

Langley School
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2014

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COMPANIES HOUSE

Company Registration No.07693853
(England And Wales)

Langley School

REFERENCE AND ADMINISTRATIVE DETAILS

Members

P Bates
D Barnes
J Sheridan

Governors (Trustees)

P Talbot (Headteacher and Accounting Officer) *
P Bates (Chair) *
G Affleck (Staff Governor)
J Barker
D Barnes *
K Clarke (appointed 21st October 2013)
A Collier (resigned 9th September 2013)
R Davey
N Davies *
K Davis (resigned 9th February 2014)
J Farndon
A Forder
A Hay
K Kane * (resigned 21st October 2013)
S Knight (appointed 21st October 2013)
L Maguire * (resigned 9th October 2013)
S Robinson
D Ross (resigned 21st October 2013)
J Sheridan (resigned 31st August 2014)
S Spain (appointed 21st October 2013)
P Turvey
S Tustain (Staff Governor)
A Walker *
S Watkins (Staff Governor)
C Weir * (resigned 21st October 2013)

* member of Finance Committee

Senior Management Team:

Headteacher
Deputy Headteacher
Deputy Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
School Business Director

P Talbot
D Evans
W Keddie
G Affleck
S Barrett
T Clarke
S Cooke
R Cotton

Principal and Registered Office

Kinton Green Road
Olton
Solihull
West Midlands
B92 7ER

Company Registration Number

07693853 (England and Wales)

Langley School

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

Baker Tilly
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Bankers

Lloyds TSB Bank plc
9-11 Poplar Road
Solihull
West Midlands
B91 2AN

Solicitors

Veale Wasborough Vizards LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Langley School

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in north west Solihull. It has a pupil capacity of 999 and had a roll of 990 in the school census on 15th May 2014.

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 governors act as the trustees for the charitable activities of academy trust and are also directors of the charitable company for the purposes of company law. The Charitable Company is known as Langley School.

Details of the governors who served throughout the year (except as noted) are included in the Reference and Administrative Details on pages 1 to 2.

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.

Governors' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1m on any one claim. Details of the costs can be found in note 10 to the accounts.

Method of recruitment and appointment or election of Governors

On 1 August 2011, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Governors as set out in the Articles of Association and funding agreement:

- up to 13 Governors appointed by the members
- any staff Governors appointed by the members through such process as they may determine, provided that the total number of Governors (including the Head) who are employees of the Academy Trust does not exceed one third of the total number of Governors
- up to 1 Local Authority Governor appointed by the Local Authority
- a minimum of 2 Parent Governors who are elected by parents of registered pupils at the Academy
- the Headteacher, who is treated for all purposes as being an ex officio Governor
- any Additional or Further Governors appointed by the Secretary of State

Langley School

GOVERNORS' REPORT

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. The Academy has purchased a Governor Development Package from the Local Authority giving all Governors access to specific training courses and advice.

Organisational Structure

The Board of Governors normally meet once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings and reports from Committee Chairs. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three committees as follows:

Finance Committee – this meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance and reporting and regulatory requirements and reporting, receiving reports from the contracted out external auditor and drafting the annual budget including setting staffing levels. The Finance Committee is also responsible for premises and health and safety related issues as well as fulfilling the functions of an audit committee.

Curriculum Committee – this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting, assessment and examinations issues.

Personnel Committee – this meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to staffing and human resources issues and student pastoral issues.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual Development Plan and budget.

The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Headteachers and the School Business Manager. The SLT implement the policies laid down by the Governors and report back to them on performance.

The Headteacher is the Accounting Officer.

Langley School

GOVERNORS' REPORT

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust. Langley School Parent Teacher Association is associated with the Academy and as part of its operation; the Academy liaises with organisations such as the Local Authority and other education providers and trainers such as local schools, further education institutions and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas and its finances. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying the means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis. Where significant financial risk has been identified, Governors have ensured they have adequate insurance cover.

