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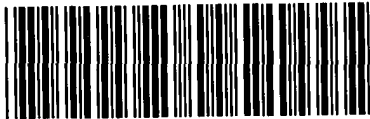
THE ROYAL LATIN SCHOOL

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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THE ROYAL LATIN SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Katrine Brown*	(Chairman)
Dr Alan Clamp	(Chair of Curriculum)
Wayne Wilson*	(Chair of Finance & Premises)
Naveed Sheikh	(Chair of Personnel)
David Hudson*	(Headteacher & Accounting Officer)

Trustees

Ginny Brown*	(Staff Governor)
Glenn Collins*	(Parent Governor)
Philip Dart	(Parent Governor)
Kenneth Davis*	(Member Appointee)
Graham French	(Staff Governor)
Christine Hickey	(Parent Governor)
Andrew Jarvis	(Parent Governor)
David Jenkins	(Staff Governor)
Rashesh Joshi	(Parent Governor)
Alice Morgan	(Parent Governor)
Rajinder Sharma*	(Parent Governor)
Rev Cannon Doctor Peter Williams	(Community Governor)

Company Secretary

Rebecca Wilson

Senior Management Team

David Hudson	Headteacher
Marcella McCarthy	Deputy Head (appointed 01.09.2018)
Martin Farrell	Acting Assistant Head (pt)
Deborah Payton	Assistant Head (p/t)
Jason Skyrme	Acting Assistant Head (pt)
Michelle Taylor	Assistant Head
George West	Assistant Head (p/t)
Iain Wilson	Assistant Head
Rebecca Wilson	Business Manager

Company Name

The Royal Latin School

Principal and Registered Office

The Royal Latin School, Chandos Road, Buckingham, MK18 1AX

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Company Registered Number

07686209 (England & Wales)

Independent Auditor

Landau Baker, 154 Brent Street, Hendon, NW4 2DR

Bankers

Lloyds Bank, 19 Market Square, Buckingham, Buckinghamshire, MK18 1NP

Solicitors

VWV LLP, Barnards Inn, 86 Fetter Lane, London, EC4A 1AD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in north Buckinghamshire. It has a pupil capacity of 1189 and had a roll of 1287 in the school census on 17th May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of The Royal Latin School are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Royal Latin School

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

The Academy also has employers' liability insurance, public liability insurance and professional indemnity insurance covered by the RPA scheme.

Method of Recruitment and Appointment or Election of Trustees

Elections for Parent and Staff Governors have taken place when terms of office have come to an end or resignations have been tendered. When appointing Governors the following is taken into consideration:

The Articles of the Academy Trust require the makeup of the Governors to be as follows

- Three Staff Governors appointed via staff election
- Six Parent Governors elected by parents of registered pupils of the Academy
- Five Community Governors appointed by the Members.
- Up to three Member Appointee Governors appointed by the Governors that have not themselves been co-opted
- The Headteacher is an ex officio Governor

The structure of the Governing Body that was in place throughout the year was 17 Governors, 1 Associate Governor and 1 vacancy as follows:

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FOR THE YEAR ENDED 31 AUGUST 2019

- Four Community Governors
- One Community Governor vacancy
- Six Parent Governors
- Three Member Appointee Governors
- Three Staff Governors
- One Associate Governor (not currently filled)
- One Headteacher

The term of office for any Governor shall be a maximum of four years excepting:

- The Headteacher
- Staff Governors if they cease to be employed by the Academy
- The term of office can be less than four years for any Governor

In general Governors are replaced as and when they reach the end of the term of their office. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. Where necessary, induction training will be provided on charity and educational, legal and financial matters.

All the new Governors will be given a tour of the school and the chance to meet with staff and students. All Governors are provided with an Induction Booklet as well as copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there will be only two or three new Governors a year, induction will be done informally and tailored specifically to the individual, although new Governors are strongly advised to attend any external induction training provided. It is the policy of The Royal Latin School to subscribe annually to a Governor Training Package to ensure that Governor training is current and relevant.

Organisational Structure

The structure consists of three levels, the Governors, Senior Leadership Team and Heads of Department/Heads of Year. The aim of the management structure is to devolve authority and encourage involvement in decision making at all levels.

The Board of Governors normally meets once each academic term. The Board establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. The decision has been taken not to meet on a more regular basis due to the number of Committee meetings that also occur each term. The Committees all meet at least once a term with the Executive Committee meeting five times during the last academic year. Governors believe that these meetings keep them informed of all the important activities of the school.

It receives reports and policy documents from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Governors may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale. The following decisions are reserved for the Board of Governors: to determine any proposals for the alteration, closure or change of category of the Academy; to amend the constitution of the Governing Body; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Secretary to the Governors; to suspend Governors; to determine the ethos of the school; to delegate specific responsibilities to any Governor, Committee, the Headteacher or other holder of an executive office, and to determine and review annually the Terms of Reference,

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FOR THE YEAR ENDED 31 AUGUST 2019

constitution and membership of all Committees; to decide school session times and dates of school terms and holidays; to make arrangement for staff dismissal appeals; to set up panels for the selection of the Headteacher; to develop, monitor and review the Academy Trust's Freedom of Information Act 2000 Publication Scheme; to approve the annual Development Plan and to monitor the annual Register of Interests.

There are four Governor Sub-Committees as follows:

- The Executive Committee meets once or twice a term to discuss and consider strategic matters relating to the development of the Academy Trust, in preparation for discussion and presentation for approval by the Board. The Executive Committee also has the responsibility to act as the Admissions Committee.
- The Curriculum Committee meets once a term to monitor, evaluate and review school policy and practice in relation to the School Development Plan, curriculum planning, communications and publications, target-setting and performance data, assessment, recording and reporting, examinations, literacy and numeracy policies.
- The Finance and Premises Committee meets at least four times a year to monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of Governors for the purposes of the Academy Trust; to monitor and ensure compliance with the requirements of the DfE, ESFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of the Academy Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to arrange appropriate insurance cover; to act as the Audit Committee in receiving the reports from the external auditors and Responsible Officer; to report the Academy Trust's financial position to the Governing Body at least once a term; to review the Risk Register Termly, consider and adopt recommendations from the Risk Management Committee; to review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to monitor the financial planning of the SCITT.
- The Personnel Committee meets once a term to review the staffing structure of the Academy Trust and decide, within the resources available, how many teaching and support staff should be employed; to advise the Governing Body on the procedures for the selection of the Headteacher; to select for appointment Deputy Headteachers, Assistant Headteachers and the Business Manager; to determine pay and conditions for all staff; to monitor appraisal and performance management policies for all staff; to approve salary increases linked to performance reviews for the Senior Leadership Team; to make arrangements for the Headteacher's Performance Management review; to review safeguarding checks as part of the employment of new staff; to ensure effective arrangements are in place for succession planning for all staff; to make arrangements for Governor induction and training; to monitor the staffing needs and the progress of trainees in the SCITT; pastoral issues including arrangements for Special Educational Needs, behaviour and discipline, collective worship and religious education.

The Headteacher has overall executive responsibility for the Academy's activities including financial activities. Much of the responsibility for financial activities has been delegated to the Headteacher who

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is also the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Statement of Internal Control on page 20.

