

REGISTRAR OF COMPANIES

The Langley Academy Trust

Annual Report and Financial Statements

31 August 2018

Company Limited by Guarantee
Registration Number 05358533
(England and Wales)

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Contents

Reports

Reference and administrative information	1
Trustees' report (including a strategic report)	3
Governance statement	13
Statement on regularity, propriety and compliance	19
Statement of Trustees' responsibilities	20
Independent auditor's report on the financial statements	21
Independent reporting accountant's assurance report on regularity	24

Financial statements

Statement of financial activities	26
Balance sheet	27
Statement of cash flows	28
Principal accounting policies	29
Notes to the financial statements	35

Reference and administrative information

Members

Sir Martyn Arbib
Mrs Annabel Nicoll
Mr Patrick Nicoll
Mrs Linda Sanderson
Dr Michael Sanderson

Trustees

Dr Oona Stannard (Chair)
Mrs EmmaJane Avery
Mr Rhodri Bryant
Mr Martin Burford
Mr John Hedger
Mr William Lazarus
Mr David Mallen
Mrs Annabel Nicoll

Company Secretary

Mrs Angela Cattermole (Resigned 5 August 2018)
Mr Mirza Baig (Appointed 6 August 2018); (Resigned 2 September 2018)
Ms Coralyn Ann Selman (Appointed 3 September 2018)

Senior Management Team
The Langley Academy Trust
Executive Principal
Finance Director

Mr Rhodri Bryant
Mrs Angela Cattermole (Resigned 5 August 2018)
Ms Coralyn Ann Selman (Appointed 3 September 2018)

The Langley Academy
Headteacher

Mrs Alison Lusuardi (Appointed 1 September 2017)

The Langley Academy Primary
Headteacher

Mrs Tracey Bowen

Parlaunt Park Primary Academy
Headteacher

Mrs Polly Bennett

Reference and administrative information

Registered office The Langley Academy
Langley Road
Langley
Slough
Berkshire
SL3 7EF

Tel: 01753 214440

Fax: 01753 596321

Company registration number 05358533 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Barclays Bank plc
Wytham Couth
11 West Way
Oxford
OX2 0JB

Trustees' report (including a strategic report) 31 August 2018

The Trustees of The Langley Academy Trust ('the Trust'), who are also directors of the company for the purposes of the Companies Act, present their annual report together with the financial statements of the Trust and auditor's report for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust, which is a multi-academy trust in Slough, operated two primary academies, Parlaunt Park Primary Academy (PPPA) and The Langley Academy Primary (TLAP), and one secondary academy, The Langley Academy (TLA) during the year. The Trust's academies have a combined pupil capacity of 2,224 and had a roll of 2,079 in the school census on 4 October 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 34 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital (Company Registration No. 05358533) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. Members of the charitable company include representatives of the principle sponsor of the Trust, The Annabel Arbib Foundation and up to five persons appointed by the trustees of the sponsor. In addition, the members may appoint additional members as they see fit. The members of the charitable company are Sir Martyn Arbib, Mrs Annabel Nicoll, Mr Patrick Nicoll, Mrs Linda Sanderson and Dr Michael Sanderson. In accordance with the articles of association of the charitable company they have the powers to appoint or remove Trustees.

On 1 August 2011 the Trust became an exempt charity for the purposes of the Charities Act 2011. At this date, the principal regulator of the Trust changed from the Charity Commission to the Department for Education (DfE). The Education and Skills Funding Agency (ESFA) carries out the role of principal regulator on behalf of the DfE.

The Langley Academy Trust operates state schools funded directly by the DfE and not via the local education authority. The Trust is entirely dependent upon state funding for its operational costs.

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Trust and that the curriculum should comply with the substance of the national curriculum with an emphasis on science.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

Trustees' indemnities

Subject to the provisions set out in the Companies Act, every Trustee or other officer of the Trust will be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Trustees

The Trust has provision for the following Trustees: up to ten Trustees appointed by The Annabel Arbib Foundation, as the principal sponsor; the Executive Principal (ex-officio) and a minimum of two parent Trustees unless there are local governing bodies which include at least two parent members. In addition, the Trust may appoint up to three co-opted Trustees.

Each Trustee has taken responsibility for monitoring the Trust's activities in specific operational areas and constant regard is had to the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Trust's development.

The governance structure of the Trust comprises The Langley Academy Trust Board with separate sub-committees designated to Business, Audit, Pay, Personnel, Health and Safety and Museum Learning. Local governing bodies monitor and develop student achievement, curriculum, and teaching and learning within each academy.

During the year under review the Board of Trustees held four full meetings. All new Trustees, who are recruited on their ability to play an active part in the governance of the Trust, are interviewed by experienced Trustees, given a tour of the Academies and an opportunity to meet with the Executive Principal prior to their first full meeting. In addition, they are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents dependant on their role within the Board of Trustees. They are also referred to the Academies Financial Handbook and the Trust's Funding Agreement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees (continued)

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees served throughout the year:

Trustees

Dr Oona Stannard (Chair)
Mrs EmmaJane Avery
Mr Rhodri Bryant
Mr Martin Burford (Vice Chair)
Mr John Hedger
Mr William Lazarus
Mr David Mallen
Mrs Annabel Nicoll

No Trustee received any remuneration in respect of their duties as a Trustee from the Trust during the year (2017 – none).

Mr Rhodri Bryant is remunerated in his position as Executive Principal.

Principal activities

The principal activities of the Trust are to provide education for pupils and adults of Langley and the wider area of Slough and to act as a hub for the local community.

Organisational structure

The Trust's management structure consists of four levels: the Board of Trustees, the local governing bodies, the senior leadership teams and the remaining leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Board of Trustees is responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the vision and direction of the Trust, capital expenditure and senior staff appointments.

The local governing bodies monitor and develop student achievement, teaching and learning, curriculum and museum learning at each academy. The senior leadership teams comprise the Executive Principal, Head of School/Headteachers, Vice Principals/Deputy Headteachers and Assistant Headteachers/Directors at each academy. These managers control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The leadership team includes the senior leadership team and also appointed Raising Standards Leaders, Heads of Faculty and other Heads of Year or Department. These managers are responsible for the day to day operation of the Trust, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. No Trustees are remunerated in respect of their duties as a Trustee. The pay and remuneration of the key personnel is approved annually by the Pay Committee. Consideration is given to local and national benchmarking as well as the performance of both the individual and the Trust.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
1% - 50%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£1,681
Total pay bill	£8,511,215
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00%
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations

The Annabel Arbib Foundation (formerly the Arbib Foundation) is the sponsor to the Trust and linked to Annabel Nicoll, a Trustee of the Trust. The Annabel-Arbib Foundation donated £2,472,000 towards initially establishing The Langley Academy. During the year it provided further donations of £204,262 (2017 - £124,767).

