of all cultures and faiths represented in the schools
- A culture of no excuses for underachievement

The Academy Trust opened our 7th school in September 2019. The DfE continues to consider Lingfield Education Trust as a potential sponsor for schools in an OFSTED category. Preston Primary School in Stockton has recently confirmed that they would like to join the Academy Trust. Due Diligence has started with a view to the school coming into the Academy Trust in April 2021. Our strategic plan for Preston Primary School is to be the focal point for a Tees Valley Trust Hub of up to 5 further schools.

Over the past 12 months the Academy Trust has brokered a number of commissioned services for local schools in Stockton. We are providing a finance SLA package for two schools and a comprehensive school improvement package for one. We also provide School Improvement Partner services for three other schools. Our growth strategy is underpinned with collaborative working. We confidently expect to see schools who work with us on projects, coming into the Academy Trust in the future.

Auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2020 and signed on its behalf by:

J S Crowther
Trustee

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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Lingfield Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 4 times during the year. During the COVID-19 Pandemic an extraordinary General Meeting was held in May 2020 to review and approve the safe return of pupils to schools from 1 June 2020. The Finance, Audit, and General Purposes Committee is a committee of the main Board of Trustees and have also met 3 times.

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

Trustee	Meetings attended	Out of a possible
J S Crowther, Chair	3	4
N J Blackburn, (CEO and Accounting Officer)	4	4
C W Eglington (resigned 17 June 2020)	2	3
G Fitzgerald	3	4
J Martin	3	4
J R Steel (deceased 27 July 2020)	1	4
E Watson (appointed 5 December 2019)	3	3
K A Whitmore	3	4

To ensure the effectiveness of the governance of the Trust an annual review is undertaken to evaluate the skills and knowledge held. This is completed through an independent review and the findings used to identify any gaps.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

A bespoke training programme has been developed to address any gaps identified, as well as being used for induction training of new members, Trustees and Governors.

The Board of Trustees met less than 6 times due to the clearly established committees/portfolio of groups of Trustees who can deal with specific areas of responsibility following robust terms of reference and ensure the Trustees have effective oversight.

The Finance, Audit, and General Purposes Committee is a committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Trust's finances and resources.

To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis on four key areas:

Finance: to ensure sound financial management of the Trust's finances and resources, including proper planning, monitoring and probity in line with the ESFA guidelines and the Funding Agreement.

Audit: to undertake any activities as necessary to provide assurance to the Board of Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance process.

Staffing: to review, plan and manage staffing with due regard to financial aspects.

Premises: to ensure sound management of the Trust's premises including maintenance, development and health and safety.

Attendance at meetings in the year was as follows:

J S Crowther	3	3
N J Blackburn	3	3
C W Eglington (resigned 17 June 2020)	1	2
G Fitzgerald	3	3
J R Steel (deceased 27 July 2020)	2	2
E Watson (joined Summer 2020)	1	1

Additional Trustee Meetings during COVID

In response to the COVID pandemic the Trust has implemented additional meetings each week with Trustees to ensure a rapid and dynamic response to the latest COVID guidance. All school risk assessments were reviewed by Trustees before schools re-opened and levels of risk are reviewed each week.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Improving Educational Results

To ensure that standards continue to rise, Lingfield Education Trust is focused on further improving the quality of teaching and learning, it tracks individual pupil progress and attainment rigorously, providing targeted interventions to ensure good and better progress for all pupils. A programme of lesson observations and work scrutinies, combined with intensive staff development is planned to ensure maximum impact on pupil progress.

Financial Governance and Oversight

The Finance, General Purposes and Personnel Committee approve the annual budget forecast of the Academy Trust including the review of pupil admissions/forecasts, the medium term financial plan (3 years) and a rolling 12 month cash flow statement to ensure the long term sustainability of the Academy Trust and thus that the Trust remains a "going concern".

On a termly basis the Committee review the budget monitoring reports and updated cash flow forecasts, approve additional expenditure requirements or reductions, and ensure compliance with the Academy Trust's procurement regulations.

