

**The Langtree School Academy Trust
Company**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2020

**Company Registration Number:
7980335 (England and Wales)**

Period of account: 1 September 2019 – 31 August 2020

The Langtree Academy Trust Company

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The Langtree School Academy Trust Company

Reference and Administrative Details

Company Name	The Langtree School Academy Trust Company
Company Registration Number	07980335 (England and Wales)
Principal and Registered Office	Langtree School Reading Road Woodcote RG8 0RA
Members	Jan Seal-Roberts Alan Broomhead Neil McIntosh Linda Burton Geoff Braham
Trustees	J Seal-Roberts, Chair of Trustees S Bamford Headteacher and Accounting Officer* G Braham W Bromage * A Broomhead * L Burton S Chambers (Resigned 27.2.20) J Cleverly K Coveney * A Dunstan * (Appointed 30.1.20) JF Fava-Verde (Appointed 30.1.20) D French V Hamilton N McIntosh V Nowell (Resigned 6.1.20) L Phipps, Staff Trustee A Temple, Staff Trustee C Watts * (Appointed 3.12.19) G Webber * members of the finance and general purposes committee
Company Secretary	Dawn Challis

The Langtree School Academy Trust Company

Reference and Administrative Details

Senior Management Team

- Headteacher/Principal S Bamford
- Deputy Headteacher S Burman
- Assistant Headteacher J Holroyd
- Assistant Headteacher C Nonweiler
- Associate SLT S Wood
- Associate SLT C Davies
- Business Manager D Challis

Independent Auditor

Critchleys Audit LLP
Beaver House,
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers

Lloyds Bank plc
1-2 Market Place
Reading
Berkshire
RG1 2EQ

Solicitors

Blake Morgan
Seacourt Tower
West Way
Oxford
OX2 0FB

The Langtree School Academy Trust Company

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The company commenced activity on 1 April 2012 following the conversion of Langtree School to academy status. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area of Woodcote and the surrounding villages in South Oxfordshire and Berkshire. It has a pupil capacity of 600 and had a roll of 622 from September 2019 when Langtree welcomed a five form entry of year 7 students.

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 The Langtree School Academy Trust Company are also the directors of the charitable company for the purposes of company law. The charitable company operates as Langtree School.

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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association and Funding Agreement the Academy Trust has determined there shall be:

- up to 30 Trustees who are appointed by the members;
- a minimum of 2 Parent Trustees who are elected by the parents of registered pupils at the Academy;
- up to 10 Staff Trustees appointed by the members (provided that the total number of Trustees, including the Head teacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees);
- the Head teacher who is treated for all purposes as being an ex-officio trustee; and
- the Secretary of State may appoint such additional Trustees as he thinks fit.

When appointing new Trustees, the Board of Trustees gives consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's development.

The Langtree School Academy Trust Company Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

Langtree School uses an in-house Governor Induction Programme, based on material produced by The Key for School Governors. All Governors are strongly encouraged to attend training on an ongoing basis to ensure that they are confident in carrying out their duties and able to provide continuity as Governor turnover takes place.

The training and induction provided for new Trustees depends upon their existing experience but always includes a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is also taken of specific courses offered by various other organisations as appropriate.

We periodically advertise in local media and invite prospective trustees to apply. The headteacher generally offers to show any candidates around the school and discusses the role of being a school governor and the context of Langtree School.

Governors are then invited to apply in writing to join the board and a vote is taken at the next meeting of the Full Governing Body to confirm the appointment (or otherwise).

Organisational Structure

The Board of Trustees normally meets once each term: six times each year in total. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are currently three standing committees of the Board of Trustees as follows:

- the Finance and General Purposes Committee;
- the Curriculum and Standards Committee; and
- the Pastoral and Community Committee.

Each Committee has its own terms of reference detailing the responsibilities discharged to it. Each Committee meets once each term, six times each year in total.

In addition, there are also Committees with responsibilities for:

- Pupil Admissions;
- Pupil Appeals; and
- Staff Appeals

which are only convened when appropriate.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its Committee structure;
- to appoint or remove the Chair or Vice Chair;
- to appoint and/or consider the performance management of the Head teacher;
- to appoint the Company Secretary; and
- to ratify the final drafts of statutory policies reviewed by sub-committees on a timetabled schedule of review.

The Langtree School Academy Trust Company Trustees' Report (continued)

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory financial statements, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Trustees have devolved the day-to-day management of the Academy to the Head teacher and the Senior Leadership Team (SLT). The SLT implements the policies laid down by the Trustees and reports back to them on performance.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff in the Trust are set in accordance with the Trust's Pay Policy and in line with national frameworks and pay scales for teaching and local government staff.

Governors from the Finance and General Purposes Committee form the basis of the Pay Committee, which meets to hear appeals against pay decisions and to oversee the implementation of the pay policies.

The Langtree School Academy Trust Company has a rigorous process of Performance Management (PM) in place, and all pay recommendations are subject to the PM process.

The Head teacher's PM is managed by the Chair of Governors, with support from members of the Pay Committee. Where required, an external consultant may be recruited to oversee the process and to provide appropriate advice and guidance to governors in their review of the Head teacher's performance, and also with regard to any decisions regarding Head teacher's remuneration.

The Langtree School Academy Trust Company makes use of the Job Evaluation service from Oxfordshire County Council, and any new posts, or changes to existing posts, are evaluated externally through this service to ensure that decisions regarding pay and remuneration are always benchmarked against national frameworks.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	0
51%-99%	0
100%	0

**The Langtree School Academy Trust Company
Trustees' Report (continued)**

Percentage of pay bill spent on facility time

Provide the total cost of facility time	Nil
Provide the total pay bill	Nil
Provide the percentage of the total pay bill spent on facility time, calculated as: $(\text{total cost of facility time} \div \text{total pay bill}) \times 100$	Nil

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: $(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$	Nil
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Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust.

For further details of related parties and transactions during the year see notes 10 and 28.

Objectives and Activities

Objectives and Aims

The key priorities for the year are contained in the School Improvement Plan which is available from the Head Teacher.

Objectives, Strategies and Activities

Each year, we strive to:

- Secure exceptional progress and excellent outcomes for all pupils
- Monitor and develop the effectiveness of teaching and learning within the school, delivering outstanding pedagogy and content in lessons
- Develop the curriculum to meet the needs of our students in an ever changing world

This year, we will also aim to:

- Ensure the students are given the support they need to recover from the academic and pastoral effects of the prolonged shutdown due to the coronavirus pandemic.
- Develop a contingency plan in order to prepare for further disruption caused by the virus.
- Focus teaching and learning strategies to develop our students as effective learners.
- Evaluate and improve the reliability of progress data collected by the school to ensure it enables all staff to understand our students' barriers and help them to overcome these obstacles to success.