The Headteacher is responsible for the appointment of all staff with the exception of the Deputy Head. The appointment of a Deputy Head is carried out in conjunction with the Governors.

The Senior Leadership Team comprises the Headteacher, the Deputy Head, two full time Assistant Heads, two part time Assistant Heads, two part time Associate Assistant Heads and the Business Manager. The Senior Leadership Team control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership team meets weekly and is collectively responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Spending control is devolved to budget holders, with expenditure above certain limits needing additional authorisation from either the Senior Managers or the Governors (or both).

Arrangements for setting pay and remuneration of key management personnel

The Governing Body delegates 3 governors, none of whom are employees of the school, to carry out the appraisal review for the Headteacher as set out in the school's appraisal policy. The delegated governors are advised by an external adviser appointed by the school. All of the delegated governors have received appropriate training.

Awards for performance to Deputy, Assistant and Associate Assistant Headteachers are reviewed at the time of the annual assessment of teachers' salaries. The Personnel Committee considers recommendations from the Headteacher that any Deputy, Assistant or Associate Assistant Headteacher be paid up to two additional points subject to the maximum of the individual range. The Governing Body expects that the objectives which were set for a Deputy, Assistant or Associate Assistant Headteacher under the appraisal policy will have become progressively more challenging as the teacher has gained experience in his/her current role.

Where it considers it has substantial difficulties in retaining the services of a current Deputy or Assistant Headteacher the Governing Body may decide to change the salary range of a Deputy or Assistant Headteacher in accordance with the STPC Document in order to retain his/her services. The Deputy or Assistant Headteacher's range cannot encroach on the Headteacher's ISR and the Assistant Headteacher's range must have a minimum at least one point below the minimum of the Deputy Headteacher range. The Deputy or Assistant Headteacher's salary cannot be placed on the new range, except at the minimum point, until the September following the determination of a changed range.

Awards for the performance of the Business Manager are reviewed at the time of the annual performance management appraisal in the Spring Term carried out by the Headteacher. Approval to move up the incremental scale one point at a time is based upon successful performance measured against annual targets.

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Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£10,000
Provide the total pay bill	£5,382,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.19%

Paid trade union activities

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as:	11.23%
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(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Related Parties and other Connected Charities and Organisations

The Royal Latin School Fund, a registered charity in England and Wales, fundraises on behalf of the Academy Trust. The donations are gifted to the Academy Trust as and when the Academy Trust's needs arise upon the trustees' discretion. The trustees of the School Fund comprise three Governors of the Academy Trust and two members of the Academy Trust's senior leadership team. Due to the shared control the financial statements of the two entities are consolidated for statutory purposes.

The Royal Latin School is the lead school for The Buckingham Partnership SCITT (School Centred Initial Teacher Training). The partnership encompasses a network of over forty primary and secondary schools in Buckinghamshire, Northamptonshire and Oxfordshire, set up for the provision of QTS with PGCE training. The programme enables aspirant teachers to train full-time in schools.

OBJECTIVES AND ACTIVITIES

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The Royal Latin School's charitable objects as set out in the Memorandum and Articles of Association are as follows:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").
- To provide educational facilities and services to students of all ages with admission based upon the required qualifying score of 121 in the admission tests or have been deemed qualified by a Selection Review Panel; and for the public benefit of the wider community in and around Buckingham.

Objects and Aims

Further aims are as follows:

- To foster academic, moral, spiritual and personal development;
- To encourage excellence;
- To develop students to become active responsible citizens;
- To engender self-respect, self-confidence and self-discipline;
- To have respect and tolerance for different ways of life, beliefs and opinions;
- To have a concern for equal opportunities and the challenge of stereotypes;
- To ensure courtesy of speech;
- To be of smart appearance – we are all ambassadors for the school;
- To engender flexibility and adaptability to change;
- To develop a sense of responsibility – both personal and collective.

Objectives, Strategies and Activities

The three main objectives in the Royal Latin's Development Plan for the period under review were:

- Communication – to develop effective communication with students, parents, staff and visitors
- Teaching & Learning – to reinforce clear expectations for how students learn, behave and interact with others
- Aspirations – to provide opportunities for students to take effective steps to prepare for the next stage of their development

The supporting theme to backup these objectives was:

- IT – to embed and develop the use of technology to support learning

In order to achieve these objectives, the Governors have supported the senior leadership team in the implementation of the three main objectives and initiatives to achieve this include the following:

- Development of a new website.
- Introduction of information evenings for parents of pupils in Years 7, 9 and 11.
- Roll out and use of the iSAMs Parent Portal to record and communicate house points and strikes.
- Training focus in October INSET day on the essence of Latin Learning and optimism for all students.
- Exams analysis meetings and learning walks to share best practice.
- Emphasis on the school environment through Green Touch and Impact Workshops with our caterers.
- Roll out of Unifrog to all students with training for staff and students

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- Development of business links together with a review of transitions and alternative routes into the work place for students.
- Review of our GCSE and extra-curricular offer with reference to improving aspirations for all students.

Public Benefit

The Governors of the Royal Latin School have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties and in particular to its supplementary Public Benefit guidance on advancing education.

The Royal Latin School provides education to children and young people that is:

- Balanced and broadly based.
- Promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society.
- Prepares students at the school for the opportunities, responsibilities and experiences of later life.
- Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Royal Latin is a selective grammar school and an Academy serving North Buckinghamshire. Students join the Royal Latin School in Year 7 after taking the 11+ selection tests, administered on behalf of the Academy Trust by Buckinghamshire County Council, on satisfying the academic criteria for entry. Students may, however, be considered for places at any age from Year 7 upwards, by taking selection tests or by meeting the criteria for entry into Year 12 if spaces become available.

Current arrangements for entry to the school are available in the section of the school website dealing with admissions arrangements.

STRATEGIC REPORT

Achievements and Performance

The Royal Latin School, an 'outstanding' school in Buckinghamshire, became an Academy on 1 September 2011. The total number of students in the year ended 31 August 2019 numbered 1287 (2018: 1,262).

Key Performance Indicators

Examination results for August 2019 remained outstanding. At A Level, 92% (2018: 92%) of grades were A* - C, with 78% (2018: 78%) being A*-B. At GCSE 98% (2018: 96%) of pupils achieved at least 5 strong passes including English and Maths and 48% (2018: 36%) of the year group achieved at least 5 A* / 9-8 grades.

7 students in August 2019 (2018: 11) were made offers of places at Oxford and Cambridge universities. Attendance rates are well above the national average with authorised absence at 3.8%, excluding Study Leave, for 2018-2019 (3.4%, excluding Study Leave, for 2017-2018)

Places in Years 7 to Years 11 remain oversubscribed. Every year group except Year 11 now exceeds its planned admissions number of 174. In the 6th Form an additional 60+ places are offered to external applicants meeting the entry criteria. These places are oversubscribed particularly in the Sciences and Mathematics.