Following the annual audit, the Committee receives and reviews the financial statements and the external auditor's management report prior to forwarding these to the Board of Trustees for approval.

The Board of Trustees reviews the work of the Committee prior to ratifying the decisions.

Value for Money and Efficient Use of Resources

The Academy Trust strives to focus on value for money and understanding the value of our assets and how they can be used to increase our pupils' rate of progress. Existing service delivery is proactively challenged and alternative provision is evaluated.

The Academy Trust promotes fair competition through quotations and tenders in accordance with its Financial Regulations Manual thus ensuring that goods and services are secured in the most economic, efficient and effective way.

The Finance Director reviews all expenditure on behalf of the Academy Trust and regularly challenges for improved efficiency and effectiveness. In turn, the Board of Trustees reviews the functions of the schools, challenging how the services are provided and setting targets and performance indicators for improvement.

The Academy Trust continuously shares good practice amongst collaborative schools in order to achieve value for money and the most efficient use of resources.

Maximising Income Generation

The Academy Trust explores all opportunities to generate additional income including improving catering arrangements, the introduction of online payment systems, the hire of trust facilities and offering clerking services. All surplus monies are actively managed.

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 Lingfield Education Trust for the year 1 September 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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, General Purposes and Personnel 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
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees appointed Clive Owen LLP, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of Financial Regulations Manual
- testing of accounting systems
- testing of risk register and reserves policy
- testing of declaration of interests
- testing of income recognition
- testing of IT and GDPR compliance
- testing of fixed asset register, capitalisation, depreciation and insurance
- testing of Corporation tax

On a termly basis, the auditors report to the Board of Trustees, through the Finance, General Purposes and Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees'

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

financial responsibilities.

There were high and medium risks identified surrounding purchases, medium risks identified surrounding the accounting system, and low risks identified surrounding regularity and payroll. The risks have been discussed and either mitigated or accepted within the Trust's attitude to risk.

For the financial year commencing 1 September 2020 the Trustees have appointed MHA Tait Walker as internal auditors to perform additional checks on internal controls.

Review of effectiveness

As Accounting Officer, the CEO 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 external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 3 December 2020 and signed on their behalf by:

J S Crowther
Chair of Trustees

N J Blackburn
Accounting Officer

LINGFIELD EDUCATION TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

N J Blackburn
Accounting Officer
Date: 3 December 2020

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 3 December 2020 and signed on its behalf by:

J S Crowther
Chair

LINGFIELD EDUCATION TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINGFIELD EDUCATION TRUST**

Opinion

We have audited the financial statements of Lingfield Education Trust (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 Trust 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 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.

LINGFIELD EDUCATION TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINGFIELD EDUCATION 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 Governance 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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:

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

LINGFIELD EDUCATION TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LINGFIELD EDUCATION 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

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.

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

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 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Shotton BA BFP FCA (Senior statutory auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants & Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

3 December 2020

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lingfield Education Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lingfield Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lingfield Education 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 Lingfield Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lingfield Education Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lingfield Education Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Clive Owen LLP

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 3 December 2020

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		7	-	493	500	434
Charitable activities		172	10,963	-	11,135	10,833
Other trading activities		166	-	-	166	190
Investments	6	1	-	-	1	1
Total income		<u>346</u>	<u>10,963</u>	<u>493</u>	<u>11,802</u>	<u>11,458</u>
Expenditure on:						
Charitable activities		99	11,491	460	12,050	11,855
Total expenditure		<u>99</u>	<u>11,491</u>	<u>460</u>	<u>12,050</u>	<u>11,855</u>
Net income/(expenditure)		<u>247</u>	<u>(528)</u>	<u>33</u>	<u>(248)</u>	<u>(397)</u>
Transfers between funds	18	-	(118)	118	-	-
Net movement in funds before other recognised gains/(losses)		<u>247</u>	<u>(646)</u>	<u>151</u>	<u>(248)</u>	<u>(397)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,377)	-	(1,377)	(1,566)
Net movement in funds		<u>247</u>	<u>(2,023)</u>	<u>151</u>	<u>(1,625)</u>	<u>(1,963)</u>
Reconciliation of funds:						
Total funds brought forward		826	(6,238)	15,173	9,761	11,724
Net movement in funds		247	(2,023)	151	(1,625)	(1,963)
Total funds carried forward		<u>1,073</u>	<u>(8,261)</u>	<u>15,324</u>	<u>8,136</u>	<u>9,761</u>