The sponsors have played a significant role in the Trust achieving its objectives over the years and their continuing financial support has played a major role in building Trust reserves.

Risk management

The Trustees have reviewed the major risks to which the Trust is exposed, in particular those relating to the operations and finances of the Trust. The Trustees have previously expressed concern to the DfE regarding the inadequacy of DfE funding to ensure the long term sustainability of the initial capital expenditure on tangible assets, whilst ensuring adequate resources remain available for day-to-day operations. This risk has been exacerbated by upward pressure on pay costs including national pay recommendations and increases in employer pension and national insurance contributions, which have been unfunded by the DfE. The DfE has acknowledged recognition of this issue. Subject to this concern, the Trustees are satisfied that appropriate measures are in place to limit and manage those risks.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The objects of the charitable company are:

- ◆ To advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- ◆ to promote, for the benefit of the inhabitants of the surrounding areas of the academies, the provision of facilities for recreation or other leisure time occupation.

The Trustees are carrying out these objects by running The Langley Academy Trust, funded by the DfE and its sponsor, The Annabel Arbib Foundation, to provide education for pupils of all abilities. The Langley Academy Trust teaches the full national curriculum but extra emphasis is placed on science education, museum learning and sport. This will support the development of each child and help them to understand the world around them and the part they can play in making it better.

The Langley Academy Trust aims to provide a holistic education and to ensure that students are happy and safe and able to develop into confident young people who believe they can achieve anything they put their mind to.

It is the Trustees' ambition to become the best academy trust in the country by offering an outstanding curriculum that supports the principles of both depth and breadth, so that each student/child receives a personalised education.

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities

The Trust believes that through providing a broad and balanced curriculum and a wide range of extracurricular activities students/children will be encouraged to succeed. Each academy sets strategic targets within their Academy Improvement Plan to ensure the aims of the Trust are met. The Trust regularly monitors progress against its detailed operational and strategic plans in order to meet its vision.

With two local primary schools included within the multi-academy trust, the Trust intends to ensure the quality of transition for its students from primary to secondary education and to provide a "school for life" for its students.

Charitable purposes for public benefit

In setting the objectives and planning the activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trust continued to make its facilities available to the local community, provided after school and weekend clubs and courses for its students and workshops for its parents.

The Trust is committed to providing an outstanding educational experience for every student by offering a holistic broad and balanced student-centred curriculum.

Application to the Trust's primary academies is based on students residing closest to each academy. The secondary academy has a selection procedure which bands applicants according to ability. In each of these nine bands the 20 applicants residing closest to The Langley Academy are selected. Students from primary academies within the Trust will receive priority to ensure the Trust can deliver an all through education for its students. The Trust believes this enables it to best serve the educational needs of the local community. There is no restriction on access based on ability to pay.

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

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

STRATEGIC REPORT

Achievements and performance

The Langley Academy Primary achieved an Outstanding Ofsted judgement in July 2018 where each aspect of the school was judged to be outstanding. The report highlighted the quality of our curriculum and the uniqueness of our museum learning model which we are most proud of as this demonstrates how our vision and ambition for young people has been realised.

The Langley Academy was rated as good in its most recent Ofsted inspection in November 2017 and the Trust is determined to build on this. GCSE results for the sixth consecutive year puts us in the top 20% of schools based on a PG score of +.02. Sixth form results improved this year to a positive value added score but we will still maintain a focus in this area. Consequently we have applied for planning permission for a £2.7 million build to provide a new sixth form teaching block with 14 classrooms and to refurbish the current sixth form facilities. We believe this will support our aspiration and ambition to provide an outstanding education for every young person in our Trust.

Parlaunt Park Primary Academy (PPPA) had an Ofsted Inspection in June 2017 and the school was judged to require improvement, a judgement that the Trust agreed with. The improvement plan clearly stated what and how improvements would be made in a timely fashion and evidence of that can be seen in the vast improvements in every aspect of the school. Almost all outcomes at KS2 are now above national average with some excellent in-year progress made to achieve that. The Trust's evaluation of the school is that it is now a good school in every aspect.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

The statement of financial activities on page 26 shows a deficit for the year before actuarial gains or losses on the Local Government Pension Scheme of £1,289,843 (2017 - £695,294). This includes £631,000 of pension costs under FRS102 (28) (2017 - £488,000), £204,262 of donation income from The Annabel Arbib Foundation (2017 - £124,767), £52,599 income from capital grants (2017 - £794,987) and the depreciation and amortisation charge of £1,351,107 (2017 - £1,192,140).

Unrestricted funds increased by £299,017 to £2,360,250 as at 31 August 2018 (2017 - £2,061,233).

As shown in note 17, restricted general funds, excluding the pension reserve, increased by £251,785 (2017 - decrease of £44,997). This is equivalent to the operational surplus for the year.

The pension reserve shows a decrease in the Local Government Scheme Pension deficit to £4,048,000 (2017 - £4,395,000). Further details are shown in note 21. The DfE has previously stated that academies are not expected to fund the deficit as a lump sum, but that it will continue to be addressed through employer contribution rates over future periods, from the General Annual Grant.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Financial and risk management objectives and policies

The Trust practices through its Board of Trustees and sub-committees risk management principles. The Trust has a risk register in place which identifies all major risks and controls to mitigate these risks. The risk register is reviewed in detail annually.

Reserves policy

The Trustees have reviewed the reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The Trust's long term forecast predicts that there will be significant financial pressure on the Trust going forwards with significant increasing costs, particularly pay costs that are not matched by increases in grant funding. The Trust has therefore been preparing for this eventuality and set aside reserves to support it whilst it makes the required adjustments to its cost base. The Trustees will keep the level of reserves under review and are satisfied with the way that expenditure during the year has been applied from various restricted reserves, which optimise the future available reserves for the Trust's operations.

As part of the budgeting process, the Trustees have reviewed the appropriate level of reserves to be retained from income received during the year ended 31 August 2018 to allow the Trust to continue operations in future periods.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

There is currently a deficit on the reserve for the Local Government Pension Scheme. The Trust is paying contributions to the Local Government Pension Scheme at the rate recommended by the actuary and payments in respect of the deficit will occur over a number of years.