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Going Concern

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

FINANCIAL REVIEW

In the current climate of uncertainty and cuts in the funding of education, the Governors have made it a priority to ensure that high standards are maintained within the framework of a sustainable budget and have been rigorous in evaluating any proposals to additional expenditure. Governors have established the following key objectives for expenditure:

- Retain a sharp focus on teaching and learning
- Plan for the long term
- Invest in quality and efficiency to ensure Best Value is achieved for all expenditure
- Ensure a proactive involvement in national and local consultations regarding school funding
- Develop a creative response to funding challenges

During the period under review the majority of the Academy Trust's income was obtained from the ESFA in the form of the General Annual Grant, along with other recurrent grants, (including SEN funds from the LEA), which are restricted to particular purposes.

During the year ended 31 August 2019 £873,710 was used to purchase Fixed Assets to support the Academy's Educational Operations. These purchases have included:

- £238,115 for Land & Buildings – for the new boiler and related heating works in the Brookfield classroom block.
- £477,639 for Assets under Construction as part of the Phase 2 Site Development plan - Sports' Development and Boiler Works in the Main Block buildings.

At 31 August 2019 the net book value of fixed assets was £12,909,940 and movements in tangible fixed assets are shown in note 11 of the financial statements. The assets were used exclusively for the provision of education and associated services for the pupils of the Royal Latin School.

The distributable reserves have decreased by £419,542 which reflects the capital investment made by the school during the year. Funds have been received from pupils to pay for a wide range of educational visits and activities and these have been applied to the associated costs.

Key financial policies adopted and reviewed regularly include the Financial Regulations and Academies Financial Handbook which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the Academy, as well as the delegated authority for spending decisions. This policy is supported by additional policies including the following: Risk Management, Capitalisation, Charges for Trips and Visits, Lettings, The Giving & Receiving of Gifts, Hospitality & Benefits and Health and Safety.

Governors have appointed a Responsible Officer, who is a professional Accountant, to undertake a programme of internal checks on financial controls and to report to meetings of the Finance and Premises Committee, who also act as the Audit Committee and the Full Governing Body twice a year.

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The annual Audit was carried out by Landau Baker in two parts – an internal audit of processes in July 2019 followed by the full audit of accounts in October 2019.

Reserves Policy

The Governors review the reserve levels of the Academy annually and aim to carry forward a prudent level of reserves from the General Annual Grant, the other restricted funds and the General Unrestricted Fund to cover the medium and long-term needs for renewal and replacement, for major unforeseen contingencies and to contribute to major capital developments.

The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

In reviewing the reserves the Governors have particular regard for the income levels and the likelihood of income reduction over the next few years from the ESFA. To this end, Governors monitor student numbers in all years, but lack of accommodation or public funding to increase accommodation, means that despite a high demand for places expansion of student numbers is not feasible and therefore access to more student led funding is prohibited.

The Trust maintains a Risk Register of all financial and strategic risks. The risks are managed and monitored regularly at the Risk Management Committee and any potential financial risk of exposure is monitored at Finance and Premises Governors Committee Meetings where the Risk Register is reviewed termly.

The Trust holds reserves in order to fund planned capital projects and emergency works. The main financial risk to the Academy is that of a drop in student numbers, significant staff absences; unplanned emergency building maintenance, increased employer pension contributions and reduced Government funding all of which are reviewed in the Risk Register.

At 31 August 2019 the total funds comprised:

Unrestricted		£382,587
Restricted:	Fixed asset funds	£12,909,940
	Pension reserve	£(2,395,000)
	Other Restricted funds	£652,993
		<hr/>
		£11,550,520

The deficit on the pension reserve relates to the support staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

The restricted funds will be spent in accordance with the particular funds. Unrestricted funds are for the use of the general purposes of the Academy, at the discretion of the Governors. The aim of the

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Governors is to increase this reserve to meet future working capital requirements in line with the Site Plan covering Phase 2 and Phase 3 developments.

Investment Policy

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

The nature of the academy is such that the financial instruments that it deals in are mainly bank balances, cash, trade creditors and limited trade debtors. The Academy has not made any investments in the period. As such there is limited risk in the nature of the Academy's transactions.

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – The continuing success of The Royal Latin School depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Governors are clearly focused on monitoring and reviewing the achievement and success of students. Governors continue to give due consideration to other aspects of the school's activities where there could be a reputational risk.
- Financial Risk – The principal financial risks are a reduction in student numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, increased pressure on funds due to increased employer contributions to pensions and unbudgeted / emergency major capital repairs. The risks presented here are mitigated by a full understanding that the Royal Latin is operating in a period of considerable financial uncertainty with regard to public funding. Nevertheless, financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. To maintain a balanced budget the curriculum has been reviewed, A Level periods have been reduced so that the overall cost of teaching can be reduced. Flexibility in the subjects taught by teachers has been increased. However, Governors are mindful of the need to ensure that standards are not affected nor the wellbeing of staff underestimated. The Governors have also given due consideration to the risks associated with financial mismanagement and / or compliance failures.
- Risks associated with personnel – mitigated by Governors continuing to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff. The Head teacher reports to the Personnel Committee on recruitment trends and requirements. Governors are always fully informed of the annual appraisal process for teaching and support staff.

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- Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care. All staff receive regular training and information and designated personnel fulfil the role of Safeguarding Leads and Child Protection Officers.
- The Academy Trust has inherited a pension deficit from the local authority but this is not seen to provide any significant risk to the Academy.

FUNDRAISING

Fundraising at The Royal Latin School is led by a Director of Development with more than 20 years charitable fundraising experience. The School adopts a long term, relationship fundraising approach, where high quality relationships with donors is a key priority.

The School is currently delivering a ten year capital campaign strategy, with the support of a volunteer campaign board. Work with commercial participators/professional fundraisers is not undertaken currently, but the appropriate agreements would be put in place if they were to be used.

Fundraising carried out by volunteers and organisations on our behalf is monitored to ensure that it complies with recognised standards. The Director of Development is a member of, and an Ambassador for, The Institute of Development Professionals in Education, and a member and Conference Chair of the Council for the Advancement & Support of Education across Europe. As such, fundraising is carried out to conform to standards expected by those organisations and importantly, those required by the Fundraising Standards Board. A procedure is in place for handling any fundraising-related complaints, and every measure is taken to ensure that the carefully planned fundraising requests made by the School are timely, appropriate and deemed not to be unreasonably intrusive.

PLANS FOR FUTURE PERIODS

Governors have agreed to a three phase plan to develop the site in order to improve the educational facilities in line with the Academy Trust's stated objectives. In response to the lack of central funds available to the Academy Trust the Governors have elected to plan a programme for raising its own funds for capital projects, as well as successfully bidding for significant sums from the Academies Capital Maintenance Fund and more recently the Condition Improvement Fund.

The Director of Development continues to lead this initiative. She is responsible for the on-going organisation of activities to secure donation and grants.

The Science Discovery Centre (Phase 1 of the site development plan) was a joint funded project with a substantial grant from the ACMF and a significant sum raised by the Development office and completed in May 2015. The Case Europe School's Engagement Award was awarded to the Director of Development in Brussels in recognition of her achievements in fund raising for the Royal Latin School (the first time this award has been won by someone from a State School).