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08027885

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	15,209	14,973
		<hr/>	<hr/>
		15,209	14,973
Current assets			
Debtors	15	628	393
Cash at bank and in hand		1,463	1,364
		<hr/>	<hr/>
		2,091	1,757
Creditors: amounts falling due within one year	16	(855)	(660)
		<hr/>	<hr/>
Net current assets		1,236	1,097
		<hr/>	<hr/>
Total assets less current liabilities		16,445	16,070
Creditors: amounts falling due after more than one year	17	(48)	(65)
		<hr/>	<hr/>
Net assets excluding pension liability		16,397	16,005
Defined benefit pension scheme liability	25	(8,261)	(6,244)
		<hr/>	<hr/>
Total net assets		<u>8,136</u>	<u>9,761</u>

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08027885

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	15,324	15,173
Restricted income funds	18	-	6
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	15,324	15,179
Pension reserve	18	(8,261)	(6,244)
		<hr/>	<hr/>
Total restricted funds	18	7,063	8,935
Unrestricted income funds	18	1,073	826
		<hr/>	<hr/>
Total funds		<u>8,136</u>	<u>9,761</u>

The financial statements on pages 28 to 60 were approved by the Trustees, and authorised for issue on 03 December 2020 and are signed on their behalf, by:

J S Crowther
Chair

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	493	467
Cash flows from investing activities	21	(394)	(193)
Change in cash and cash equivalents in the year		99	274
Cash and cash equivalents at the beginning of the year		1,364	1,090
Cash and cash equivalents at the end of the year	22, 23	<u>1,463</u>	<u>1,364</u>

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Lingfield Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Fund accounting

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

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

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

LINGFIELD EDUCATION TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Leasehold land	- 125 years
Leasehold buildings	- 50 years
Furniture and equipment	- 7 years
Computer equipment	- 3 years

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.

1.7 Operating leases

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

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

1.9 Taxation

The 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 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.

Accordingly, the 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.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 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.

LINGFIELD EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 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 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.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Pensions

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

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

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

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

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

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £460,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from Darlington Borough Council and Middlesbrough Borough Council. These assets are included on the Balance Sheet of the Trust due to the significant risks and rewards of ownership belonging to the Trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Trust could use them without major modification.

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	7	-	7	3
Capital Grants	-	493	493	431
Total 2020	7	493	500	434
Total 2019	3	431	434	

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

4. Funding for the Trust's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,974	7,974	7,651
Pupil Premium	-	977	977	969
PE and Sport Premium Grant	-	112	112	108
UFSM	-	224	224	252
Rates	-	41	41	43
Teachers' pay grant	-	95	95	62
Other DfE Group grants	-	268	268	190
	-	9,691	9,691	9,275
Other Government grants				
Other Government grants	-	8	8	40
SEN	-	725	725	738
Early Years Funding	-	494	494	473
Local Authority grants	-	45	45	69
	-	1,272	1,272	1,320
Other funding				
Income from academies	54	-	54	29
Non Government non grant income	3	-	3	-
Student Trips	22	-	22	62
Student Catering	93	-	93	147
	172	-	172	238
Total 2020	172	10,963	11,135	10,833
Total 2019	238	10,595	10,833	

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

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from facilities and services	83	83	57
Non student catering income	2	2	7
Rental and lettings	27	27	32
Receipts from Supply Teacher insurance claims	8	8	54
RPA Claims	19	19	-
Other income	27	27	40
Total 2020	<u>166</u>	<u>166</u>	<u>190</u>
Total 2019	<u>190</u>	<u>190</u>	

6. Investment income

	Total funds 2020 £000	Total funds 2019 £000
Investment income	<u>1</u>	<u>1</u>

In 2019, of the total investment income, £1,000 was to unrestricted funds and £nil was to restricted funds.