The Langtree School Academy Trust Company

Trustees' Report (continued)

Public Benefit

The trustees of The Langtree School Academy Trust Company confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Academy Trust aims to advance for the public benefit education in the village of Woodcote and surrounding area of South Oxfordshire, offering a broad and balanced curriculum.

The Academy Trust also allows the use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

Strategic Report

Achievements and Performance

Langtree School has consistently performed well above national and local benchmarks in terms of attainment and progress of our students.

In 2020 GCSE exams were cancelled due to the coronavirus pandemic and GCSE outcomes determined from centre estimated grades. Therefore, as there was no external moderation of any results all readers of this document should be wary of drawing any conclusions from this data or making any comparisons with other schools. We have included last year's data as an indication of last validated outcomes.

KPI	2019	2020
Progress 8	0.47	not calculated due to cancellation of exams
Attainment8	5.4	5.7
English and Maths at 4+	83%	88%
English and Maths at 5+	58%	65%
5 or more GCSEs at 7+	26%	35%

Key Performance Indicators

Funding for 2019-2020 was based on pupil numbers of 595. For 2018-2019 the pupil number was 617. The most recent census in Spring 2020 recorded pupil numbers of 620.

Percentage of total staff costs to ESFA funding for 2019-2020 was 95.2 % which is an increase of 10.3% from 84.9% for 2018-2019.

Percentage of total staff costs to total income for 2019-2020 was 85.8% which is an increase from 77.6% for 2018-2019.

Staff costs as a percentage of total expenditure was 76.9% compared to 74.4% in 2018-2019.

The Langtree School Academy Trust Company

Trustees' Report (continued)

The most recent KPIs regarding pupil performance and attendance are provided in the section above, Achievements and Performance. In addition, other KPIs are as follows:

- Outcomes at Langtree have been consistently high for the past five years, GCSE results have been consistently and significantly above national and county benchmarks.
- In an Ofsted inspection in May 2017, Langtree was again rated as Good and described as being 'on the cusp of outstanding'. The final report included reference to some areas judged to be Outstanding, such as behaviour.
- Pupil recruitment has been extremely successful in recent years. Langtree has a very strong reputation in the wider community, and has been oversubscribed for many years. For September 2019, the school received 306 first and second choice applications. With the large number of applicants the school expanded from 120 places to 144 places. Given the consistent success in GCSE outcomes, the senior leaders at Langtree are confident that recruitment will continue to be strong in coming years and that the school will continue to be oversubscribed.

Going Concern

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

Financial Review

The Trust's principal source of funds is the General Annual Grant (GAG) received from the Education and Skills Funding Agency, which amounted to £2,856,000 for the year (2019: £2,961,600).

ESFA funding is based on pupil numbers and for 2019-2020 this was 595. The AWPU for key stage 3 was £3,946.70 (2019: £3,947) per student (360) and key stage 4 was £4,481.25 (2018: £4,481) per student (235). The minimum funding level per pupil rate was set at £4,800 by the local authority and we received an MFL adjustment of £61,106 to bring our funding to that level.

Due to the coronavirus lockdown trips and activities income and income from hire of facilities were severely impacted resulting in a reduction of income of £110K compared to 2018-19.

The total fund balances of the Trust at 31st August 2020, as detailed in note 17 to the financial statements, amounted to £8,767k (2019: £8,752k). Excluding the fixed asset fund (representing the net book value of fixed assets) of £9,520,747 and the pension deficit fund of £1,095,000, fund balances amounted to £341K and are summarised as follows:-

	£'000
GAG funds	73
Condition improvement fund	16
Designated funds - Astro turf	108
Other unrestricted funds	144

	341

The Langtree School Academy Trust Company

Trustees' Report (continued)

The net book value of fixed assets at 31st August 2020 was £9,628k (2019: £9,549k) which includes the value of land and buildings transferred on conversion of £8,787k. The value of intangible assets was £1K (2019: £4.8K).

Total expenditure during the year of £3,646,501 includes £2,805,460 staff costs. All the Trust's expenditure for the year was spent directly or indirectly to advance the objectives of the Trust through the running of Langtree School.

In July an application was made to the ESFA for exceptional costs associated with coronavirus for the period March to July and £17,708 funding was received.

The in-year deficit of £41,890 was covered by restricted GAG funds received from the ESFA and other income such as voluntary income and activities for generating funds, there is a balance of GAG of £72,574 and unrestricted funds at the year-end of £144,665.

The Local Government Pension Scheme deficit has decreased during the past year. The market value of the fund investments decreased over the year by £101k whilst the present value of the funded obligation decreased by £241k. The liability is assigned to the Trust's restricted general funds. The Trust relies on Parliament's guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities will be met by the Department for Education. The guarantee came into force on 18 July 2013.

Reserves Policy

The Trustees adopted a policy on reserves in April 2018. The policy is reviewed every 3 years.

On 31 August 2020 the academy trust held the following Reserves:

	£
Unrestricted general funds	144,665
Unrestricted designated funds	108,263
Restricted general funds	72,574
Restricted fixed asset funds	9,536,512
LGPS pension reserve	<u>(1,095,000)</u>
Reserves at 31 August 2020	<u>8,767,014</u>

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 27.

The school is operating within a financial environment over which it has limited control or influence. Funding is determined by government formula and there has been an effective reduction in funding for academies whilst at the same time payroll costs are linked in to regular and pre-set annual increases. As payroll costs are the largest part of the school's expenses, the increases mean that year on year the risk of expenditure exceeding income becomes greater.

The restricted funds will be spent in accordance with the terms of the particular funds.

Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors.

The aim of the Governors is to increase the level of reserves to balance the need to secure and maintain the Trust's solvency and future activities with the need to maximise the benefits provided to current students.

The Langtree School Academy Trust Company

Trustees' Report (continued)

Investment Policy

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils. Whilst interest rates are so low, it is not time cost effective to be transferring funds to a deposit account and back again to cover expenditure. Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested if it is viable to do so.

Principal Risks and Uncertainties

The principal risks and uncertainties are listed below, with notes as to how the trustees manage and mitigate those risks:

Managing a balanced budget which allows the charity to meet its core commitments at a time of increasing demands on funds.