The good practice that was established in this project is now being replicated in Phase 2 of the Site Development Plan. A Condition Improvement Grant of £1 million was utilised to refurbish the 6th form centre (Rotherfield) during 2016-17. Work was completed and the building prepared for staff and

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students to move in at the start of the new term in September 2017. The improvement in available study space for sixth form students contributed towards the excellent A Level results achieved in Summer 2018 and 2019.

Fund raising activities have been initiated by the Development Office and the first £2.3 million of the projected £3 million needed to fund the new Sports' Campus has been secured. Generous grants have been received from the Premier League & The FA Facilities Fund and the London Marathon Trust recognising the significant impact this project will have on the health and wellbeing of our pupils and the local community. Work is now underway to secure the remainder of the funding required for this project and groundworks are scheduled to commence in November 2019.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Royal Latin School acts as the lead school for The Buckingham Partnership. The latter is a SCITT (School Centred Initial Teacher Training) provider.

The Objectives of The Buckingham Partnership are:

- To provide the training necessary for graduates to achieve QTS (Qualified Teacher Status) and PGCE (Post Graduate Certificate of Education)
- To provide a bespoke training course which meets the demands of teaching a broad and balanced curriculum

These objectives fall within those of the Royal Latin School by supporting the school's aim to advance education in the United Kingdom for the public benefit. The provision of a high quality training course is vital in ensuring the continuous supply of good and outstanding teachers who are able to teach in a broad number of subjects and thus maintain a broad and balanced curriculum.

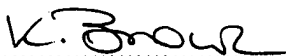
AUDITOR

In so far as the trustees are aware:

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

A decision was taken to reappoint Landau Baker as auditors for the coming year.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2nd December 2019 and signed on the board's behalf by:


.....
Katrine Brown
Trustee

THE ROYAL LATIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that The Royal Latin School 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Royal Latin School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Katrine Brown (Chairman)	3	3
Alan Clamp (Chair of Curriculum)	2	3
Wayne Wilson (Chair of Finance & Premises)	3	3
Virginia Brown (Staff Governor)	3	3
Glenn Collin (Parent Governor)	3	3
Kenneth Davis (Member Appointee)	3	3
Philip Dart (Parent Governor)	2	3
Graham French (Staff Governor)	3	3
Christine Hickey (Parent Governor)	1	3
David Hudson (Headteacher and Accounting Officer)	3	3
Andrew Jarvis (Parent Governor)	2	3
David Jenkins (Staff Governor)	2	3
Rajesh Joshi (Parent Governor)	2	3
Alice Morgan (Parent Governor)	3	3
Rajinder Sharma (Parent Governor)	3	3
Naveed Sheikh (Community Governor)	2	3
Reverend Cannon Doctor Peter Williams	3	3

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

The Board of Governors reviewed its governance during the current year using a skills self assessment questionnaire that was completed by Governors. The results of this assessment process were combined and analysed and a review of Governor training was undertaken to ensure that training provision was adequate to the school's needs.

The next intended review of governance is planned for 2019 - 2020. In addition from September 2019 the Personnel Committee has had its Terms of Reference updates to reflect a clearer focus on Governor Training and Development. The Committee has also been renamed the Latin People and Development Committee.

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

Its purpose is to prepare the annual financial plan for ratification by the full Governing Body; having taken account of the priorities determined by other committees and set down in the School Development Plan. Particular issues dealt with in the year include:

- Consideration of the 3 Year Financial Plan based on School Development plan and current funding information. Management of the change in funding coupled with expected wage inflation and pension contribution increases.
- Review of Purchasing Decisions against budget in light of funding restrictions to make in year savings where possible
- Acting as the Audit Committee in receiving audit and responsible officer reports and ensuring appropriate action is taken.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Wayne Wilson (Chair)	4	4
Katrine Brown (Chair of Governors)	4	4
Virginia Brown	4	4
Andrew Jarvis	4	4
Glenn Collins	4	4
Ken Davis	3	4
David Hudson (Headteacher)	4	4
Rajesh Joshi	3	4

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be

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

improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Financial Governance and Oversight:** RLS was historically one of the lowest funded schools in the country so the culture of careful financial management is embedded throughout the school. The National Funding Formula is delivering a respite from these very stringent conditions, however, wage inflation and significant increases in Teachers' Pension contributions threatens to undermine this benefit unless the Government continues to fund this additional cost. The school has been very cost conscious for several years with reviews of expenditure in all areas including staffing, department budgets and the premises budget. Governors are, however, mindful of creating a 'false economy' by reducing Repairs and Maintenance costs too drastically. Many of the buildings on the RLS site are old and failure to address some of the issues arising will result in Health and Safety issues and significantly undermine the condition of the buildings. This was evident in 2017-2018 as emergency boiler and plant room works had to be undertaken whilst the school sought capital funding to replace antiquated plant. Governors are also mindful of the need to sustain the outstanding GCSE and A Level provision within these financial constraints.
- **Target Improvement:** Continued focus on staffing has meant that, as staff have retired or left the school a review has been undertaken to ascertain what replacement is required to maintain the timetable whilst reducing excess. Teaching staff were asked to identify if they could teach a second subject – and this flexibility has been utilised in Food Technology, Business Studies and Philosophy and Religion. The timetable has also been altered to allow for more teachers to be used in other areas such as Independent Study, EPQ and planned cover. Further links with local Businesses have resulted in some 'Support in Kind' e.g. furniture donations and contributions to our careers education programme.
- **Focus on Individual Pupils:** Counselling is provided for individual pupils including those on Pupil Premium to provide organisational skills and emotional support to promote the wellbeing of all. There is targeted support by Learning Support Assistants to ensure that individual SEND students make outstanding progress. Targeted support for pupils struggling to achieve their academic potential is provided by the academic departments and pastoral teams as appropriate.
- **Collaboration:** The SCITT (School Centred Initial Teacher Training) network has been extended over the eighth year, building on the partnerships we have with the original group of schools to make the best use of expertise across the group to ensure high quality training for entry into the teaching profession. The vast majority of students achieved QTS with PGCE (Qualified Teacher Status with a Postgraduate Certificate in Education) and their subsequent employment rate has been significantly high.
- **Development:** The ambitious 600 Campaign development project for the site continues with the start of the building works on the new Sports Campus and astroturf scheduled for the Autumn term. This represents the culmination of Phase 2 of the campaign with the launch of Phase 3 – Arts Centre fundraising being readied. In addition work to improve the existing buildings and resources continues, including significant boiler replacement works following a successful Condition Improvement Fund bid.
- **Quantifying improvements:** The standard of students' attainment and progress at GCSE and A Level continues to rank as outstanding. Attendance is exemplary and above national averages. Pupils' behaviour is often commented upon by others as being outstanding both in school and

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

on trips and visits. An external leader of a recent trip commented that our students were "attentive, inquisitive, sensitive and good fun".

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Royal Latin School for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

However the trustees have appointed a qualified accountant to perform additional checks. This role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a bi-termly basis, the reviewer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

In particular the checks carried out in the current period included:

- testing of purchasing systems
- testing of payroll systems
- testing of income control and documentation
- testing of cash book transactions and bank reconciliations
- inspection of VAT claims made to HMRC for December 2018 and January 2019

No material control issues arising as a result of the reviewer's work have been identified.