At 31 August 2018 total funds comprise:

	£
Unrestricted	2,360,250
Restricted:	
Fixed asset funds	36,533,541
Pension reserve	(4,048,000)
General restricted funds	3,114,970
Total	37,960,761

Investment policy

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

In addition, the Trust aims to invest surplus cash funds to optimise returns, whilst ensuring the investment instruments are such that there is minimal risk of loss of these cash funds.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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.

Principal risks and uncertainties

The principal risks facing the Trust are:

- ♦ Financial risk – the principal risks are the reduction in funding levels due to either reduction in pupil numbers or changes in Government policy, increases in pay costs not matched by increases in grant funding, and the availability of additional funding to cover significant capital repairs and replacements. The Trust mitigates this risk by regular review of both its annual and long term forecasts and its level of reserves.
- ♦ Performance risk – the principal risk is a worsening of exam results. To mitigate this, performance is regularly monitored by the local governing body of each academy and reported directly to the Board of Trustees.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- ◆ Reputational risk – the principal risk is a reduction in how the Trust is perceived in the local and educational communities due to either a worsening of performance or poor OFSTED reports. To mitigate this risk, the local governing bodies regularly monitor performance and each academy actively markets itself within the local community.

FUNDRAISING

The Langley Academy Trust follows the fundraising practices as per section 13 of the Charities (Protection and Social Investment) Act 2016. The Langley Academy Trust does not currently work with any commercial or professional fundraisers. The Langley Academy Trust's fundraising activities are currently limited to raising funds through appeals to students' parents only. The Trust has received no complaints relating to fundraising during the year. If any complaints were received, these would be dealt with by the Trustees and/or senior management.

PLANS FOR FUTURE PERIODS

The key focus for the Trust is to continue to drive academic achievement and it is the Trust's ambition for all three academies within the Trust to be classified as outstanding by OFSTED.

The Trust continues to develop and invest in the infrastructure of its academies to ensure an outstanding provision for both its student and the local community. The Trust is actively pursuing plans to build a new sixth form premises.

Academies across the country are facing increasing costs not matched by increases in grant funding. The Trust is preparing as required to ensure its future financial viability.

AUDITOR

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the Trust's auditor is unaware; and
- ◆ 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 on 6 December 2018 and signed on its behalf by:



Dr Oona Stannard
(Chair of Trustees)

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Number of meetings attended	Out of a possible
Mrs EmmaJane Avery	3	4
Mr Rhodri Bryant	4	4
Mr Martin Burford	4	4
Mr John Hedger	3	4
Mr William Lazarus	2	4
Mr David Mallen	4	4
Mrs Annabel Nicoll	4	4
Dr Oona Stannard (Chair)	4	4

Governance review

As part of the transition to becoming a multi-academy trust, the role and responsibilities of the Trustees were reviewed during the year ended 31 August 2014. These have remained under review thereafter as the Trust consolidates its position and ensures that they remain suitable for a multi-academy trust.

Governance (continued)

Governance review (continued)

The Trust has a dedicated Audit Committee which allows a specific focus on internal control reviews as well as the risks facing the Trust. The Business and Health and Safety Committees work across the Trust which allows a consistency of approach and financial oversight, whilst also helping to ensure that the local governing bodies can be focused on student attainment.

Buzzacott LLP provide termly reports, on behalf of the Responsible Officer, in conjunction with the annual audit to provide assurance to the Trustees that appropriate structures and controls are in place.

Business Committee

The Business Committee is a sub-committee of the main Board of Trustees. Its purpose is to carry out its responsibilities as laid out in the Terms of Reference for the Committee. This includes:

- ◆ to review the Trust's annual Academy Improvement Plan and consider its financial implications;
- ◆ to review the Trust's Scheme of Delegation;
- ◆ to recommend to the Board of Trustees, not later than 28 June each year, a budget for the following year;
- ◆ to receive and review the management accounts projections for the year;
- ◆ to review the use and maintenance of the premises, wider Trust land, and environmental assets;
- ◆ to review the inspection of the premises and grounds, and approve a statement of priorities for maintenance and development as part of the Academy Strategic Plan;
- ◆ to approve the Trust's asset management plan annually and review progress;
- ◆ to review the Trust's insurance arrangements annually;
- ◆ to review the Trust's Health and Safety policy and to review reports at each meeting;
- ◆ to support the Trust in promoting links with the local community, and wider area, including reporting on links with the business community;
- ◆ to review the Trust's staffing structure and to have an oversight of staff appointments;
- ◆ to review the work of the Pay Committee;

Governance statement 31 August 2018

Governance (continued)

Business Committee (continued)

- ◆ to review all personnel and business related policies and receive updates as required; and
- ◆ to review annually pension liabilities, depreciation policy and state of reserves.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
Mr Rhodri Bryant	3	3
Mr William Lazarus (Chair)	3	3
Mrs Annabel Nicoll	3	3
Dr Oona Stannard	3	3

Mr Martin Burford and Mr David Mallen are not members of the Business Committee but attend meetings in their roles as Chair of Parlaunt Park Primary Academy and The Langley Academy Primary Local Governing Bodies and Chair of The Langley Academy Local Governing Body respectively.

Audit Committee

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to carry out its responsibility as laid out in the Terms of Reference for the Committee. This includes:

- ◆ to review management reports associated with the annual external audit as received from the auditors;
- ◆ to approve the statutory accounts so that they can be presented to the Board of Trustees before 31 December each year;
- ◆ to agree the program of work for reviewing the risks to internal financial controls and to receive and review the reports from the Responsible Officer reviews carried out; and
- ◆ to review the risk register annually and to review the procedures to make sure this register is kept up to date, reviewed regularly and that relevant action is taken by management when risks appear to be unacceptable.

Governance statement 31 August 2018

Governance (continued)

Audit Committee (continued)

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
Mr William Lazarus (Chair)	1	1
Mr Rhodri Bryant	1	1
Mr John Hedger	1	1
Mrs Annabel Nicoll	1	1
Dr Oona Stannard	1	1

The meeting is also attended by a representative from Buzzacott LLP in their role as the auditor.