- Annual strategy planning exercise to set a budget model which will return a balanced budget.
- Termly review of the budget with the Finance Committee.
- Annual review of staffing structures in order to ensure that the core business of teaching and learning is safeguarded and that the quality of provision and standards is not compromised.

Ensuring business continuity on an ageing site which requires continual maintenance.

- Publication of a Critical Incident Plan and emergency procedures for school closure and business continuity.
- Termly health and safety inspections of the site with the Business Manager and Site Team.
- Evaluation and review of business continuity planning in order to ensure that all possible eventualities are identified and planned for.

Ensuring an adequate supply of quality staff at a time of regional and national teacher shortages.

- Use of a robust Performance Management (PM) system to offer effective CPD and appropriate rewards in order to maintain staff morale and to minimise staff turnover.
- Develop and maintain partnerships with OTSA and local supply agencies to enhance the supply of high quality teaching staff in shortage areas.
- Contribute to the training of PGCE interns, NQTs and unqualified staff across the region in order to provide career routes into teaching for local trainees.

Maintaining high standards in public examinations which are consistent at least with the top 25% of all schools nationally.

- Robust procedures are in place for setting aspirational attainment targets for all students, and monitoring progress towards these targets through three interim assessment points in each academic year.
- Teaching and learning in the classroom is subject to an annual cycle of quality assurance by senior staff.
- CPD for all teaching staff is ensured through a robust system of annual Performance Management.

The Langtree School Academy Trust Company

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

Maintaining the school's popularity in the local area to ensure that there is no decrease to pupil numbers through a falling roll.

- Maintain consistently good outcomes at GCSE
- Maintain a strong reputation for pastoral care within our school community.
- Promote the high standing of the school across the local area and surrounding region, using all methods of communication possible.

Ensuring that the charity maintains an appropriate level of governance in order to ensure that the Headteacher and SLT are held to account.

- Review the structure of governance on an annual basis with the Full Governing Body (FGB).
- Initiate appropriate recruitment processes for succession when governors resign from the FGB.
- Maintain links with local community groups such as the Lions, Probus and others to ensure that members of the local community are made fully aware of the opportunity to become a school governor.

Fundraising

The school launched Friends of Langtree School in June 2017. All parents were contacted, advised as to why the school was doing this and asked for donations, however small. The school also asks UK taxpayers to complete a gift aid declaration in order that Gift Aid funding can be claimed from HMRC. New parents are contacted as they join the school and this is also promoted at relevant school events. This is one of the main sources of fundraising income for the school along with the annual sponsored walk. There is no expectation on parents to donate nor pressure to do so. The funds are administered by the school and so conforms to recognised standards. The school also raises funds through parents using online cashback reward programmes.

Langtree School has engaged the services of a professional fundraiser for the purpose of carrying out a viability study on the possibility of raising funds from private donations to build a drama studio.

Plans for Future Periods

Each year, we strive to:

- Secure exceptional progress and excellent outcomes for all pupils
- Monitor and develop the effectiveness of teaching and learning within the school, delivering outstanding pedagogy and content in lessons
- Develop the curriculum to meet the needs of our students in an ever changing world

This year, we will also aim to:

- Ensure the students are given the support they need to recover from the academic and pastoral effects of the prolonged shutdown due to the coronavirus pandemic.
- Develop a contingency plan in order to prepare for further disruption caused by the virus.
- Focus teaching and learning strategies to develop our students as effective learners.
- Evaluate and improve the reliability of progress data collected by the school to ensure it enables all staff to understand our students' barriers and help them to overcome these obstacles to success

The Langtree School Academy Trust Company
Trustees' Report (continued)

Funds Held as Custodian Trustee on Behalf of Others

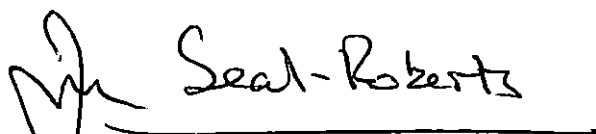
The trust holds no Assets and Funds as Custodian Trustee on behalf of others

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 3 December 2020.. and signed on the board's behalf by:



The image shows a handwritten signature in black ink that reads "Seal-Roberts". The signature is written in a cursive style and is positioned above a solid horizontal line that serves as a signature line.

J Seal Roberts
Trustee

Date...3 December 2020..

The Langtree School Academy Trust Company

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Langtree School Academy Trust Company 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.

As trustees, we have reviewed and taken account of the guidance in DfE's **Governance Handbook** and **competency framework for governance**.

The board of trustees has delegated the day-to-day responsibility to the Headteacher 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 The Langtree School Academy Trust Company 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 6 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

	P&C 23.09.19	C&S 24.09.19	F&GP 25.09.19	F&GP 10.10.19	P&C 18.11.19	C&S 19.11.19	F&GP 19.11.19	F&GP 12.12.19	C&S 14.01.20	P&C 20.01.20	F&GP 21.01.20	F&GP 10.01.20	P&C 02.03.20	C&S 03.03.20	F&GP 04.03.20	F&GP 19.03.20	P&C 27.04.20	C&S 28.04.20	F&GP 30.04.20	F&GP 14.05.20	C&S 23.06.20	F&GP 21.06.20	P&C 29.06.20	F&GP 07.07.20	Attendance %		
Simon Bamford																										100	
Geoff Braham																											75
Wail Bromage																											58
Alan Broomhead																											100
Uinda Burton																											92
Scott Chambers																											71
Jesse Cleverly																											86
Ken Covey																											75
Alan Dunstan																											100
Jean-Francois Fava-Verde																											100
Duncan French																											58
Vicki Hamilton																											90
Nell Macintosh																											91
Val Nowell																											25
Sarah Parish																											100
Lucy Phipps																											90
Jan Seal-Roberts																											92
Annie Temple																											83
Clive Watts																											100
Graham Webber																											83

Attended	
Did not attend	
Not in post/not a committee member	
F&GP: Finance & General Purposes committee	
P&C: Pastoral & Community committee	
C&S: Curriculum & Standards committee	
FGB: Full Governing Body	

The following governors resigned from the FGB during the academic year 2019-20: Val Nowell 6th January 2020, Scott Chambers 27th February 2020.

New additions to the FGB in the same period were: Clive Watts 3rd December 2020, Alan Dunstan 30th January 2020, Jean-Francois Fava-Verde 30th January 2020.

The Langtree School Academy Trust Company

Governance Statement (continued)

Governance Reviews

An informal governance review took place in 2018-19, as a result of which a governor sub-committee was established to review the effectiveness of the FGB.

The sub-committee made initial recommendations to the December 2018 FGB meeting aimed at ensuring there is clarity of vision and strategic direction, and that this is communicated effectively.