LINGFIELD EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	Total 2019 £000
Trust's educational operations:					
Direct costs	8,286	-	677	8,963	8,660
Allocated support costs	1,327	860	900	3,087	3,195
Total 2020	<u>9,613</u>	<u>860</u>	<u>1,577</u>	<u>12,050</u>	<u>11,855</u>
Total 2019	<u>9,156</u>	<u>838</u>	<u>1,861</u>	<u>11,855</u>	

In 2020, of the total expenditure £99,000 (2019: £173,000) was to unrestricted funds, £11,491,000 (2019: £11,216,000) to restricted funds and £460,000 (2019: £466,000) to restricted fixed asset funds.

There were no individual transactions over £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Cash losses
- Unrecoverable debts

There were no ex-gratia payments in the year.

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Trust's educational operations	8,963	3,087	12,050	11,855
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2019	8,660	3,195	11,855	
	<u> </u>	<u> </u>	<u> </u>	

Analysis of direct costs

	Total funds 2020 £000	Total funds 2019 £000
Staff costs	8,286	7,957
Educational supplies	473	473
Technology costs	178	174
Supply insurance	22	42
Other costs	4	14
	<u> </u>	<u> </u>
Total 2020	<u>8,963</u>	<u>8,660</u>

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	Total funds 2019 £000
Net interest cost on pension scheme	114	107
Staff costs	1,327	1,199
Depreciation	460	466
Staff development	55	66
Technology costs	105	80
Staff expenses	13	13
Transport	2	6
Maintenance of premises	149	112
Cleaning	75	73
Other premises costs	90	91
Energy	113	189
Rent & rates	38	51
Insurance	33	38
Operating lease rentals	25	26
Catering	200	322
Legal costs - other	50	13
Security	4	2
Other costs	213	315
Governance costs	21	26
Total 2020	3,087	3,195

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	25	26
Depreciation of tangible fixed assets	460	466
Fees paid to auditors for:		
- audit	14	13
- other services	6	5

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	7,007	6,757
Social security costs	655	631
Pension costs	1,906	1,620
	<hr/> 9,568	<hr/> 9,008
Agency staff costs	45	104
Staff restructuring costs	-	44
	<hr/> 9,613	<hr/> 9,156
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	1
Severance payments	-	43
	<hr/> -	<hr/> 44
	<hr/> <hr/>	<hr/> <hr/>

Included within operating costs of defined benefit pension scheme is £524,000 (2019: £534,000) relating to the pension deficit actuarial adjustments.

b. Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2020 No.	2019 No.
Teachers	95	101
Administration and support	200	191
Management	11	11
	<hr/> 306	<hr/> 303
	<hr/> <hr/>	<hr/> <hr/>

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

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,190,000 (2019 : £1,066,000).

11. Trustees' remuneration and expenses

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

		2020 £000	2019 £000
N J Blackburn, CEO and Accounting officer	Remuneration	140 - 145	135 - 140
	Pension contributions paid	30 - 35	20 - 25

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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

12. Central services

The academy trust has provided the following central services to its academies during the year:

- Chief Executive Officer
- Deputy Chief Executive Officer
- School Improvement
- Director of Operations
- Finance Director
- Legal services
- Audit services
- HR management
- Governance and data support
- Project management & capital project support
- Catering Management
- Leadership
- Network leads for Maths, English, SEN & Data
- Service level agreements: Payroll and Finance systems, employee wellbeing, H&S, education psychology

The academy trust charges for these services on the following basis:

Pupil numbers

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Heathfield Primary School	143	170
Hurworth Primary School	82	86
Northwood Primary School	130	149
Corporation Road Community Primary School	98	118
Mount Pleasant Primary School	87	86
Hemlington Hall Academy	111	111
Cambrai Primary School	9	-
Total	660	720