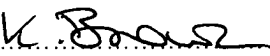
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head teacher, Mr David Hudson 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 reviewer
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2nd December 2019 and signed on its behalf by:


.....
Katrine Brown
Trustee


.....
David Hudson
Accounting Officer

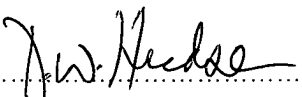
THE ROYAL LATIN SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of The Royal Latin School I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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.


.....
David Hudson
Accounting Officer

2nd December 2019

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

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

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

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


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

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

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

Approved by order of the members of the board of trustees on 2nd December 2019 and signed on its behalf by:

|


.....
Katrine Brown
Trustee

THE ROYAL LATIN SCHOOL
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Royal Latin School (the parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

BASIS OF 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance

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

conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- 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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

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

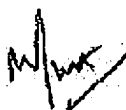
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

 for **Landau Baker Limited**

Michael Durst (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited
Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 2 December 2019

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
ROYAL LATIN SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 April 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Royal Latin School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ROYAL LATIN SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Royal Latin School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited
Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 2 December 2019


The Royal Latin School Consolidated Statement of Financial Activities for the year ended 31st August 2019
(including Income and Expenditure Account)

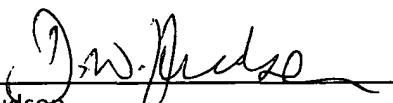
		Unrestricted	Restricted	Restricted		
		Funds	General	Fixed		
			Funds	Assets		
				Funds	Total	Total
	Note	2018/19	2018/19	2018/19	2018/19	2017/18
		£	£	£	£	£
Income and endowments from:						
Donations and Capital Grants	2	30,888	-	406,751	437,639	338,252
Charitable Activities:						
Funding for the Academy Trust's Educational Activities	3	-	6,226,508	-	6,226,508	6,088,702
School Centered Initial Teacher Training (SCITT)	28	-	402,883	-	402,883	382,031
Other Trading Activities	4	81,339	-	-	81,339	57,985
Investments	5	3,313	-	-	3,313	1,958
Total		115,540	6,629,390	406,751	7,151,680	6,868,928
Expenditure on:						
Raising Funds	6	117,231	-	-	117,231	86,145
Charitable Activities:						
Academy Trust Educational Operations	6	-	6,411,869	407,435	6,819,304	6,798,549
School Centered Initial Teacher Training (SCITT)	28	-	381,413	-	381,413	323,550
Total	6	117,231	6,793,282	407,435	7,317,947	7,208,244
Net Income / (Expenditure)		(1,691)	(163,892)	(684)	(166,267)	(339,316)
Transfer between Funds		-	(466,959)	466,959	-	-
Other Recognised Gains / (Losses)						
Actuarial (Losses) / Gains on Defined Benefit Pension Schemes	25	-	(346,000)	-	(346,000)	330,000
Net Movement in Funds		(1,691)	(976,851)	466,275	(512,267)	(9,316)
Reconciliation of Funds						
Total Funds Brought Forward		384,278	(765,156)	12,443,665	12,062,787	12,072,103
Total Funds Carried Forward	16	382,587	(1,742,007)	12,909,940	11,550,520	12,062,787

The Royal Latin School Consolidated Balance Sheet as at 31st August 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Tangible Assets	11		12,909,940		12,443,665
Current Assets					
Stock	12	3,616		3,660	
Debtors	13	231,787		128,318	
Cash at bank and in hand		<u>1,733,375</u>		<u>1,965,340</u>	
		1,968,778		2,097,318	
Liabilities					
Creditors: Amounts Falling Due Within One Year	14	<u>(933,198)</u>		(592,196)	
Net Current Assets			<u>1,035,580</u>		<u>1,505,122</u>
Total Assets less Current Liabilities			13,945,520		13,948,787
Within One Year	15		-		(50,000)
Net Assets Excluding Pension Scheme Liability			<u>13,945,520</u>		<u>13,898,787</u>
Defined Benefit Pension Scheme Liability			(2,395,000)		(1,836,000)
Total Net Assets			<u><u>11,550,520</u></u>		<u><u>12,062,787</u></u>
Funds of the Group:					
Restricted Funds					
Fixed Asset Fund		12,909,940		12,443,665	
Restricted Income Fund		652,993		1,070,844	
Pension Reserve		<u>(2,395,000)</u>		<u>(1,836,000)</u>	
Total Restricted Funds			11,167,933		11,678,509
Unrestricted Funds			382,587		384,278
Total Funds	16		<u><u>11,550,520</u></u>		<u><u>12,062,787</u></u>

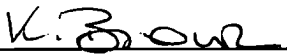
The financial statements on pages 29 to 52 were approved by the Governors and authorised for issue on 2nd December 2019 and are signed on their behalf by:

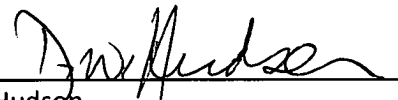

 Katrine Brown
 Chair of Governors


 David Hudson
 Headteacher

	Note	2019 £	2019 £	2018 £	2018 £
Fixed Assets					
Tangible Assets	11		12,909,940		12,443,665
Current Assets					
Stock	12	3,616		3,660	
Debtors	13	231,787		101,332	
Cash at bank and in hand		<u>1,288,186</u>		<u>1,457,567</u>	
		1,523,590		1,562,559	
Liabilities					
Creditors: Amounts Falling Due Within One Year	14	<u>(931,248)</u>		(592,196)	
Net Current Assets			<u>592,342</u>		<u>970,363</u>
Total Assets less Current Liabilities			13,502,282		13,414,028
Within One Year	15		-		(50,000)
Net Assets Excluding Pension Scheme Liability			<u>13,502,282</u>		<u>13,364,028</u>
Defined Benefit Pension Scheme Liability			(2,395,000)		(1,836,000)
Total Net Assets			<u><u>11,107,282</u></u>		<u><u>11,528,028</u></u>
Funds of the Group:					
Restricted Funds					
Fixed Asset Fund		12,909,940		12,443,665	
Restricted Income Fund		233,152		560,395	
Pension Reserve		<u>(2,395,000)</u>		<u>(1,836,000)</u>	
Total Restricted Funds			10,748,092		11,168,060
Unrestricted Funds			359,190		359,968
Total Funds	16		<u><u>11,107,282</u></u>		<u><u>11,528,028</u></u>

The financial statements on pages 29 to 52 were approved by the Governors and authorised for issue on 2nd December 2019 and are signed on their behalf by:


Katrine Brown
Chair of Governors


David Hudson
Headteacher

The Royal Latin School Consolidated Statement of Cash Flows
for the year ended 31st August 2019

	Note	2019 £	2018 £
Cash flows from Operating Activities			
Net cash provided by Operating Activities	20	68,681	174,090
Cash flows from Investing Activities	22	(463,647)	(155,694)
Cash flows from Financing Activities	21	(50,000)	-
Change in Cash and Cash Equivalents in the Year		<u>(444,966)</u>	<u>18,396</u>
Cash and Cash Equivalents at 1 September 2018		1,965,340	1,946,944
Cash and Cash Equivalents at 1 September 2019	23	<u><u>1,520,375</u></u>	<u><u>1,965,340</u></u>

1 Accounting Policies

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

1.1 Basis of Preparation

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

The Royal Latin School constitutes a public benefit entity as defined by FRS102.