During 2019-20 The FGB continued to review its operation on an ongoing basis, an audit of trustees skills was also carried out and reported in December 2019.

Committees

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Approve the annual budget
- Monitoring financial performance against the budget
- Review of delegated authorities
- Ensuring all transactions are conducted in accordance with good practise as directed by the ESFA and school policies
- Ensure best value is achieved for all transactions
- Receive and respond to key issues raised by periodic audits on the Academy Trust and the use of public funds

Key issues for the finance and general purposes committee were:

- Tracking and course corrections on the school finances and contracted services, to ensure the best value for money
- Setting a prudent and balanced budget against an uncertain backdrop

Attendance at meetings in the year was as follows:

Trustee Attendance	Meetings attended	Out of a possible
S Bamford	6	6
W Bromage	4	6
A Broomhead	6	6
K Coveney	4	6
A Dunstan	3	3
C Watts	4	4

Geoff Braham left the finance committee on 1st September 2019 to join the pastoral and community committee.

The finance and general purposes committee also acts as the audit committee.

The Langtree School Academy Trust Company Governance Statement (continued)

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring the curriculum model is appropriate for the school and financially sustainable.
- Ongoing review of staffing to ensure financial stability and effectiveness
- Ongoing reviews of expenditure in order to plan efficiency savings across all budget lines
- Contingency planning for future years.

The DFE School Resource Management Self-assessment Tool was completed based on the 2018/19 accounts return, November 2018 school workforce census, January 2019 performance tables, and the latest Ofsted rating. The tool can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils.

The dashboard shows how a school's data compares to thresholds on a range of statistics that have been identified by the Department for Education as indicators for good resource management and outcomes.

The dashboard provides red, amber or green (RAG) ratings against a school's data that indicates how its spend and characteristics compare with similar schools or nationally recognised bandings and recommendations. The light green rating showed that the school's data was in line with the majority of other schools and recognised standards - but it does not necessarily mean that there is no scope for change. The results were reviewed for each indicator by the trust's board.

In 2020 GCSE exams were cancelled due to the coronavirus pandemic and GCSE outcomes determined from centre estimated grades. Therefore, as there was no external moderation of any results all readers of this document should be wary of drawing any conclusions from this data or making any comparisons with other schools. We have included last year's data as an indication of last validated outcomes.

KPI	2019	2020
Progress 8	0.47	not calculated due to cancelation of exams
Attainment8	5.4	5.7
English and Maths at 4+	83%	88%
English and Maths at 5+	58%	65%
5 or more GCSEs at 7+	26%	35%

In 2019, current indicative measures published by the DfE and verified by the Fisher Family Trust show that:

- The indicative progress 8 score for all 115 pupils was 0.5, which is significantly above the national average.

The Langtree School Academy Trust Company

Governance Statement (continued)

- The Attainment 8 score for all 115 pupils was 54.2, which is significantly above the national average.
- 57% of students achieved a grade 5 or above in both English and Maths
- 82 % of students achieved the "Basics" measure, a 4+ in English and Maths
- 47% of Langtree students were entered for the English Baccalaureate, achieving an average point score of 6.2
- SEN students with EHC plans achieved a positive progress 8 score of 0.11
- Students with SEN support achieved an indicative progress 8 score of -0.08
- Students with no SEN achieved an indicative progress 8 score of 0.52
- Students eligible for free school meals achieved an indicative progress 8 score of 0.26.

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 The Langtree School Academy Trust Company for the period 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees considered the need for specific internal audit function and decided to appoint Critchleys as an internal auditor to carry out internal checks on their behalf during 2019-20.

The Langtree School Academy Trust Company Governance Statement (continued)

The Risk and Control Framework (continued)

The internal auditor's 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:

- review of risk register

The internal auditor reports to the board of trustees, through the finance and general purposes committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

The academy trust can confirm that the internal auditor has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

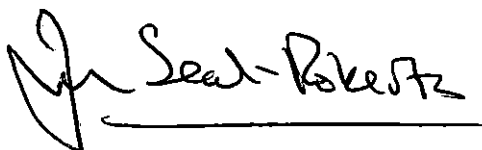
Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor/reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the/finance and general purposes committee and a plan to address weaknesses [if relevant] 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 its behalf by:



J Seal-Roberts
Trustee



S Bamford
Accounting Officer

The Langtree School Academy Trust Company

Statement on Regularity, Propriety and Compliance

As accounting officer of The Langtree School Academy Trust Company I have considered my responsibility to notify the academy trust's 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 academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 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.



S Bamford
Accounting Officer

Date... 3 December 2020

The Langtree School Academy Trust Company

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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:

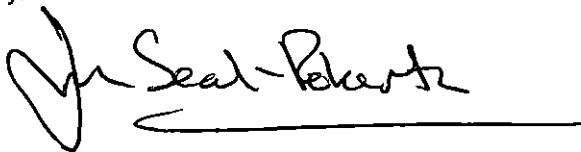
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 Seal-Roberts
Trustee

The Langtree School Academy Trust Company

Independent Auditor's Report to the members of The Langtree School Academy Trust Company

Opinion on financial statements

We have audited the financial statements of The Langtree School Academy Trust Company ('the academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2019 to 2020 issued by the ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and 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.

The Langtree School Academy Trust Company

Independent Auditor's Report to the members of The Langtree School Academy Trust Company (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 19), the trustees (who are also the directors of the charitable company 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 Report of the Independent Auditors.

The Langtree School Academy Trust Company
Independent Auditor's Report to the members of The Langtree School Academy
Trust Company (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 academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford

Date: 17 December 2020

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

The Langtree School Academy Trust Company

Independent Reporting Accountant's Assurance Report on Regularity to The Langtree School Academy Trust Company and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2017 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 The Langtree School Academy Trust Company during the period 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.

Respective responsibilities of The Langtree School Academy Trust Company's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Langtree School Academy Trust Company's funding agreement with the Secretary of State for Education dated 1 April 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 period 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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing the minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

The Langtree School Academy Trust Company

Independent Reporting Accountant's Assurance Report on Regularity to The Langtree School Academy Trust Company) and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Use of our report

This report is made solely to The Langtree School Academy Trust Company and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Langtree School Academy Trust Company and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Langtree School Academy Trust Company and the ESFA, for our review work, for this report, or for the conclusion we have formed.