A formal review of the Trust's management process is undertaken on an annual basis and key controls in place include:

- Formal agendas for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The charitable objectives for which the charitable company was established are set down in the governing document 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"); and
- To promote for the benefit of the inhabitants of Solihull and the surrounding area the provision of facilities, for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare, and with the object of improving the condition of life of the said inhabitants.

Langley school aims to provide an environment where all its students and staff can achieve to the best of their potential – 'Be the best you can be.' The Governors' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

The Langley vision is "by 2020, Langley Academy will be admired and valued for its pioneering pastoral care, innovative curriculum, modern facilities and inclusive forward thinking approach that opens doors and changes lives."

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on achieving their potential. The school fosters personal development that helps students to value mutual respect and consideration for all and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

Underpinning this are the following tenets:

- A leading and innovative academy with a communal desire to be a supportive and nurturing place of work and study
- High quality teaching and learning
- High aspirations
- Respect and caring for others
- Making a positive contribution to society and the local community
- Sharing best practice and constantly looking to improve

To this end, the activities provided include:

- Training and learning opportunities for all students to achieve their potential in a curriculum tailored to the individual
- Training opportunities for all staff to encourage them to be effective models of learning and development and to develop their own learning and skills
- Specialist activities in performing arts, languages and training along with special projects in other curricular areas
- A programme of sporting and extra curricular activities for all students to widen their experiences
- A programme of after school clubs to allow students to develop further as learners
- Community links which can support other learners and the community in Solihull and the surrounding areas

Langley School

GOVERNORS' REPORT

Objectives, Strategies and Activities

The principal activity of Langley School is currently to run a senior school for boys and girls located in Solihull, West Midlands. Overall objectives for the year ending 31 August 2014 were to raise the attainment levels for all students through care and well-being, curriculum structure, teaching and learning and leadership development.

Key priorities for the year are contained in our School Improvement Plan which is available from the school office.

Governors have agreed the following Langley principles:

Inspired	Aspiring to do better Exceeding our own expectations
Supported	Including everyone and all ideas Coaching others towards success
Challenged	Trusting others to question us well Guiding people in new directions

The stated Langley purpose is to 'be the best we can be'

Why?	So that our young people are exceptionally well educated
Why?	To develop cognitive, social and emotional resilience and resourcefulness
Why?	To develop happy, healthy, confident and successful life-long learners
Why?	So that our young people are prepared not for a life of tests but for the tests of life
Why?	So that everyone fulfils their potential, is courteous and considerate to others and supports their community

Public Benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charitable company strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

The Academy also provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy, we have a duty to support other schools. We support many of our local primary and partner schools through use of our premises and specialist skills in performing arts, literacy and languages and mathematics.

Langley School

GOVERNORS' REPORT

Governors' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of Academy School's activities.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its second year of operation, having converted from a local authority maintained school. All year groups are full and the school is heavily oversubscribed with 751 applications for 190 places in the 2014 admissions round.

The academic examination results for GCSEs and equivalent for the school are set out in the table below, showing a comparison with 2013 school and national results. National figures for 2014 were not available at the time of writing this report.

	Langley 2014	Langley 2013	National 2013
5+ A* - C	70%	83%	
5+ A* - C including English and Mathematics	67%	69%	60%
EBacc	45%	39%	25%
Students making the expected levels of progress in English	73%	73%	69%
Students making the expected levels of progress in Mathematics	81%	85%	70%

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations which are undertaken by the Faculty/Department Heads and the Senior Leadership Team supplemented by themed learning walks and work trawls.

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from DfE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2014, total expenditure of £5,739,035 (2013: £5,719,081) (excluding depreciation and pension losses) was covered by incoming resources of £6,033,716 (2013: £6,026,665) (excludes income restricted to fixed asset spend).

The excess of income over expenditure for the year (excluding restricted fixed asset funds and restricted pension deficit funds) was £268,551 (2013: £259,791).

Langley School

GOVERNORS' REPORT

At 31 August 2014, the net book value of fixed assets was £17,751,267 (2013: £18,023,660) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued at £18,318,375 in February 2012.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 16 to the financial statements.