The Statement of Financial Activities (SOFA) and the Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking, The Royal Latin School Fund. The results of the subsidiary are consolidated on a line by line basis. No separate SOFA has been presented by the Academy Trust alone as permitted by Section 408 of the Companies Act 2006.

1.2 Going Concern

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

1.3 Income

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

Grants

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

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

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

1 Accounting Policies (continued)

1.3 Income (continued)

Donations

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

Other Income

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

1.4 Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

1 Accounting Policies (continued)

1.5 Tangible Fixed Assets (continued)

Leasehold property	2% - 10%
Furniture and fixtures	20%
Plant and equipment	5% - 33%

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

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

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leased Assets

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

1.9 Financial Instruments

assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1 Accounting Policies (continued)

1.10 Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

1.11 Taxation

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

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

1.12 Pensions Benefits

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

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

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

1 Accounting Policies (continued)

1.13 Fund Accounting

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

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

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

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and Capital Grants

	Unrestricted Funds 2018/19 £	Restricted Funds 2018/19 £	Total 2018/19 £	Total 2017/18 £
Capital Grants	-	406,751	406,751	-
Other donations	30,888	-	30,888	338,252
Total	30,888	406,751	437,639	338,252
Total 2017/18	98,805	239,447	338,252	

3 Funding for Academy Trust's Educational Operations

	Unrestricted Funds 2018/19 £	Restricted Funds 2018/19 £	Total 2018/19 £	Total 2017/18 £
DfE/ESFA Grants				
General Annual Grant	-	5,667,817	5,667,817	5,398,497
Other DfE Group Grants - Academy Trust	-	79,339	79,339	181,184
	-	5,747,156	5,747,156	5,579,681
Other Government Grants				
Local Authority Grants	-	25,319	25,319	7,833
	-	25,319	25,319	7,833
Other Income from the Academy Trust's Educational Operations				
	-	454,033	454,033	501,188
	-	454,033	454,033	501,188
Total	-	6,226,508	6,226,508	6,088,702
Total 2017/18	-	6,088,702	6,088,702	

4 Other Trading Activities

	Unrestricted Funds 2018/19 £	Restricted Funds 2018/19 £	Total 2018/19 £	Total 2017/18 £
Hire of Facilities	29,668	-	29,668	34,570
Income from Other Charitable Activities	51,670	-	51,670	23,415
Total	81,339	-	81,339	57,985
Total 2017/18	35,985	22,000	57,985	

5 Investment Income

	Unrestricted Funds 2018/19 £	Restricted Funds 2018/19 £	Total 2018/19 £	Total 2017/18 £
Short term deposits	3,313	-	3,313	1,958
Total	3,313	-	3,313	1,958
Total 2017/18	1,958	-	1,958	

6 Expenditure

	Staff Costs 2018/19 £	Non-Pay Expenditure		Total 2018/19 £	Total 2017/18 £
		Premises 2018/19 £	Other 2018/19 £		
Expenditure on Raising Funds:					
- Direct Costs	82,836	-	-	82,836	19,386
- Allocated Support Costs	30	-	34,365	34,395	66,759
Academy Educational Operations:					
- Direct Costs	3,657,028	-	629,937	4,286,965	4,311,076
- Allocated Support Costs	1,451,698	730,133	350,507	2,532,338	2,487,473
SCITT	188,212	12,000	181,201	381,413	323,550
Total	5,379,805	742,133	1,196,010	7,317,947	7,208,244
Total 2017/18	5,216,576	786,396	1,205,272	7,208,244	

	2018/19 £	2017/18 £
Net income/ (expenditure) for the period includes:		
Operating lease rentals	11,106	6,932
Depreciation	407,435	420,890
Fees payable to auditor for - audit	5,200	12,875
- other services	3,250	2,345

7 Charitable Activities

	Total 2018/19 £	Total 2017/18 £
Direct Costs - Educational Operations	4,286,965	4,311,076
Direct Costs - SCITT	381,413	323,550
Support Costs - Educational Operations	2,542,475	2,487,473
Support Costs - SCITT	-	-
Total	7,210,853	7,122,099

Analysis of Support Costs

	Total 2018/19 £	Total 2017/18 £
Support Staff Costs	1,451,728	1,443,967
Depreciation	407,435	420,890
Technology Costs	80,070	156,723
Premises Costs	322,699	294,065
Other Support Costs	268,663	159,355
Governance Costs	11,880	12,473
Total Support Costs	2,542,475	2,487,473

8 Staff

a Staff Costs

Staff costs during the period were:

	Total 2018/19 £	Total 2017/18 £
Wages and Salaries	4,086,960	3,945,249
Social Security Costs	370,610	369,168
Pension Costs	921,553	879,383
	5,379,122	5,193,800
Agency Staff Costs	3,849	22,776
Staff Restructuring Costs - Redundancy Payment	682	-
Total	5,382,971	5,216,576

b Staff Numbers

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

	2018/19 No.	2017/18 No.
Teachers	65	63
Administration and Support	45	41
Management	6	6
	116	110

8 Staff (Continued)

c Higher Paid Staff

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

	2018/19	2017/18
	No.	No.
£60,000 - £70,000	1	-
£70,000 - £80,000	-	1
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

d Key Management Personnel

The key management personnel of the Academy Trust comprise the Senior Leadership Team listed on page 2. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by key management personnel for their services to the Academy Trust was £490,532 (2017/18: £482,794).

9 Related Party Transactions - Governors' Remuneration and Expenses

One or more Governor has been paid remuneration or has received other benefits from employment with the Academy Trust. The Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment.

The value of Governors' remuneration and other benefits was as follows;

		2018/19	2017/18
		£	£
D Hudson, Head Teacher and Governor	Remuneration	100,000-105,000	100,000-105,000
	Pension Contributions Paid	15,000-20,000	15,000-20,000
D Jenkins, Staff Governor	Remuneration	35,000-40,000	35,000-40,000
	Pension Contributions Paid	5,000-10,000	5,000-10,000
V Brown, Staff Governor	Remuneration	30,000-35,000	25,000-30,000
	Pension Contributions Paid	5,000-10,000	5,000-10,000
G French, Staff Governor	Remuneration	20,000-25,000	20,000-25,000

During the period ended 31 August 2019, travel expenses totalling £0 were reimbursed to 0 trustees (2017/18: £0) in relation to their work as trustees.

Other related party transactions are set out in note 26.

10 Governors' and Officers' Insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Governors 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 Governors' and Officers' indemnity element from the overall cost of the RPA scheme.