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 17 December 2020

The Langtree School Academy Trust Company
Statement of Financial Activities
For the year ended 31 August 2020
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019/20 £	Total 2018/19 £
Income and endowments from:						
Donations and capital grants	2	-	13,650	112,759	126,409	428,273
Charitable activities						
Funding for the academy trust's educational operations	3	-	3,165,538	-	3,165,538	3,120,221
Other income for educational operations	4	66,133	-	-	66,133	169,729
Other trading activities	5	36,053	-	-	36,053	45,979
Investments	6	561	-	-	561	251
Total		102,747	3,179,188	112,759	3,394,694	3,764,453
Expenditure on:						
Raising funds	7	1,443	-	-	1,443	1,484
Charitable activities:						
Academy trust educational operations	8	50,699	3,363,564	230,795	3,645,058	3,478,747
Total		52,142	3,363,564	230,795	3,646,501	3,480,231
Net income / (expenditure) before transfers		50,605	(184,376)	(118,036)	(251,807)	284,222
Transfers between funds	17	-	(35,119)	35,119	-	-
Net income / (expenditure) for the period		50,605	(219,495)	(82,917)	(251,807)	284,222
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	17,27	-	267,000	-	267,000	(311,000)
Net movement in funds		50,605	47,505	(82,917)	15,193	(26,778)
Reconciliation of Funds						
Funds brought forward at 1 September		202,323	(1,069,931)	9,619,429	8,751,821	8,778,599
Funds carried forward at 31 August		252,928	(1,022,426)	9,536,512	8,767,014	8,751,821

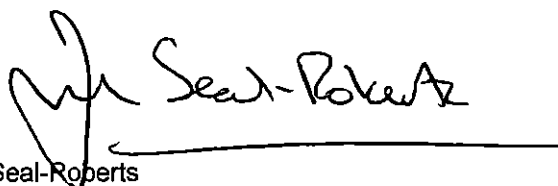
All of the Academy's activities derive from continuing operations and acquisitions in the current accounting period.

The Langtree School Academy Trust Company
 Balance Sheet
 as at 31 August 2020

Company number:
 07980335

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	12		1,011		4,771
Tangible assets	13		9,627,999		9,549,014
Current assets					
Stock	14	4,984		5,967	
Debtors	15	106,631		142,552	
Cash at bank and in hand		<u>316,082</u>		<u>701,761</u>	
		427,697		850,280	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(194,693)</u>		<u>(417,244)</u>	
Net current assets			<u>233,004</u>		<u>433,036</u>
Total assets less current liabilities			9,862,014		9,986,821
Net assets excluding pension liability					
			<u>9,862,014</u>		<u>9,986,821</u>
Defined benefit pension scheme liability	27		<u>(1,095,000)</u>		<u>(1,235,000)</u>
Total net assets			<u>8,767,014</u>		<u>8,751,821</u>
Funds of the academy trust:					
Restricted fixed asset funds	17		9,536,512		9,619,429
Restricted income fund	17	72,574		165,069	
Pension reserve	17	<u>(1,095,000)</u>		<u>(1,235,000)</u>	
			(1,022,426)		(1,069,931)
Total restricted funds			<u>8,514,086</u>		<u>8,549,498</u>
Unrestricted income funds	17		252,928		202,323
Total funds			<u>8,767,014</u>		<u>8,751,821</u>

The financial statements on pages 25 to 49 were approved by the trustees and authorised for issue on
3 December 2020..... and are signed on their behalf by



J Seal-Roberts
 Trustee

The Langtree School Academy Trust Company
Statement of Cash Flows
For the year ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(155,682)	348,620
Cash flows from investing activities	23	(215,492)	169,858
Cash flows from financing activities	22	(14,505)	(27,764)
Change in cash and cash equivalents in the reporting period		<u>(385,679)</u>	<u>490,714</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust		-	-
Cash and cash equivalents at 1 September		701,761	211,047
Cash and cash equivalents at 31 August		<u><u>316,082</u></u>	<u><u>701,761</u></u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period.

1 Statement of Accounting Policies

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

Basis of Preparation

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

The Langtree School Academy Trust Company meets the definition of a public benefit entity under FRS 102.

Going Concern

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

1 Statement of Accounting Policies (continued)

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of 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 period it is receivable and to the extent the academy trust has provided the goods or services.

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.

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1 Statement of Accounting Policies (continued)

Intangible Fixed Assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

Purchased computer software	3 years
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Tangible Fixed Assets

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

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 13 for further details).

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

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

Leasehold buildings	2% straight line
Fixtures, fittings and equipment	10 - 20% straight line
ICT equipment	33% straight line
Motor vehicles	25% reducing balance

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

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

Liabilities

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

1 Statement of Accounting Policies (continued)

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs 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 note 16. 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.

Stock

Unsold uniforms and catering stocks and text books are valued at the lower of cost or net realisable value.

Taxation

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

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

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the 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 gains and losses.

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

1 Statement of Accounting Policies (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 27).

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2 Donations and capital grants	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	14,024	14,024	46,543
ESFA capital project funding - CIF	-	87,125	87,125	348,500
Other Government grants				
Local authority capital funding	-	6,634	6,634	17,421
	-	107,783	107,783	412,464
Capital donations	-	4,976	4,976	944
Other donations		13,650	13,650	14,865
	-	126,409	126,409	428,273

The income from donations and capital grants was £126,409 (2018/19: £428,273) of which £Nil was unrestricted (2018/19: £Nil), £13,650 restricted (2018/19: £14,865) and £112,759 restricted fixed assets (2018/19: £413,408).

3 Funding for Academy's educational operations	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
DfE/EFSA revenue grants				
General Annual Grant (GAG)	-	2,856,000	2,856,000	2,961,600
Pupil premium	-	61,953	61,953	64,300
Other ESFA grants	-	27,335	27,335	22,644
	-	2,945,288	2,945,288	3,048,544
Other Government grants				
LA SEN funding	-	39,492	39,492	40,056
Local authority revenue funding	-	2,527	2,527	3,950
Other grants	-	160,523	160,523	27,671
	-	202,542	202,542	71,677
Exceptional government funding				
Coronavirus exceptional support	-	17,708	17,708	-
	-	17,708	17,708	-
	-	3,165,538	3,165,538	3,120,221

The funding for the academy's educational operations was £3,165,538 (2018/19: £3,120,221) of which £Nil was unrestricted (2018/19: £Nil), £3,165,538 restricted (2018/19: £3,120,221) and £Nil restricted fixed assets (2018/19: £Nil).

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

- The funding received for coronavirus exceptional support covers £17,708 of costs for additional cleaning, the installation of outside sinks and additional catering costs relating to free school meals. These costs are included in notes 7 and 8 below.