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the 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 Trust has delivered and improved value for money during the year by:

- ◆ Targeted improvement – The Trust keeps its staffing structure under constant review and allocates resources to areas of key focus. sixth form, Science at The Langley Academy (TLA), wider tracking of the impact of literacy and numeracy across the curriculum at The Langley Academy Primary (TLAP), and EYFS at Parlaunt Park Primary Academy (PPPA) form a focus for the Trust and resources are dedicated to these areas. In addition, the appointment of a Headteacher at TLA has allowed the Executive Principal to become more strategic in the use of the Trust's resources to achieve greater impact in targeted areas.
- ◆ Purchasing – The Trust has established a centralised purchasing function which collates and processes all purchase orders for the Trust. A robust purchase ordering system ensures that all orders are signed off by the budget holder and the Finance Director or Executive Principal/Headteacher. The Trust has an employee dedicated to ensuring that the best possible prices are obtained. Wherever possible contracts are negotiated at group level to ensure the best discounts are obtained.

Review of value for money (continued)

- ♦ Strategic capital spend – To help ensure the long term financial stability of the Trust we also consider strategic capital expenditure where future cost savings can be obtained and this often marries with our sustainability ethos. During the year, the Trust has invested in a point-to-point broadband link across all its sites. This will allow faster and more efficient IT support to be provided by a single central IT team, and savings in broadband connection charges.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Trust's 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 at the Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

On behalf of the Board of Trustees, the Audit Committee has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Audit Committee is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Business and Audit Committees.

The risk and control framework

The 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 regular financial reports which are reviewed and agreed by the Business Committee;
- ♦ regular reviews by the Business 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;

The risk and control framework (continued)

- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

From 1 September 2014 the Audit Committee, a sub-committee of the Board of Trustees, has been established to report on and advise the Board of Trustees on governance and internal and external audit. The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks. In particular, the checks carried out in the current period included:

- ◆ testing of payroll systems
- ◆ testing of purchase systems
- ◆ testing of control account/bank reconciliations
- ◆ testing of income recording
- ◆ testing timeliness and accuracy of management accounts

On a termly basis, Buzzacott LLP reports to the Trustees, through the Business Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. There were no material control issues arising as a result of Buzzacott LLP's work.

Review of effectiveness

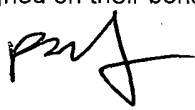
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership and Leadership Teams within the 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees and signed on their behalf by:


Dr Oona Stannard
(Chair of Trustees)


Mr Rhodri Bryant
(Executive Principal and Accounting Officer)

Approved on:

06.12.2018

6/12/2018

Statement on regularity, propriety and compliance 31 August 2018

As Accounting Officer of The Langley Academy Trust, I have considered my responsibility to notify the Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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.



Mr Rhodri Bryant
(Executive Principal and Accounting Officer)

Date: 6/12/2018.

Statement of Trustees' responsibilities 31 August 2018

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of 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 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust 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 the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Trust'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 and signed on their behalf by:


Dr Oona Stannard
Chair of Trustees
Date: 06.12.2018

Independent auditor's report to the members of The Langley Academy Trust

Opinion

We have audited the financial statements of The Langley Academy Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of 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 prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company 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

Conclusions relating to going concern (continued)

- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

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

Independent auditor's report on the financial statements 31 August 2018

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charitable company'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 charitable company 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 December 2018

Independent reporting accountant's assurance report on regularity 31 August 2018

Independent reporting accountant's assurance report on regularity to The Langley Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Langley Academy Trust during the period from 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Langley Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Langley Academy Trust's funding agreement with the Secretary of State for Education dated 10 February 2006 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Independent reporting accountant's assurance report on regularity 31 August 2018

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2018

Statement of financial activities Year to 31 August 2018
(including income and expenditure account)

		Unrestricted funds	Restricted funds		2018	2017
	Notes	£	Fixed assets	General funds	Total funds	Total funds
		£	£	£	£	£
Income from:						
Donations and capital grants	1	206,202	52,599	—	258,801	942,304
Charitable activities						
· Funding for the Trust's educational operations	2	—	—	11,645,855	11,645,855	11,202,206
Other trading activities	3	76,150	—	68,730	144,880	118,193
Investments	4	20,065	—	—	20,065	20,881
Total income		<u>302,417</u>	<u>52,599</u>	<u>11,714,585</u>	<u>12,069,601</u>	<u>12,283,584</u>
Expenditure on:						
Raising funds		—	—	63,962	63,962	49,765
Charitable activities:						
· Trust's educational operations		3,400	1,351,107	11,940,975	13,295,482	12,929,113
Total expenditure	5	<u>3,400</u>	<u>1,351,107</u>	<u>12,004,937</u>	<u>13,359,444</u>	<u>12,978,878</u>
Net income (expenditure) before transfers		299,017	(1,298,508)	(290,352)	(1,289,843)	(695,294)
Transfers between funds	17	—	201,863	(201,863)	—	—
Net income (expenditure) for the year		299,017	(1,096,645)	(492,214)	(1,289,843)	(695,294)
Other recognised gains						
· Actuarial gains on defined benefit pension scheme	21	—	—	1,091,000	1,091,000	578,000
Net movement in funds		<u>299,017</u>	<u>(1,096,645)</u>	<u>598,785</u>	<u>(198,843)</u>	<u>(117,294)</u>
Total funds brought forward at 1 September 2017		<u>2,061,233</u>	<u>37,630,186</u>	<u>(1,531,815)</u>	<u>38,159,604</u>	<u>38,276,898</u>
Total funds carried forward at 31 August 2018		<u>2,360,250</u>	<u>36,533,541</u>	<u>(933,030)</u>	<u>37,960,761</u>	<u>38,159,604</u>

All of the Trust's activities derived from continuing operations during the above two financial periods.

All gains and losses are included in the statement of financial activities above.

Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	12		3,770		12,249
Tangible assets	13		<u>36,528,453</u>		<u>37,600,280</u>
			<u>36,532,223</u>		<u>37,612,529</u>
Current assets					
Stock	14	11,758		25,916	
Debtors	15	625,346		1,379,746	
Short term deposits		3,794,674		1,775,000	
Cash at bank and in hand		<u>2,412,210</u>		<u>3,963,312</u>	
		<u>6,843,988</u>		<u>7,143,974</u>	
Creditors: amounts falling due within one year	16	<u>(1,367,450)</u>		<u>(2,201,899)</u>	
Net current assets			<u>5,476,538</u>		<u>4,942,075</u>
Total assets less current liabilities			<u>42,008,761</u>		<u>42,554,604</u>
Pension scheme liability	21		<u>(4,048,000)</u>		<u>(4,395,000)</u>
Total net assets			<u>37,960,761</u>		<u>38,159,604</u>
Funds of the Trust:					
Restricted funds	17				
. General restricted funds			3,114,970		2,863,185
. Pension reserve			<u>(4,048,000)</u>		<u>(4,395,000)</u>
			<u>(933,030)</u>		<u>(1,531,815)</u>
. Fixed assets fund			<u>36,533,541</u>		<u>37,630,186</u>
Total restricted funds			<u>35,600,511</u>		<u>36,098,371</u>
Unrestricted funds					
. General fund			<u>2,360,250</u>		<u>2,061,233</u>
Total funds			<u>37,960,761</u>		<u>38,159,604</u>

The financial statements on pages 26 to 51 were approved by the Trustees, authorised for issue on 6 December 2018 and signed on their behalf by:



Dr Oona Stannard
(Chair of Trustees)

The Langley Academy Trust
Company Registration number 05358533 (England and Wales)

Statement of cash flows Year ended 31 August 2018

		2018 £	2017 £
Net cash flow from operating activities			
Net cash provided by operating activities	A	681,492	708,166
Cash flows used in investing activities	B	(212,920)	(71,565)
Change in cash and cash equivalents in the year		468,572	636,601
Cash and cash equivalents at 1 September 2017		5,738,312	5,101,711
Cash and cash equivalents at 31 August 2018	C	6,206,884	5,738,312
A Reconciliation of net expenditure to net cash flow from operating activities			
		2018 £	2017 £
Net expenditure for the year			
(As per the statement of financial activities)		(1,289,843)	(695,294)
Adjusted for:			
Amortisation (note 12)		8,479	10,737
Depreciation (note 13)		1,342,628	1,181,403
Capital grants from DfE and other capital income		(52,599)	(809,486)
Loss (profit) on sale of tangible fixed assets (note 3)		14,783	(6,283)
Interest receivable (note 4)		(20,065)	(20,881)
Defined benefit pension scheme cost less contributions payable (note 21)		631,000	488,000
Defined benefit pension scheme finance cost (note 21)		113,000	97,000
Decrease (increase) in stocks		14,158	(85)
Decrease in debtors		754,400	1,329,510
Decrease in creditors		(834,449)	(866,455)
Net cash provided by operating activities		681,492	708,166
B Cash flows used in investing activities			
		2018 £	2017 £
Interest (note 4)		20,065	20,881
Proceeds from sale of tangible fixed assets (note 3)		—	6,283
Purchase of intangible fixed assets (note 12)		—	(4,232)
Purchase of tangible fixed assets (note 13)		(285,584)	(903,983)
Capital grants from DfE/ESFA and Local Authority		52,599	803,782
Capital funding received from sponsors and others		—	5,704
Net cash used in investing activities		(212,920)	(71,565)
C Analysis of cash and cash equivalents			
		2018 £	2017 £
Cash at bank and in hand		2,412,210	3,963,312
Short term deposits		3,794,674	1,775,000
Total cash and cash equivalents		6,206,884	5,738,312

Principal accounting policies 31 August 2018

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Langley Academy Trust 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

Principal accounting policies 31 August 2018

Income (continued)

Grants (continued)

The 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 assets fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 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 Trust to raise funds for its charitable purposes and includes costs of other trading activities.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2018

Intangible fixed assets

Intangible assets costing £1,000 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 33.33% per annum

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation except to the extent that certain assets are not in use in the period, in which case depreciation is not charged in that period.

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic lives. The related grants are credited to a restricted fixed assets fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities, so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- ◆ Leasehold buildings 2% on a straight line basis
- ◆ Assets under construction not depreciated
- ◆ Temporary buildings length of use
- ◆ Computer equipment and software 33.3% on a straight line basis
- ◆ Fixtures, fittings, equipment and motor vehicles 20% on a straight line basis

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.

Principal accounting policies 31 August 2018

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Short term deposits

Accounts and instruments that have a maturity of more than three months from the date of acquisition.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

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 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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 stocks are valued at the lower of cost and net realisable value.

Principal accounting policies 31 August 2018

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the 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 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Trust's charitable objects.

Principal accounting policies 31 August 2018

Fund accounting (continued)

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of intangible and tangible fixed assets for the purposes of calculating amortisation and depreciation.

Notes to the financial statements 31 August 2018

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
The Annabel Arbib Foundation – donations	204,262	—	204,262	124,767
Donated fixed assets – Mrs Annabel Nicoll	—	—	—	14,500
Other donations	1,940	—	1,940	8,050
Capital Grants				
SBC TLAP Construction	—	—	—	50,000
ESFA The Langley Academy Primary construction grant	—	10,836	10,836	684,305
ESFA Devolved Formula Capital grant	—	41,763	41,763	60,682
	206,202	52,599	258,801	942,304

2 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
ESFA revenue grants				
General Annual Grant	—	10,079,889	10,079,889	9,811,076
Other ESFA grants	—	742,492	742,492	717,270
	—	10,822,381	10,822,381	10,528,346
Other government grants				
Slough Borough Council grants	—	576,715	576,715	407,551
	—	576,715	576,715	407,551
Other income from the Trust's educational operations				
	—	246,759	246,759	266,309
	—	11,645,855	11,645,855	11,202,206

3 Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Hire of facilities	86,518	—	86,518	58,951
Rental income	4,415	—	4,415	2,680
Restaurant income	—	15,849	15,849	13,715
(Loss) profit on disposal of assets	(14,783)	—	(14,783)	6,283
Other self-generated income	—	52,881	52,881	36,564
	76,150	68,730	144,880	118,193

Notes to the financial statements 31 August 2018

4 Investment income

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Bank interest receivable	20,065	—	20,065	20,881

5 Expenditure

	Staff costs (note 8) £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other costs £		
Expenditure on raising funds					
. Direct costs	—	—	28,221	28,221	13,715
. Support costs	—	—	35,741	35,741	36,050
	—	—	63,962	63,962	49,765
Trust's educational operations (note 6)					
. Direct costs	7,535,116	—	1,148,965	8,684,081	8,678,384
. Support costs	2,020,639	2,028,020	562,742	4,611,401	4,250,729
	9,555,755	2,028,020	1,775,669	13,359,444	12,978,878

	2018 £	2017 £
Net income (expenditure) for the year includes:		
Operating lease rentals	—	598
Depreciation	1,342,628	1,181,403
(Loss) gain on disposal of fixed assets	(14,783)	6,283
Amortisation of intangible fixed assets	8,479	10,737
Fees payable to auditor for		
. Audit (current year)	19,450	20,850
. Audit (prior years)	300	9,700
. Other services	720	3,380

Included within expenditure are gifts made by the Trust of £401 (2017 - £1,569).