Key financial policies adopted during the year include the Scheme of Delegation which, alongside the Financial Handbook, lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff as well as delegated authority for spending. Other policies reviewed and updated included the Risk Management Policy, Anti-Bribery Policy, Debit Card Policy, Charging and Remissions Policy, Fixed Asset Procedure and Accounting Policy, Whistleblowing Policy, Reserves Policy, Investment Policy, Gifts and Hospitality Policy, Travel Expenses Policy, Lettings Policy, Anti-Fraud and Corruption Policy and Purchasing Policy.

Governors appointed Mrs Linda Sheridan, Financial Manager in the Resources Directorate at the Local Authority as a contracted out internal auditor to undertake a programme of internal checks on financial controls. During the year, Governors received two reports from Mrs Sheridan with a further report produced in July 2014 due for presentation at their next meeting. None of the reports contained any matters of significance.

Financial and Risk Management Objectives and Policies

The Academy has a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Governors and include financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the Academy is oversubscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally each term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 16 to the financial statements, represents a significant potential liability. However, as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Langley School

GOVERNORS' REPORT

Reserves Policy

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects.

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be equivalent to 4 weeks' expenditure, approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £826,188 (2013: £673,675).

Investment Policy

The governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term, low risk bank investment accounts to take advantage of higher interest rates.

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG). In the period under review, £739,517 (2013: £607,264) was carried forward, representing 14.7% (2013: 11.7%) of GAG.

As funding is based on pupil numbers, this is also a key performance indicator. Pupil numbers at the census on 15th May 2014 were 990, a slight decrease from 2013. However, numbers are anticipated to be fairly stable with all year groups remaining full. In May 2013, the school received an overall OfSTED grading of 'good', with 'outstanding' for student behaviour and safety. Examination results can be seen on Page 8.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014 this was 88.2% (2013: 86%).

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the achievement of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to achieve its objectives. It will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial – the Academy has considerable reliance on continued Government funding through the EFA. In the last year, 90% (2013: 91%) of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

Langley School

GOVERNORS' REPORT

Failures in governance and/or management – the risk in this area arises from potential failure to manage effectively the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection – the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing – the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – the Academy has appointed a contracted out internal auditor to carry out check on financial systems and records as required by the Academies Financial Handbook

The Academy has continued to strengthen its risk management process during the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed on a regular basis.

GOING CONCERN

After making appropriate enquiries, the governing body 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.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

AUDITORS

Chantrey Vellacott DFK LLP have been appointed auditors from 1st January 2015.

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Annual Report is approved by order of the board of governors and the Strategic Report (included therein) is approved by the board of governors in their capacity as the directors at a meeting on 10th December 2014 and signed on its behalf by:



Ms J Barker
Chair

Langley School

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Langley 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 Governing Body 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 Langley School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met six times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of possible
Rev P Bates (Chair)	6	6
Mr P Talbot (Headteacher and accounting officer)	6	6
Mr G Affleck	5	6
Mrs J Barker	5	6
Mr D Barnes	2	6
Mrs K Clarke (appointed 21 st October 2013)	4	5
Mrs A Collier (resigned 9 th September 2013)	0	0
Mr R Davey	2	6
Cllr N Davies	6	6
Mr K Davis (resigned 9 th February 2014)	0	3
Mrs J Farndon	4	6
Mrs A Forder	3	6
Mr A Hay	5	6
Mr K Kane (resigned 21 st October 2013)	0	1
Mr S Knight (appointed 21 st October 2013)	4	5
Mrs L Maguire (resigned 9 th October 2013)	0	1
Mrs S Robinson	6	6
Mr D Ross (resigned 21 st October 2013)	1	1
Mr J Sheridan (resigned 31 st August 2014)	4	6
Mr S Spain (appointed 21 st October 2013)	3	5
Mrs P Turvey	2	6
Mr S Tustain	4	6

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GOVERNANCE STATEMENT

Mrs A Walker	4	6
Mrs S Watkins	5	5
Mr C Weir (resigned 21 st October 2013)	0	1

Governance reviews

The Headteacher's performance management committee asked in 2013/14 that the procedures and practices undertaken by them as part of the Headteacher's performance management [appraisal] be monitored and reviewed by the School Improvement Partner. He did so and his very positive report was shared with the full governing body.