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4 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Trip and activity income	45,370	-	45,370	147,385
Other income	20,763	-	20,763	22,344
	<u>66,133</u>	<u>-</u>	<u>66,133</u>	<u>169,729</u>

The other income for educational operations was £66,133 (2018/19: £169,729) of which £66,133 was unrestricted (2018/19: £169,729), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Hire of facilities	12,503	-	12,503	20,044
Other income	23,550	-	23,550	25,935
	<u>36,053</u>	<u>-</u>	<u>36,053</u>	<u>45,979</u>

The other trading activities income was £36,053 (2018/19: £45,979) of which £36,053 was unrestricted (2018/19: £45,979), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Short term deposits	561	-	561	251
	<u>561</u>	<u>-</u>	<u>561</u>	<u>251</u>

The investment income was £561 (2018/19: £251) of which £561 was unrestricted (2018/19: £251), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

7 Expenditure

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total 2019/20 £	Total 2018/19 £
Expenditure on raising funds					
Allocated support costs (note 8)	1,443	-	-	1,443	1,484
	<u>1,443</u>	<u>-</u>	<u>-</u>	<u>1,443</u>	<u>1,484</u>
Academy's educational operations:					
Direct costs (note 8)	2,382,676	-	138,060	2,520,736	2,445,846
Allocated support costs (note 8)	421,341	283,225	419,756	1,124,322	1,032,901
	<u>2,804,017</u>	<u>283,225</u>	<u>557,816</u>	<u>3,645,058</u>	<u>3,478,747</u>
	<u>2,805,460</u>	<u>283,225</u>	<u>557,816</u>	<u>3,646,501</u>	<u>3,480,231</u>

The expenditure on raising funds was £1,443 (2018/19: £1,484) of which £1,443 was unrestricted (2018/19: £1,484), £Nil restricted (2018/19: £Nil) and £Nil restricted fixed assets (2018/19: £Nil).

The expenditure on academy's educational operations was £3,645,058 (2018/19: £3,478,747) of which £50,699 was unrestricted (2018/19: £176,784), £3,363,564 restricted (2018/19: £3,114,440) and £230,795 restricted fixed assets (2018/19: £187,523).

Net income/(expenditure) for the period includes:

	2019/20 £	2018/19 £
Operating lease rentals	62,636	59,278
Depreciation	249,827	206,555
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	3,760	3,760
Fees payable to auditor for:		
Audit	11,555	7,100
Other services	2,275	3,500
	<u>2,275</u>	<u>3,500</u>

8 Charitable activities

	Total 2019/20 £	Total 2018/19 £
Direct costs - educational operations	2,520,736	2,445,846
Support costs - educational operations	1,124,322	1,032,901
	<u>3,645,058</u>	<u>3,478,747</u>

Analysis of support costs

	Educational operations £	Total 2019/20 £	Total 2018/19 £
Support staff costs	294,341	294,341	272,510
Depreciation	249,827	249,827	206,555
Amortisation	3,760	3,760	3,760
Technology costs	77,181	77,181	74,141
Premises costs	283,225	283,225	256,855
Other support costs	75,158	75,158	67,480
Governance costs	13,830	13,830	10,600
Other pension costs	103,000	103,000	119,000
Other finance costs (FRS102 pension)	24,000	24,000	22,000
Total support costs	<u>1,124,322</u>	<u>1,124,322</u>	<u>1,032,901</u>

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9 Staff

a. Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	2,036,566	1,930,775
Social security costs	188,340	176,479
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	453,554	314,453
FRS102 Other pension and finance costs	127,000	141,000
	<u>2,805,460</u>	<u>2,562,707</u>
Agency staff costs	-	25,861
	<u>2,805,460</u>	<u>2,588,568</u>

b. Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	42	34
Leadership	4	6
Administration and support	37	33
	<u>83</u>	<u>73</u>

The average number of persons (including senior leadership team) employed by the academy trust during the period expressed as full time equivalents was as follows:

	2019/20	2018/19
	No.	No.
Teachers	32	30
Leadership	5	6
Administration and support	17	20
	<u>54</u>	<u>56</u>

c. Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 to 2. 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 £614,207 (2018/19: £552,260).

10 Related Party Transactions - Trustees' remuneration and expenses

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

	2019/20 £	2018/19 £
S Bamford (Headteacher and		
Remuneration	£70k-£75k	£70k-£75k
Employer's pension contributions	£15k-£20k	£10k-£15k
M Vitty (staff trustee)		
Remuneration	-	£25k-£30k
Employer's pension contributions paid	-	£0k-£5k
A Temple (staff trustee)		
Remuneration	£10k-£15k	£10k-£15k
Employer's pension contributions paid	£0k-£5k	£0k-£5k
L Phipps (staff trustee)		
Remuneration	£45k-£50k	£10k-£15k
Employer's pension contributions paid	£10k-£15k	£0k-£5k

During the period ended 31 August 2020, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2018/19: £Nil).

11 Trustees and officers insurance

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

12 Intangible fixed assets

	Computer Software £	2019/20 Total £
Cost		
As at 1 September 2019	11,291	11,291
Additions	-	-
As at 31 August 2020	<u>11,291</u>	<u>11,291</u>
Amortisation		
As at 1 September 2019	6,520	6,520
Charged in year	3,760	3,760
As at 31 August 2020	<u>10,280</u>	<u>10,280</u>
Carrying amount		
As at 31 August 2020	<u>1,011</u>	<u>1,011</u>
As at 1 September 2019	<u>4,771</u>	<u>4,771</u>

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13 Tangible fixed assets

	Leasehold Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	2019/20 Total £
Cost					
As at 1 September 2019	10,145,263	668,848	296,329	11,721	11,122,161
Additions	311,793	2,596	14,423	-	328,812
As at 31 August 2020	<u>10,457,056</u>	<u>671,444</u>	<u>310,752</u>	<u>11,721</u>	<u>11,450,973</u>
Depreciation					
As at 1 September 2019	990,147	327,854	244,905	10,241	1,573,147
Charged in year	145,853	78,274	25,330	370	249,827
As at 31 August 2020	<u>1,136,000</u>	<u>406,128</u>	<u>270,235</u>	<u>10,611</u>	<u>1,822,974</u>
Net book values					
As at 31 August 2020	<u>9,321,056</u>	<u>265,316</u>	<u>40,517</u>	<u>1,110</u>	<u>9,627,999</u>
As at 1 September 2019	<u>9,155,116</u>	<u>340,994</u>	<u>51,424</u>	<u>1,480</u>	<u>9,549,014</u>

The Academy took out a 125 year lease over the land and buildings transferred from Oxfordshire County Council at the date of conversion. The land and buildings transferred at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuation of the land and buildings commissioned by the ESFA as at 31 March 2013.