6 Trust's educational operations

	2018 Total funds £	2017 Total funds £
Direct costs	8,684,081	8,678,384
Support costs	4,611,401	4,250,729
	13,295,482	12,929,113

	2018 Total funds £	2017 Total funds £
Analysis of direct costs		
Teaching and educational support staff costs	7,174,048	7,122,367
Teaching and educational support agency costs	361,068	478,025
Technology costs	94,340	78,707
Educational supplies	455,900	485,157
Examination fees	115,380	125,352
Staff development	76,785	83,995
Educational consultancy	275,963	292,425
Other direct costs	130,597	12,356
Total direct costs	8,684,081	8,678,384

	2018 Total funds £	2017 Total funds £
Analysis of support costs		
Support staff costs	1,337,167	1,323,278
FRS102 staff cost adjustment	631,000	488,000
FRS102 interest cost	113,000	97,000
Support staff agency costs	34,047	34,865
Bank interest and charges	3,786	5,001
Catering	268,473	219,784
Cleaning	57,612	58,800
Depreciation and amortisation	1,351,107	1,192,140
Energy	182,692	164,370
Governance costs	39,379	62,092
Insurance	51,954	49,576
Maintenance	222,402	205,523
Occupancy costs	76,400	60,582
Other supplies and services	97,141	79,899
Recruitment and support	14,767	88,613
Rent and rates	85,853	81,945
Technology costs	44,621	39,261
Total support costs	4,611,401	4,250,729

Notes to the financial statements 31 August 2018

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted funds £	Restricted funds		2017 Total funds £
		Fixed assets £	General funds £	
Income from:				
Donations and capital grants	132,817	809,487	—	942,304
Charitable activities				
. Funding for the Trust's educational operations	—	—	11,202,206	11,202,206
Other trading activities	67,914	—	50,279	118,193
Investments	20,881	—	—	20,881
Total income	221,612	809,487	11,252,485	12,283,584
Expenditure on:				
Raising funds	—	—	49,765	49,765
Charitable activities:				
. Trust's educational operations	3,690	1,192,140	11,733,283	12,929,113
Total expenditure	3,690	1,192,140	11,783,048	12,978,878
Net income (expenditure) before transfers	217,922	(382,653)	(530,563)	(695,294)
Transfers between funds	(5,000)	104,434	(99,434)	—
Net income (expenditure) for the year	212,922	(278,219)	(629,997)	(695,294)
Other recognised gains				
. Actuarial gains on defined benefit pension scheme	—	—	578,000	578,000
Net movement in funds	212,922	(278,219)	(51,997)	(117,294)
Total funds brought forward at 1 September 2016	1,848,311	37,908,405	(1,479,818)	38,276,898
Total funds carried forward at 31 August 2017	2,061,233	37,630,186	(1,531,815)	38,159,604

8 Staff

(a) Staff costs

Staff costs comprise:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Wages and salaries	—	6,864,324	6,864,324	6,840,254
Social security costs	—	668,825	668,825	643,366
Other pension costs	—	996,491	996,491	973,370
FRS 102 pension adjustment	—	631,000	631,000	488,000
	—	9,160,640	9,160,640	8,944,990
Agency staff costs	—	395,115	395,115	512,891
Staff restructuring costs	—	—	—	15,006
Total staff costs	—	9,555,755	9,555,755	9,472,887

	2018 £	2017 £
Staff restructuring costs comprise		
Severance payments	—	15,006

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017 - £2,000).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 expressed as full-time equivalents and by headcount was as follows:

Number of employees	2018 FTE	2018 Headcount	2017 FTE	2017 Headcount
Teaching staff	100	100	97	117
Teaching support	62	110	75	119
Management and administration	36	48	38	44
Other support	33	53	21	57
Total staff costs	231	311	231	337

8 Staff (continued)

(d) Higher paid staff

The number of employees who earned a salary of £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2018 Number	2017 Number
£60,001 - £70,000	3	5
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£140,001 - £150,000	1	1

All seven (2017 – all eight) of the above employees earning £60,000 per annum or more participated in the Pension Schemes. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £92,184 (2017 - £102,561).

(e) Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £520,315 (2017 - £509,557).

9 Central services

The Langley Academy has provided the following central services to other academies within the Trust during the year:

- Human resources support
- Finance department support
- Legal services
- Educational support services
- Clerking services
- Strategic management support

The Langley Academy charges for these services at a flat percentage of GAG income (6%).

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Parlaunt Park Primary Academy	149,395	152,798
The Langley Academy Primary	69,110	47,984
	218,505	200,782

Notes to the financial statements 31 August 2018

10 Trustees' remuneration and expenses

The Executive Principal only receives remuneration in respect of the services he provides in undertaking his role as employee of the Trust and not in respect of his services as a Trustee. No Trustee received any payments from the Trust in respect of their role as Trustee. The value of the Trustee's remuneration and other benefits in his capacity as an employee was as follows:

	2018 £	2017 £
Mr Rhodri Bryant – Executive Principal and Trustee		
• Remuneration	140,000 - 145,000	140,000 - 145,000
• Employer's pension contributions	20,000 - 25,000	20,000 - 25,000

During the year ended 31 August 2018 £nil travel and subsistence expenses were reimbursed to Trustees (2017 – £nil). In addition, The Langley Academy Trust incurred £1,204 (2017 - £3,610) worth of expenses on behalf of the Trustees for training courses attended.

11 Trustees' and officers' insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where 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.