13. Trustees' and Officers' insurance

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

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

14. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	15,820	334	745	16,899
Additions	318	75	303	696
At 31 August 2020	<u>16,138</u>	<u>409</u>	<u>1,048</u>	<u>17,595</u>
Depreciation				
At 1 September 2019	1,146	152	628	1,926
Charge for the year	312	46	102	460
At 31 August 2020	<u>1,458</u>	<u>198</u>	<u>730</u>	<u>2,386</u>
Net book value				
At 31 August 2020	<u>14,680</u>	<u>211</u>	<u>318</u>	<u>15,209</u>
At 31 August 2019	<u>14,674</u>	<u>182</u>	<u>117</u>	<u>14,973</u>

15. Debtors

	2020 £000	2019 £000
Trade debtors	39	16
VAT recoverable	81	80
Prepayments and accrued income	508	297
	<u>628</u>	<u>393</u>

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

16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	92	125
Other taxation and social security	152	149
Other creditors	187	156
Accruals and deferred income	424	230
	<u>855</u>	<u>660</u>
	2020 £000	2019 £000
Deferred income		
Deferred income at 1 September 2019	143	144
Resources deferred during the year	147	143
Amounts released from previous periods	(143)	(144)
	<u>147</u>	<u>143</u>

At the balance sheet date the academy trust was holding funds of £147,000 received in advance for UIFSM grant of £125,000 covering the period from 1 September 2020 to 31 March 2021 and rates grant of £22,000 covering the period from September 2020 through to March 2021.

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

	2020 £000	2019 £000
Other loans	<u>48</u>	<u>65</u>

Included within creditors is a loan of £60,000 (2019: £65,000) from CIF which is provided on the following terms: repayable by monthly deductions from General Annual Grant funding starting from September 2020.

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

18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	826	346	(99)	-	-	1,073
Restricted general funds						
General Annual Grant (GAG)	-	7,974	(7,856)	(118)	-	-
Pupil Premium	-	977	(977)	-	-	-
SEN	-	725	(725)	-	-	-
Other Government grants	-	547	(547)	-	-	-
Other DfE/ESFA grants	6	740	(746)	-	-	-
Pension reserve	(6,244)	-	(640)	-	(1,377)	(8,261)
	<u>(6,238)</u>	<u>10,963</u>	<u>(11,491)</u>	<u>(118)</u>	<u>(1,377)</u>	<u>(8,261)</u>
Restricted fixed asset funds						
Transfer from Local Authority	9,748	-	(206)	-	-	9,542
Devolved Formula Capital	255	44	(50)	-	-	249
Condition Improvement Fund	708	168	(14)	-	-	862
Transfer from General Annual Grant (GAG)	167	-	(65)	118	-	220
Gift on transfer	4,284	-	(103)	-	-	4,181
Other	11	179	(20)	-	-	170
Section 106	-	102	(2)	-	-	100
	<u>15,173</u>	<u>493</u>	<u>(460)</u>	<u>118</u>	<u>-</u>	<u>15,324</u>
Total Restricted funds	<u>8,935</u>	<u>11,456</u>	<u>(11,951)</u>	<u>-</u>	<u>(1,377)</u>	<u>7,063</u>

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

18. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Total funds	9,761	11,802	(12,050)	-	(1,377)	8,136

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

The General Annual Grant (GAG) must be used for the normal running of the Trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

SEN income is to be used for the costs of special needs.

Other DfE/ESFA grants include PE and Sport Grant, Universal Infant Free School Meals, rates relief, teachers' pay grant, teachers' pension grant and funding for Cambrai Primary School to assist with the opening of the new free school. The PE and Sport grant is to be spent on PE and sports curriculum costs, UIFSM income is to be spent on the cost of meals for children, rates relief contributes towards the costs of rates for the Trust and the teachers's pay grant was received to cover the increase in teachers' pay in the year.