This desktop valuation was undertaken by Mouchel and was carried out on a depreciated replacement cost basis. Included in the value of land and buildings is land at a value of £3,051,000 which is not depreciated.

14 Stock

	2020 £	2019 £
Books	4,984	5,967
	<u>4,984</u>	<u>5,967</u>

15 Debtors

	2020 £	2019 £
Trade debtors	301	24,235
VAT recoverable	17,412	29,363
Prepayments and accrued income	88,918	88,954
	<u>106,631</u>	<u>142,552</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	20,191	99,264
Net obligations under finance leases and hire purchase contracts	-	14,505
Other taxation and social security	44,128	43,734
Other creditors	53,238	40,958
Accruals and deferred income	77,136	218,783
	<u>194,693</u>	<u>417,244</u>

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16 Creditors: amounts falling due within one year (continued)

Deferred income

	2020 £	2019 £
Deferred income at 1 September	55,359	39,706
Released from previous years	(55,359)	(39,706)
Resources deferred in the period	22,650	55,359
Deferred income at 31 August	<u>22,650</u>	<u>55,359</u>

At the balance sheet date the academy trust was holding funding received specifically for the next financial year totalling £11,170, together with lettings, trips, activities and other income received in advance totalling £11,480.

17 Funds

	Balance at 1 Sept 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	165,069	2,856,000	(2,913,376)	(35,119)	72,574
Pupil Premium funding	-	61,953	(61,953)	-	-
Other DfE funding	-	27,335	(27,335)	-	-
Local authority revenue funding	-	202,542	(202,542)	-	-
Primaries' conversion grants	-	-	-	-	-
Early Years funding	-	-	-	-	-
Other restricted funds	-	31,358	(31,358)	-	-
Pension reserve (note 27)	(1,235,000)	-	(127,000)	267,000	(1,095,000)
	<u>(1,069,931)</u>	<u>3,179,188</u>	<u>(3,363,564)</u>	<u>231,881</u>	<u>(1,022,426)</u>
Restricted fixed asset funds					
Condition Improvement Fund	196,699	87,125	-	(268,059)	15,765
Devolved formula capital	-	14,024	-	(14,024)	-
Local authority capital funding	-	6,634	-	(6,634)	-
Donations and other funders	-	4,976	-	(4,976)	-
Intangible fixed asset fund (note 12)	4,771	-	(3,760)	-	1,011
Tangible fixed asset fund (note 13)	9,417,959	-	(227,035)	328,812	9,519,736
	<u>9,619,429</u>	<u>112,759</u>	<u>(230,795)</u>	<u>35,119</u>	<u>9,536,512</u>
Total restricted funds	<u>8,549,498</u>	<u>3,291,947</u>	<u>(3,594,359)</u>	<u>267,000</u>	<u>8,514,086</u>
Unrestricted funds					
Designated funds	116,550	-	(22,792)	14,505	108,263
Unrestricted funds	85,773	102,747	(29,350)	(14,505)	144,665
Total unrestricted funds	<u>202,323</u>	<u>102,747</u>	<u>(52,142)</u>	<u>-</u>	<u>252,928</u>
Total funds	<u>8,751,821</u>	<u>3,394,694</u>	<u>(3,646,501)</u>	<u>267,000</u>	<u>8,767,014</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

17 Funds (continued)

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2020.

Pupil Premium Funding represents funding received from the Department for Education (DfE) to raise the attainment of disadvantaged pupils of all abilities. The eligibility of the pupils and rates of grant per pupil are set-out by the DfE. This funding is to be used for the provision of education.

Other DfE funding represents other forms of funding received from the Department for Education. This includes but is not limited to Rates Relief Income, FSM funding and PE grant.

Local Authority Revenue funding represents various grant funding provided by Local Authorities.

Restricted general funds, Other grants represent amounts given to the academy trust for specific revenue purposes.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Local Authority Capital Funding includes various grant funding provided by Local Authorities.

The Condition Improvement Fund represents funding provided by the Department for Education to be used for specific capital projects.

Restricted Fixed Asset Funds, Other grants and donations represent amounts given to the academy trust for specific capital purposes.

The Intangible Asset fund recognises the net book value of computer software additions purchased by the academy trust since conversion.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

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17 Funds (continued)

Comparative funds

	Balance at 1 Sept 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	16,306	2,961,600	(2,799,954)	(12,883)	165,069
Pupil Premium funding	-	64,300	(64,300)	-	-
Other DfE funding	-	22,644	(22,644)	-	-
Local authority revenue funding	-	71,677	(71,677)	-	-
Other restricted funds	-	14,865	(14,865)	-	-
Pension reserve (note 27)	(783,000)	-	(141,000)	(311,000)	(1,235,000)
	<u>(766,694)</u>	<u>3,135,086</u>	<u>(3,114,440)</u>	<u>(323,883)</u>	<u>(1,069,931)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	348,500	-	(151,801)	196,699
Devolved formula capital	14,209	46,543	-	(60,752)	-
Local authority capital funding	-	17,421	-	(17,421)	-
Donations and other funders	-	944	-	(944)	-
Intangible fixed asset fund (note 12)	8,531	-	(3,760)	-	4,771
Tangible fixed asset fund (note 13)	9,357,921	-	(183,763)	243,801	9,417,959
	<u>9,380,661</u>	<u>413,408</u>	<u>(187,523)</u>	<u>12,883</u>	<u>9,619,429</u>
Total restricted funds	<u>8,613,967</u>	<u>3,548,494</u>	<u>(3,301,963)</u>	<u>(311,000)</u>	<u>8,549,498</u>
Unrestricted funds					
Designated funds	111,578	-	(22,792)	27,764	116,550
Unrestricted funds	53,054	215,959	(155,476)	(27,764)	85,773
Total unrestricted funds	<u>164,632</u>	<u>215,959</u>	<u>(178,268)</u>	<u>-</u>	<u>202,323</u>
Total funds	<u>8,778,599</u>	<u>3,764,453</u>	<u>(3,480,231)</u>	<u>(311,000)</u>	<u>8,751,821</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	1,011	1,011
Tangible fixed assets	108,263	-	9,519,736	9,627,999
Current assets	144,665	267,267	15,765	427,697
Current liabilities	-	(194,693)	-	(194,693)
Pension Scheme liability	-	(1,095,000)	-	(1,095,000)
Total net assets	<u>252,928</u>	<u>(1,022,426)</u>	<u>9,536,512</u>	<u>8,767,014</u>