12 Intangible fixed assets

	Computer software £	Total funds £
Cost		
At 1 September 2017	79,798	79,798
Disposals	(42,829)	(42,829)
At 31 August 2018	36,969	36,969
Amortisation		
At 1 September 2017	67,549	67,549
Charge for year	8,479	8,479
Disposal	(42,829)	(42,829)
At 31 August 2018	33,199	33,199
Net book value		
At 31 August 2018	3,770	3,770
At 31 August 2017	12,249	12,249

Notes to the financial statements 31 August 2018

13 Tangible fixed assets

	Leasehold buildings £	Fixtures, fittings, equipment and motor vehicles £	Computer equipment £	Total £
Cost				
At 1 September 2017	43,115,842	1,911,537	1,963,772	46,991,151
Additions	—	180,478	105,106	285,584
Disposals	(16,337)	(8,756)	(151,822)	(176,915)
At 31 August 2018	43,099,505	2,083,259	1,917,056	47,099,820
Depreciation				
At 1 September 2017	6,140,593	1,605,237	1,645,041	9,390,871
Charge for year	1,035,163	101,079	206,386	1,342,628
Disposals	(2,097)	(8,213)	(151,822)	(162,132)
At 31 August 2018	7,173,659	1,698,103	1,699,605	10,571,367
Net book values				
At 31 August 2018	35,925,846	385,156	217,451	36,528,453
At 31 August 2017	36,975,249	306,300	318,731	37,600,280

The land on which The Langley Academy (primary and secondary) and Parlaunt Park Primary Academy are sited is leased from Slough Borough Council at a peppercorn rent (if demanded) over a term of 999 years from 25 September 2008 and 125 years from 1 September 2015 respectively. No value has been placed on this land in the financial statements due to the restrictive covenants on the assets.

14 Stock

	2018 £	2017 £
Uniforms	11,758	25,916

15 Debtors

	2018 £	2017 £
Trade debtors	39,360	593,975
VAT recoverable	120,082	149,528
Prepayments and accrued income	465,904	636,243
	625,346	1,379,746

Notes to the financial statements 31 August 2018

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	518,643	786,969
Taxation and social security	157,065	155,204
Other creditors	187,824	184,146
Accruals and deferred income	503,918	1,075,580
	1,367,450	2,201,899

Creditors above include the following deferred income balance:

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	712,095	570,803
Resources deferred in the year	218,426	693,345
Amounts released in the year	(693,344)	(552,053)
Deferred income at 31 August 2018	237,177	712,095

At the balance sheet date, the Trust was holding funds receivable in advance for rates, SEND, Educational Services, Early Years, Universal Infant Free School Meals, pupil premium and three grants related to museum learning.

17 Funds

The income funds of the Trust comprise the following:

	At 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	2,844,882	10,079,889	(9,618,754)	(201,863)	3,104,154
Pupil premium	—	482,465	(482,465)	—	—
Other ESFA funds	3,702	260,027	(260,027)	—	3,702
Local Authority other funds	14,601	576,714	(584,201)	—	7,114
Other restricted funds	—	315,490	(315,490)	—	—
	2,863,185	11,714,585	(11,260,937)	(201,863)	3,114,970
Pension reserve	(4,395,000)	—	(744,000)	1,091,000	(4,048,000)
	(1,531,815)	11,714,585	(12,004,937)	889,137	(933,030)
Restricted fixed assets funds					
Private sector capital sponsorship	17,655	—	—	(16,338)	1,317
DfE/ESFA capital grants	—	41,763	—	(41,763)	—
Capital expenditure from GAG	37,612,531	10,836	(1,351,107)	259,964	36,532,224
	37,630,186	52,599	(1,351,107)	201,863	36,533,541
Total restricted funds	36,098,371	11,767,184	(13,356,044)	1,091,000	35,600,511
Unrestricted funds	2,061,233	302,417	(3,400)	—	2,360,250
Total funds	38,159,604	12,069,601	(13,359,444)	1,091,000	37,960,761

Notes to the financial statements 31 August 2018

17 Funds (continued)

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

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Pupil premium

Pupil premium is additional funding provided to the Trust to raise the attainment of disadvantaged students of all abilities to close the gap between them and their peers.

Other ESFA funds

This grant relates to funding in respect of school lunches, year 7 catch up grant, PE teachers grant income as well as income from the National College of Teaching and Leadership (NCTL), a body of the ESFA.

Other grants

These grants relate to the Trust's development and operational activities from Slough Borough Council and other government grants.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme (note 21).

Fixed assets fund

These grants relate to funding to carry out works of a capital nature.

Transfers between funds

The majority of the transfers relate to fixed assets purchased from the General Annual Grant and other ESFA grants and the consolidation of restricted fixed assets funds.

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2018 Total £	2017 Total £
The Langley Academy	4,814,917	1,609,698	476,286	750,122	7,651,023	7,581,557
The Langley Academy Primary	888,898	154,997	156,760	337,107	1,537,762	1,084,772
Parlaunt Park Primary Academy	1,831,301	280,954	214,196	493,100	2,819,551	3,120,409
	<u>7,535,116</u>	<u>2,045,649</u>	<u>847,242</u>	<u>1,580,329</u>	<u>12,008,336</u>	<u>11,786,738</u>

Notes to the financial statements 31 August 2018

17 Funds (continued)

Analysis of academies by cost (continued)

During the year The Langley Academy provided some centralised services for Parlaunt Park Primary Academy and The Langley Academy Primary. A management charge was made to cover the cost of these services and this is included within other costs in the above table for Parlaunt Park Primary Academy and The Langley Primary Academy. The income is included within other costs for The Langley Academy.

Analysis of academies by fund

Fund balances as at 31 August 2018 were allocated as follows:

	2018 £	2017 £
Parlaunt Park Primary Academy	998,945	719,566
The Langley Academy	4,407,794	4,195,234
The Langley Academy Primary	68,481	9,618
Total before fixed assets and pension reserve	5,475,220	4,924,418
Restricted fixed assets fund	36,533,541	37,630,186
Pension reserve	(4,048,000)	(4,395,000)
Total	37,960,761	38,159,604

Comparative information

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

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	2,889,459	9,811,076	(9,756,219)	(99,434)	2,844,882
Pupil premium	—	490,971	(490,971)	—	—
Other ESFA funds	3,702	226,299	(226,299)	—	3,702
Local Authority other funds	15,021	407,551	(407,971)	—	14,601
Other restricted funds	—	316,588	(316,588)	—	—
	2,908,182	11,252,485	(11,198,048)	(99,434)	2,863,185
Pension reserve	(4,388,000)	—	(585,000)	578,000	(4,395,000)
	(1,479,818)	11,252,485	(11,783,048)	478,566	(1,531,815)
Restricted fixed assets funds					
Private sector sponsorship	11,951	5,704	—	—	17,655
Donated fixed asset	—	14,500	—	(14,500)	—
Devolved formula capital	—	60,682	—	(60,682)	—
Fixed assets funds	37,896,454	728,601	(1,192,140)	179,616	37,612,531
	37,908,405	809,487	(1,192,140)	104,434	37,630,186
Total restricted funds	36,428,587	12,061,972	(12,975,188)	583,000	36,098,371
Unrestricted funds	1,848,311	221,612	(3,690)	(5,000)	2,061,233
Total funds	38,276,898	12,283,584	(12,978,878)	578,000	38,159,604