11 Tangible Fixed Assets

	Leasehold Land and Buildings 2018/19 £	Assets Under Construction 2018/19 £	Furniture and Fixtures 2018/19 £	Plant and Equipment 2018/19 £	Total 2018/19 £
Group and Academy Trust Cost					
At 1 September 2018	13,620,804	132,621	220,217	440,083	14,413,726
Additions	238,115	477,639	32,221	125,734	873,710
At 31 August 2019	<u>13,858,920</u>	<u>610,260</u>	<u>252,438</u>	<u>565,818</u>	<u>15,287,436</u>
Depreciation					
At 1 September 2018	1,588,034	-	124,854	257,172	1,970,061
Charge for the Year	349,653	-	29,461	28,321	407,435
At 31 August 2019	<u>1,937,687</u>	<u>-</u>	<u>154,315</u>	<u>285,493</u>	<u>2,377,496</u>
Net Book Value					
At 31 August 2019	<u>11,921,233</u>	<u>610,260</u>	<u>98,123</u>	<u>280,324</u>	<u>12,909,940</u>
At 31 August 2018	<u>12,032,770</u>	<u>132,621</u>	<u>95,363</u>	<u>182,911</u>	<u>12,443,665</u>

Additions to land and buildings represents the payments for the final works on the Science Discovery Centre.
Assets under Construction represent the Main Block boiler works and The Sports Campus costs to date.

12 Stock

Group and Academy Trust	Total 2018/19 £	Total 2017/18 £
Sports Kit	3,616	3,660
Total	<u>3,616</u>	<u>3,660</u>

13 Debtors

	Group		Academy	
	Total 2018/19 £	Total 2017/18 £	Total 2018/19 £	Total 2017/18 £
Trade Debtors	24,253	5,368	24,253	5,368
VAT recoverable	114,451	9,291	114,451	9,291
Other Debtors	5,436	26,986	9,044	-
Prepayments and Accrued Income	87,648	86,673	84,040	86,673
Total	<u>231,787</u>	<u>128,318</u>	<u>231,787</u>	<u>101,332</u>

14 Creditors: Amounts Falling Due Within One Year

	Group		Academy	
	Total	Total	Total	Total
	2018/19	2017/18	2018/19	2017/18
	£	£	£	£
Trade Creditors	396,913	122,892	396,913	122,892
Other Taxation and Social Security	102,962	97,387	189,785	97,387
Condition Improvement Fund Loan	50,000	50,000	50,000	50,000
Other Creditors	110,983	157,779	22,210	157,779
Accruals and Deferred Income	272,340	164,138	272,340	164,138
Total	933,198	592,196	931,248	592,196

	Group		Academy	
	Total	Total	Total	Total
	2018/19	2017/18	2018/19	2017/18
	£	£	£	£
Deferred Income				
Deferred Income at 1 September 2018	139,451	121,027	139,451	121,027
Released from Previous Years	(139,451)	(121,027)	(139,451)	(121,027)
Resources Deferred in the Year	172,329	139,451	172,329	139,451
Deferred Income at 31 August 2019	172,329	139,451	172,329	139,451

At the 31st August 2019 the Academy Trust was holding funds received in advance for educational visits £64,708 (2018 - £58,790) and music lessons £33,076 (2018 - £16,065).

The CIF loan was provided by the ESFA with the remaining £50,000 due to be repaid in installments during 2019/20.

15 Creditors: Amounts Falling Due In Greater than One Year
Group and Academy

	Total	Total
	2018/19	2017/18
	£	£
Condition Improvement Fund Loan	-	50,000
Total	-	50,000

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2019 £
Restricted General Funds					
General Annual Grant (GAG)	395,803	5,667,817	(5,551,456)	(466,959)	45,204
Pupil Premium	-	30,771	(30,771)	-	-
Other Grants	792	73,887	(74,679)	-	-
Other Income	507,772	454,033	(541,963)	-	419,842
Teaching School	166,477	402,883	(381,413)	-	187,947
Pension Reserve	(1,836,000)	-	(213,000)	(346,000)	(2,395,000)
	<u>(765,156)</u>	<u>6,629,390</u>	<u>(6,793,282)</u>	<u>(812,959)</u>	<u>(1,742,007)</u>
Restricted Fixed Asset Funds					
DFE Group Capital Grants	4,954,826	328,228	(162,233)	-	5,120,821
Other Capital Grants	571,315	78,523	(18,706)	-	631,131
Other Assets	6,917,524	-	(226,496)	466,959	7,157,987
	<u>12,443,665</u>	<u>406,751</u>	<u>- 407,435</u>	<u>466,959</u>	<u>12,909,940</u>
Total Restricted Funds	<u>11,678,509</u>	<u>7,036,141</u>	<u>(7,200,717)</u>	<u>(346,000)</u>	<u>11,167,933</u>
Total Unrestricted Funds	384,278	115,540	(117,231)	-	382,587
Total Funds	<u>12,062,787</u>	<u>7,151,680</u>	<u>(7,317,948)</u>	<u>(346,000)</u>	<u>11,550,520</u>

The specific purpose to which the funds are to be applied are as follows;

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Restricted fixed asset funds will be reserved against future depreciation charges.

16 Funds (Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grant (GAG)	478,238	5,405,130	(5,240,892)	(246,673)	395,803
Pupil Premium	-	26,525	(26,525)	-	-
Other Income	465,764	918,494	(869,720)	(5,974)	508,564
Teaching School	107,996	382,031	(323,550)	-	166,477
Pension Reserve	(1,917,000)	-	(249,000)	330,000	(1,836,000)
	<u>(865,002)</u>	<u>6,732,180</u>	<u>(6,709,687)</u>	<u>77,353</u>	<u>(765,156)</u>
Restricted Fixed Asset Funds					
DFE Group Capital Grants	4,954,826	-	-	-	4,954,826
Other Capital Grants	511,027	-	-	60,288	571,315
Other Assets	7,146,054	-	(420,889)	192,359	6,917,524
	<u>12,611,907</u>	<u>-</u>	<u>(420,889)</u>	<u>252,647</u>	<u>12,443,665</u>
Total Restricted Funds	<u>11,746,905</u>	<u>6,732,180</u>	<u>(7,130,576)</u>	<u>330,000</u>	<u>11,678,509</u>
Total Unrestricted Funds	<u>325,198</u>	<u>136,748</u>	<u>(77,668)</u>	<u>-</u>	<u>384,278</u>
Total Funds	<u>12,072,103</u>	<u>6,868,928</u>	<u>(7,208,244)</u>	<u>330,000</u>	<u>12,062,787</u>

17 Analysis of Net Assets Between Funds

Fund balances at 31st August 2019 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets	-	-	12,909,940	12,909,940
Current Assets	382,587	1,586,191	-	1,968,778
Current Liabilities	-	(933,198)	-	(933,198)
Pension Scheme Liability	-	(2,395,000)	-	(2,395,000)
Total Net Assets	382,587	(1,742,006)	12,909,940	11,550,520

Comparative Information in Respect of the Preceding Year is as Follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible Fixed Assets	-	-	12,443,665	12,443,665
Current Assets	384,278	1,713,040	-	2,097,318
Current Liabilities	-	(592,196)	-	(592,196)
Non-Current Liabilities	-	(50,000)	-	(50,000)
Pension Scheme Liability	-	(1,836,000)	-	(1,836,000)
Total Net Assets	384,278	(765,156)	12,443,665	12,062,787

18 Capital Commitments

Group and Academy Trust

	2018/19 £	2017/18 £
Contracted for, but not Provided in the Financial Statements	-	73,306