18 Analysis of net assets between funds (continued)

Comparative analysis of net assets between funds

Fund balances at 31 August 2019 were represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	4,771	4,771
Tangible fixed assets	131,055	-	9,417,959	9,549,014
Current assets	85,773	567,808	196,699	850,280
Current liabilities	(14,505)	(402,739)	-	(417,244)
Pension Scheme liability	-	(1,235,000)	-	(1,235,000)
Total net assets	202,323	(1,069,931)	9,619,429	8,751,821

19 Capital commitments

	2019/20 £	2018/19 £
Contracted for, but not provided in the financial statements	-	310,183

20 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019/20 £	2018/19 £
Amounts due within one year	63,313	59,278
Amounts due between one and five years	86,469	131,691
	149,782	190,969

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

	2019/20 £	2018/19 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(251,807)	284,222
Adjusted for:		
Amortisation (note 12)	3,760	3,760
Depreciation (note 13)	249,827	206,555
Capital grants from DfE and other capital income	(107,783)	(412,464)
Fixed asset donations	(4,976)	(944)
Interest receivable (note 6)	(561)	(251)
Defined benefit pension scheme cost less contributions payable (note 27)	103,000	119,000
Defined benefit pension scheme finance cost (note 27)	24,000	22,000
(Increase)/decrease in stocks	983	(651)
(Increase)/decrease in debtors	35,921	36,379
Increase/(decrease) in creditors	(208,046)	91,014
Net cash (used in)/provided by operating activities	(155,682)	348,620

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22 Cash flows from financing activities

	2019/20	2018/19
	£	£
Repayments of borrowing	(14,505)	(27,764)
Net cash used in financing activities	(14,505)	(27,764)

23 Cash flows from investing activities

	2019/20	2018/19
	£	£
Dividends, interest and rents from investments	561	251
Purchase of tangible fixed assets	(328,812)	(243,801)
Capital grants from DfE Group	107,783	412,464
Capital funding received from sponsors and others	4,976	944
Net cash (used in)/provided by investing activities	(215,492)	169,858

24 Analysis of cash and cash equivalents

	At 1 Sept 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	701,761	(385,679)	316,082
Debts due within one year	(14,505)	10,896	(3,609)
Debts falling due after more than one year	-	16,868	16,868
Total cash and cash equivalents	687,256	(357,915)	329,341

25 Contingent liabilities

There are no contingent liabilities that require disclosure.

26 Members liability

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

27 Pension and similar obligations

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 Oxfordshire County Council. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £51,296 were payable to the schemes at 31 August 2020 (2019: £40,055) and are included within creditors.

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pension Regulations 2014. Membership is automatic for 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 make 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.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of 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% employer administration charge)
- 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
- 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. The 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%

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the period amounted to £379,000 (2018/19: £242,867).

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>

Scheme Changes

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £94,000 (2018/19: £95,000), of which employer's contributions totalled £72,000 (2018/19: £73,000) and employees' contributions totalled £22,000 (2018/19: £22,000). The contribution rates applicable until 31 March 2020 were 19.3% for employers and 5.5-12.5% for employees. Agreed contribution rates in effect from 1 April 2020 are 19.9% for employers and an average 6.5% for employees.

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

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.20%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%
Inflation assumption (CPI)	0.50%	1.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	22.2	22.7
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	22.9	24.0
Females	25.6	25.7

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2020 £'000	At 31 August 2019 £'000
Discount rate +0.1%	2,362	2,720
Discount rate -0.1%	2,472	2,600
Mortality assumption - 1 year increase	2,398	2,637
Mortality assumption - 1 year decrease	2,436	2,679
CPI rate +0.1%	2,366	2,605
CPI rate -0.1%	2,468	2,711

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	926,000	982,000
Gilts	-	-
Corporate bonds	264,000	299,000
Property	79,000	85,000
Cash and other liquid assets	53,000	57,000
Total market value of assets	1,322,000	1,423,000
Present value of scheme liabilities		
- Funded	(2,417,000)	(2,658,000)
(Deficit) in the scheme	(1,095,000)	(1,235,000)

The actual return on scheme assets was £26,000 (2018/19: £71,000).

Amounts recognised in the statement of financial activities

	2019/20 £	2018/19 £
Current service cost (net of employee contributions)	175,000	147,000
Past service cost	-	45,000
Net interest on the defined liability (asset)	22,000	22,000
Total amount recognised in the SOFA	197,000	214,000

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

	2019/20 £	2018/19 £
At 1 September	2,658,000	2,047,000
Current service cost	175,000	147,000
Interest cost	50,000	59,000
Employee contributions	22,000	22,000
Actuarial (gain)/loss - financial assumption	(47,000)	527,000
Actuarial (gain)/loss - demographic assumption	(38,000)	(177,000)
Actuarial (gain)/loss - experience gains/losses	(384,000)	
Benefits paid	(19,000)	(12,000)
Past service costs (including curtailments)	-	45,000
At 31 August	2,417,000	2,658,000

Changes in the fair value of academy's share of scheme assets:

	2019/20 £	2018/19 £
At 1 September	1,423,000	1,264,000
Interest income	26,000	37,000
Return on plan assets (excluding net interest on the net defined pension liability)	(202,000)	39,000
Employer contributions	72,000	73,000
Employee contributions	22,000	22,000
Benefits paid	(19,000)	(12,000)
At 31 August	1,322,000	1,423,000

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Reconciliation of opening and closing deficit	2019/20		2018/19	
	£	£	£	£
Pension deficit at 1 September		(1,235,000)		(783,000)
Current service cost	(175,000)		(147,000)	
Past service cost	-		(45,000)	
Employer contributions	72,000		73,000	
Additional pension cost		(103,000)		(119,000)
Other finance (costs)/income		(24,000)		(22,000)
Actuarial gains/(losses)		267,000		(311,000)
Pension deficit at 31 August		(1,095,000)		(1,235,000)

28 Related party transactions

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

The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Mrs A Bamford (wife of S Bamford, headteacher and trustee) received remuneration during the year, for her work as a teacher of £17,485 (2019: £nil) and employer pension contributions amounted to £4,141 (2019: £nil). The amount owed to Mrs A Bamford as at 31 August 2020 was £Nil (2019: £Nil).

Mrs A Bamford's appointment was made in open competition and S Bamford was not involved in the decision-making process regarding appointment. Mrs A Bamford is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to the headteacher.