Notes to the financial statements 31 August 2018

17 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	2,889,459	19,890,965	(19,378,373)	(301,297)	3,100,754
Pupil premium	—	973,436	(973,436)	—	—
Other ESFA funds	3,702	486,326	(486,326)	—	3,702
Local Authority other funds	15,021	984,266	(992,172)	—	7,115
Other restricted funds	—	632,078	(632,078)	—	—
	<u>2,908,182</u>	<u>22,967,071</u>	<u>(22,462,385)</u>	<u>(301,297)</u>	<u>3,111,571</u>
Pension reserve	<u>(4,388,000)</u>	<u>—</u>	<u>(1,329,000)</u>	<u>1,669,000</u>	<u>(4,048,000)</u>
	<u>(1,479,818)</u>	<u>22,967,071</u>	<u>(23,791,385)</u>	<u>1,367,703</u>	<u>(936,429)</u>
Restricted fixed assets funds					
Private sector sponsorship	11,951	5,704	—	(16,337)	1,318
Donated fixed asset	—	14,500	—	(14,500)	—
Devolved formula capital	—	102,445	—	(102,445)	—
Fixed assets funds	<u>37,896,454</u>	<u>739,437</u>	<u>(2,543,247)</u>	<u>439,579</u>	<u>36,532,223</u>
	<u>37,908,405</u>	<u>862,086</u>	<u>(2,543,247)</u>	<u>306,296</u>	<u>36,533,541</u>
Total restricted funds	<u>36,428,587</u>	<u>23,829,157</u>	<u>(26,334,632)</u>	<u>1,674,000</u>	<u>35,597,112</u>
Unrestricted funds	<u>1,848,311</u>	<u>524,028</u>	<u>(3,690)</u>	<u>(5,000)</u>	<u>2,363,649</u>
Total funds	<u>38,276,898</u>	<u>24,353,185</u>	<u>(26,338,322)</u>	<u>1,669,000</u>	<u>37,960,761</u>

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Assets £	2018 Total funds £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	—	—	3,770	3,770
Tangible fixed assets	—	—	36,528,453	36,528,453
Current assets	2,360,250	4,482,420	1,318	6,843,988
Creditors: amounts falling due within one year	—	(1,367,450)	—	(1,367,450)
Pension scheme liability	—	(4,048,000)	—	(4,048,000)
Total net assets	<u>2,360,250</u>	<u>(933,030)</u>	<u>36,533,541</u>	<u>37,960,761</u>

Notes to the financial statements 31 August 2018

19 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Transactions with related parties were as follows:

	2018 £	2017 £
Contributions from The Annabel Arbib Foundation	(204,262)	(124,767)
Donated asset from Mrs Annabel Nicoll	—	(14,500)

Mrs Annabel Nicoll and Sir Martyn Arbib are Members of The Langley Academy Trust and are also Trustees of the registered charity The Annabel Arbib Foundation (Registration number 296358). Mrs Annabel Nicoll was a Trustee of the Langley Academy Trust throughout the years ended 31 August 2017 and 2018.

The Friends of Parlaunt Park and TLAP – Community in Action are parent associations for Parlaunt Park Primary Academy and The Langley Academy Primary respectively. The Trust has no control over these organisations.

No payments were made by the Trust or any of its constituent parts to related parties.

20 Capital commitments

	2018 £	2017 £
ICT Equipment – contracted for	21,890	10,386

The Trust is committed to building a new sixth form at an estimated cost of £2.7m. This had not been contracted for at the year end.

21 Pension and similar obligations

The 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 Royal County of Berkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £126,974 were payable to the schemes at 31 August 2018 (2017 - £126,515) and are included within creditors.

21 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

The employer's pension costs paid to TPS in the period amounted to £644,970 (2017 - £647,679).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £496,002 (2017 - £495,833), of which employer's contributions totalled £353,672 (2017 - £325,691) and employees' contributions totalled £142,330 (2017 - £170,142). The agreed contribution rates for employers are shown in the table below, and are between 5.5% and 12.5% for employees depending on salary.

	From 1 April 2018	From 1 April 2019
The Langley Academy	13.7%	15.2%
The Langley Academy Primary	18.6%	19.6%
Parlaunt Park Primary Academy	18.6%	19.6%

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.6%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Commutation of pensions to lump sums	50%	50%

Notes to the financial statements 31 August 2018

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.1
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis – movement in net pension liability from a change in actuarial assumptions		
Discount rate +0.1%	(234,000)	(227,000)
Discount rate -0.1%	240,000	233,000
Mortality assumption – 1 year increase	295,000	286,000
Mortality assumption – 1 year decrease	(285,000)	(276,000)
CPI rate +0.1%	25,000	34,000
CPI rate -0.1%	(25,000)	(34,000)

The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,986,000	1,811,000
Corporate bonds	636,000	571,000
Property	580,000	499,000
Cash and other liquid assets	627,000	419,000
Target return portfolio	172,000	193,000
Commodities	80,000	65,000
Infrastructure	284,000	256,000
Longevity insurance	(128,000)	(178,000)
Total market value of assets	4,237,000	3,636,000
Present value of obligations	(8,285,000)	(8,031,000)
Net liability	(4,048,000)	(4,395,000)

The actuarial return on scheme assets was £166,000 (2017 - £264,000).

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2018 £	2017 £
At 1 September 2017	8,031,000	7,652,000
Current service cost	976,000	767,000
Interest cost	210,000	169,000
Employee contributions	142,000	132,000
Actuarial gain	(1,025,000)	(638,000)
Benefits paid	(49,000)	(51,000)
At 31 August 2018	8,285,000	8,031,000

Changes in the fair value of the Trust's share of scheme assets:	2018 £	2017 £
At 1 September 2017	3,636,000	3,264,000
Interest income	97,000	72,000
Actuarial gain (loss)	66,000	(60,000)
Employer contributions	345,000	279,000
Employee contributions	142,000	132,000
Benefits paid	(49,000)	(51,000)
At 31 August 2018	4,237,000	3,636,000

22 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.

23 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2018 the Trust received £21,749 (2017 - £19,937) and disbursed £21,749 (2017 - £19,937) from the fund.