19 Commitments Under Operating Leases

Operating Leases

At 31st August 2019 the total of the Group's and Academy Trust's future minimum lease payments under non-

	2018/19 £	2017/18 £
Amounts due Within One Year	12,432	11,298
Amounts due Between One and Five Years	30,869	11,276
Amounts due After Five Years	-	-
	43,302	22,574

20 Reconciliation of Net Income / (Expenditure) to Net Cash Flow from Operating Activities

	2018/19	2017/18
	£	£
Net Income / (Expenditure) for the Year (as per Statement Of Financial Activities)	(166,267)	(339,316)
Adjusted for:		
Depreciation (note 11)	407,435	420,890
Capital Grants from the DfE and Other Capital Income	(406,751)	(128,224)
Interest Receivable (note 5)	(3,313)	(2,173)
Defined Benefit Pension Scheme Cost less Contributions Payable (note xx)		200,000
Defined Benefit Pension Scheme Finance Cost (note xx)		49,000
(Increase) / Decrease in Stocks	44	(3,660)
(Increase) / Decrease in Debtors	(103,469)	22,668
Increase / (Decrease) in Creditors	341,002	(45,115)
Net Cash Provided By / (Used In) Operating Activities	68,681	174,070

21 Cash Flows from Financing Activities

	2018/19	2017/18
	£	£
Repayments of Borrowing	(50,000)	-
Cash Inflows from New Borrowing	-	-
Net Cash Provided By / (Used In) Financing Activities	(50,000)	-

22 Cash Inflows from Investing Activities

	2018/19	2017/18
	£	£
Interest from Investments	3,313	2,173
Purchase of Tangible Fixed Assets	(873,710)	(286,091)
Capital Grants from DfE Group	328,228	128,224
Capital Funding received from Others	78,523	-
Net Cash Provided By / (Used In) Investing Activities	(463,647)	(155,694)

23 Analysis of Cash and Cash Equivalents

	2018/19	2017/18
	£	£
Cash in Hand and at Bank	1,231,027	1,965,340
Notice Deposits (Less than 3 months)	502,348	-
Total Cash and Cash Equivalents	1,733,375	1,965,340

24 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.

25 Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Buckinghamshire 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 £86,823 were payable to the schemes at 31 August 2019 (2018: £85,207) and are included within creditors.

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

25 Pension and Similar Obligations (continued)

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2019 was £287,000 (2018: £272,000), of which employer's contributions totalled £228,000 (2018: £216,000) and employees' contributions totalled £59,000 (2018: £56,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% per cent for employees.

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

Principal actuarial assumptions	2019	2018
Rate of Increase in Salaries	2.00%	2.00%
Rate of Increase for Pensions in Payment / Inflation	2.20%	2.30%
Discount Rate for Scheme Liabilities	1.85%	2.65%
Inflation Assumption (CPI)	2.20%	
Commutation of Pensions to Lump Sums	50.0%	

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

	2019	2018
Retiring Today		
Males	22.9	24
Females	24.8	26
Retiring in Twenty Years		
Males	24.6	26.3
Females	26.7	28.5

25 Pension and Similar Obligations (continued)
Local Government Pension Scheme (continued)

Sensitivity Analysis	2019	2018
	£	£
Discount Rate + 0.1%	5,080,000	4,088,000
Discount Rate - 0.1%	5,313,000	4,274,000
Mortality Assumption - 1 year increase	5,382,000	4,320,000
Mortality Assumption - 1 year decrease	5,014,000	4,097,000
CPI Rate + 0.1%	5,208,000	4,190,000
CPI Rate - 0.1%	5,093,000	4,170,000

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

	2019	2018
	£	£
Equities	1,504,000	1,230,000
Gilts	328,000	277,000
Corporate Bonds	398,000	287,000
Property	191,000	172,000
Cash and other Liquid Assets	90,000	140,000
Other	289,000	238,000
Total Market Value of Assets	<u>2,800,000</u>	<u>2,344,000</u>

The actual return on scheme assets was £214,000 (2018: £74,000)

Amount Recognised in the Statement of the Financial Activities

	2019/20	2018/19
	£	£
Current Service Cost	(393,000)	(416,000)
Interest Income	65,000	57,000
Interest Cost	(111,000)	(104,000)
Admin Expenses	(2,000)	(1,000)
Total Amount Recognised in the SOFA	<u>(441,000)</u>	<u>(464,000)</u>

25 Pension and Similar Obligations (continued)

Changes in the Present Value of Defined Benefit Obligations were as follows:

	2019/20	2018/19
	£	£
At 1 September	4,180,000	4,045,000
Current Service Cost	393,000	416,000
Interest Cost	111,000	104,000
Employee Contributions	59,000	56,000
Actuarial Gain / (Loss)	495,000	(313,000)
Benefits Paid	(43,000)	(128,000)
At 31 August	<u>5,195,000</u>	<u>4,180,000</u>

Changes in the Fair Value of the Group's Share of Scheme Assets:

	2019/20	2018/19
	£	£
At 1 September	2,344,000	2,128,000
Interest Income	65,000	57,000
Actuarial Gain / (Loss)	149,000	17,000
Employer Contributions	228,000	216,000
Employee Contributions	59,000	56,000
Benefits Paid	(43,000)	(128,000)
Administration Expenses	(2,000)	(2,000)
At 31 August	<u>2,800,000</u>	<u>2,344,000</u>

26 Related Party Transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

Mr D Hudson, Headteacher and a Governor of the Academy Trst, is also a director of The Buckinghamshire Grammar Schools. During the year the Academy has made purchases of £24,085 (2018 - £27,138) and there were no amounts outstanding at the 31st August 2019 (2018 - £nil).

The Buckinghamshire Grammar Schools provided all services to the Academy Trust at no more than cost price. In entering into the transaction the Academy Trust has complied with the requirements of the ESFA's AFH.

27 Agency Arrangements

The Academy Trust distributes the SCITT bursary fund to students as an agent for the NCTL. In the accounting period ended 31 August 2019 the Trust received £495,690 (2018 - £382,031) and disbursed £523,200 (2018 - £345,870) from the fund. An amount of £12,221 (2018 - £39,731) is included in other creditors relating to undistributed funds that are repayable to the NCTL.

The Academy Trust distributes the 16-19 bursary fund to sixth form students. In the accounting period ended 31 August 2019 the Trust received £15,420 (2018 - £15,970) and distributed £19,387 (2018 - £13,124) from the fund. An amount of £6,390 (2018 - £10,357) is included in other creditors relating to these funds.

28 School Centred Initial Teacher Training (SCITT) Trading Account.

	2019	2018
	£	£
Income		
Direct Income		
Other Income	402,883	382,031
Total Income	402,883	382,031
Expenditure		
Direct Costs		
Direct Staff Costs	188,212	166,468
Other Direct Costs	193,201	157,082
Total Expenditure	381,413	323,550
Surplus / (Deficit) from all Sources	21,470	58,481
SCITT Balance at 1 September 2018	166,477	107,996
SCITT Balance at 31 August 2019	187,947	166,477

This balance includes a reserve of £75,000 to cover the costs of rehousing the SCITT once Phase 3 of the 600 Campaign gets underway.