Other Government grants includes Early Years funding which is to be used for the costs of the nursery.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 25.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

A transfer of £118,000 (2019: £66,000) has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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

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

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Heathfield Primary School	30	19
Hurworth Primary School	29	12
Northwood Primary School	450	509
Corporation Road Community Primary School	43	6
Mount Pleasant Primary School	191	136
Hemlington Hall Academy	296	117
Cambrai Primary School	13	-
Central	21	33
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,073	832
Restricted fixed asset fund	15,324	15,173
Pension reserve	(8,261)	(6,244)
	<hr/>	<hr/>
Total	8,136	9,761
	<hr/> <hr/>	<hr/> <hr/>

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

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Heathfield Primary School	1,562	210	53	257	2,082	2,113
Hurworth Primary School	796	138	109	155	1,198	1,162
Northwood Primary School	1,400	183	97	293	1,973	1,769
Corporation Road Community Primary School	960	139	54	202	1,355	1,395
Mount Pleasant Primary School	1,238	143	55	169	1,605	1,613
Hemlington Hall Academy	1,293	218	74	160	1,745	1,855
Cambrai Primary School	183	42	18	36	279	-
Central	854	254	13	232	1,353	1,482
Academy trust	8,286	1,327	473	1,504	11,590	11,389

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	567	432	(173)	-	-	826
Restricted general funds						
General Annual Grant (GAG)	19	7,651	(7,604)	(66)	-	-
Pupil Premium	-	969	(969)	-	-	-
SEN	-	481	(481)	-	-	-
Other Government grants	33	839	(872)	-	-	-
Other DfE/ESFA grants	-	655	(649)	-	-	6
Pension reserve	(4,037)	-	(641)	-	(1,566)	(6,244)
	<u>(3,985)</u>	<u>10,595</u>	<u>(11,216)</u>	<u>(66)</u>	<u>(1,566)</u>	<u>(6,238)</u>
Restricted fixed asset funds						
Transfer from Local Authority	9,953	-	(205)	-	-	9,748
Devolved Formula Capital	165	125	(35)	-	-	255
Condition Improvement Fund	421	295	(8)	-	-	708
Transfer from General Annual Grant (GAG)	214	-	(113)	66	-	167
Gift on transfer	4,389	-	(105)	-	-	4,284
Other	-	11	-	-	-	11
	<u>15,142</u>	<u>431</u>	<u>(466)</u>	<u>66</u>	<u>-</u>	<u>15,173</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Total Restricted funds	11,157	11,026	(11,682)	-	(1,566)	8,935
Total funds	11,724	11,458	(11,855)	-	(1,566)	9,761

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	15,209	15,209
Current assets	1,073	903	115	2,091
Creditors due within one year	-	(855)	-	(855)
Creditors due in more than one year	-	(48)	-	(48)
Provisions for liabilities and charges	-	(8,261)	-	(8,261)
Total	1,073	(8,261)	15,324	8,136

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	14,973	14,973
Current assets	1,551	6	200	1,757
Creditors due within one year	(660)	-	-	(660)
Creditors due in more than one year	(65)	-	-	(65)
Provisions for liabilities and charges	-	(6,244)	-	(6,244)
Total	826	(6,238)	15,173	9,761

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

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

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of financial activities)	(248)	(397)
Adjustments for:		
Depreciation	460	466
Capital grants from DfE and other capital income	(493)	(368)
Defined benefit pension scheme obligation inherited	2	-
Defined benefit pension scheme cost less contributions payable	524	534
Defined benefit pension scheme finance cost	114	107
Decrease in stocks	-	1
(Increase)/decrease in debtors	(43)	40
Increase in creditors	178	85
Dividends, interest and rents from investments	(1)	(1)
Net cash provided by operating activities	493	467

21. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(696)	(562)
Capital grants from DfE Group	301	368
Net cash used in investing activities	(394)	(193)

22. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	1,463	1,364
Total cash and cash equivalents	1,463	1,364

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash at bank and in hand	1,364	99	-	1,463
Debt due within 1 year	-	-	(12)	(12)
Debt due after 1 year	(65)	5	12	(48)
	<u>1,299</u>	<u>104</u>	<u>-</u>	<u>1,403</u>

24. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>117</u>	<u>170</u>

25. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council, Middlesbrough Borough Council & North Yorkshire County Council. All are multi-employer defined benefit schemes.

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

Contributions amounting to £164,000 were payable to the schemes at 31 August 2020 (2019 - £132,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £889,000 (2019 - £627,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £656,000 (2019 - £602,000), of which employer's contributions totalled £490,000 (2019 - £459,000) and employees' contributions totalled £ 166,000 (2019 - £143,000). The agreed contribution rates for future years are 20.7% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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25. Pension commitments (continued)

Principal actuarial assumptions

Durham County Council Pension Fund

	2020 %	2019 %
Rate of increase in salaries	3.30	3.50
Rate of increase for pensions in payment/inflation	2.30	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.30	2.00
Commutation of pensions to lump sums	85.00	80.00
	<u>85.00</u>	<u>80.00</u>

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.2	22.3
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	23.2	24.0
Females	25.7	25.7
	<u>25.7</u>	<u>25.7</u>

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25. Pension commitments (continued)

Teesside Pension Fund

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.00
Rate of increase for pensions in payment/inflation	2.30	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.30	2.00
Commutation of pensions to lump sums	85.00	80.00

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

	2020 Years	2019 Years
Retiring Today		
Males	21.8	21.9
Females	23.5	23.8
Retiring in 20 years		
Males	23.2	23.6
Females	25.3	25.7

North Yorkshire County Council Pension Fund

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.55	-
Rate of increase for pensions in payment/inflation	2.30	-
Discount rate for scheme liabilities	1.70	-
Inflation assumption (CPI)	2.30	-
Commutation of pensions to lump sums	75.00	-

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

	2020 Years	2019 Years
Retiring Today		
Males	21.8	-
Females	23.5	-
Retiring in 20 years		
Males	23.9	-
Females	25.7	-

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

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(398)	(321)
Discount rate -0.1%	414	328
Mortality assumption - 1 year increase	(573)	(449)
Mortality assumption - 1 year decrease	589	454
CPI rate +0.1%	336	185
CPI rate -0.1%	(321)	(182)
	<u> </u>	<u> </u>

The academy trust's share of the assets in the scheme was:

	2020 £000	2019 £000
Equities	4,102	3,902
Government bonds	1,542	1,568
Property	554	530
Cash	455	442
Corporate bonds	946	714
Other	54	27
Total market value of assets	<u>7,653</u>	<u>7,183</u>

The actual return on scheme assets was (£46,000) (2019 - £614,000).

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

	2020 £000	2019 £000
Current service cost	(1,057)	(674)
Past service cost	-	(319)
Interest income	141	179
Interest cost	(255)	(286)
Total amount recognised in the Statement of Financial Activities	<u>(1,171)</u>	<u>(1,100)</u>

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

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

	2020 £000	2019 £000
Opening defined benefit obligation	13,427	10,250
Conversion of academy trusts	3	-
Current service cost	1,057	674
Interest cost	255	286
Employee contributions	163	143
Actuarial losses	1,190	2,001
Benefits paid	(181)	(246)
Past service costs	-	319
At 31 August	<u>15,914</u>	<u>13,427</u>

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

	2020 £000	2019 £000
Opening fair value of scheme assets	7,183	6,213
Conversion of academy trusts	1	-
Interest income	141	179
Actuarial (losses)/gains	(187)	435
Employer contributions	533	459
Employee contributions	163	143
Benefits paid	(181)	(246)
At 31 August	<u>7,653</u>	<u>7,183</u>

26. Operating lease commitments

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

	2020 £000	2019 £000
Within 1 year	22	11
Between 1 and 2 years	15	11
Between 2 and 5 years	13	8
	<u>50</u>	<u>30</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Related party transactions

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

Expenditure Related Party Transactions

North East Wellbeing Trust - a company in which N J Blackburn is a Trustee:

The Trust purchased counselling services from North East Wellbeing Trust totalling £5,000 (2019:£5,000) during the year. As at 31 August 2020 £nil (2019: £Nil) was owed to North East Wellbeing Trust.

In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

The element above £2,500 has been provided 'at no more than cost'.