The full governing body used the National Governors' Association self-review questionnaire last academic year and will do so again this year. The outcomes/ impact included:

- Governors remodelling some of the questions so that they were more specifically tailored to Langley's needs
- A skills matrix was completed to identify any gaps and how to fill them when future Governors were recruited
- An enhanced induction process for new Governors
- Confirmation of the school's vision and values during an 'away day'
- More information requested from the school on collaboration and partnership work
- Inclusion of the details of the Chair's visits to the school

The Finance Committee meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance and reporting and regulatory requirements and reporting, receiving reports from the contracted out external auditor and drafting the annual budget including setting staffing levels. The Finance Committee is also responsible for premises and health and safety related issues as well as fulfilling the functions of an audit committee.

Attendance during the year at meetings of the finance committee was as follows:

Governor	Meetings attended	Out of possible
D Barnes (Chair)	3	5
Rev P Bates	3	5
N Davies	4	5
K Kane (resigned 21 st October 2013)	0	1
J Sheridan (resigned 31 st August 2014)	4	5
P Talbot	5	5
A Walker	4	5
C Weir (resigned 21 st October 2013)	0	1

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised,

Langley School

GOVERNANCE STATEMENT

and to manage them efficiently, effectively and economically. The system of internal control has been in place in Langley academy trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the academy trusts exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body
- Regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided to appoint a contracted out internal auditor. Their role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the internal auditor 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 internal audit function has been fully delivered in line with the EFA's requirements and no material control issues have arisen as a result of the internal auditor's work.

Review of effectiveness

As Accounting Officer, Mr P Talbot has responsibility for reviewing the effectiveness of the systems of internal control. During the period in question the review has been informed by

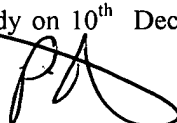
- The work of the contracted out internal auditor
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the results of their review and the systems of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

Approved by order of the members of the Governing Body on 10th December 2014 and signed on its behalf by:



Ms J Barker
Chair



P Talbot
Accounting Officer

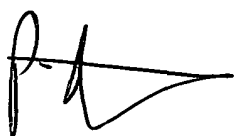
Langley School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Langley School Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregularity or improper use of 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.

I confirm that no instances of material irregularity, impropriety of 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 EFA.



P Talbot
Accounting Officer

Langley School

STATEMENT ON GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Langley School Academy Trust and are also the directors of the charitable company for the purposes of charity law) are responsible for preparing the governors' annual report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the governors are required to:

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

The governors 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 governors 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 relieved from the EFA/DfE have been applied for the purposes intended.

The governors 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 the legislation in other jurisdictions.

Approved by order of the members of the governing body on 10th December 2014 and signed on its behalf by:



Ms J Barker
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANGLEY SCHOOL

We have audited the financial statements of Langley School for the year ended 31 August 2014 on page 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <https://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANGLEY SCHOOL

Baker Tilly UK Audit LLP

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

St Philips Point

Temple Row

Birmingham

B2 5AF

Date *12 December* 2014

Langley School

STATEMENT OF FINANCIAL ACTIVITIES

(including Income & Expenditure Account and Statement of Total Recognised Gains and Losses)
for the year ended 31 August 2014

	Notes	Unrestricted general Funds	Restricted Funds	Restricted fixed assets Funds	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds		£	£	£	£	£
Voluntary income	1	5,220	-	-	5,220	6,035
Activities for generating funds	2	581,153	-	-	581,153	491,792
Investment income	3	11,937	-	-	11,937	12,437
Income resources from charitable activities						
Funding for the Academy's educational operations	4	-	5,435,406	117,126	5,552,532	5,553,686
TOTAL INCOMING RESOURCES		598,310	5,435,406	117,126	6,150,842	6,063,950
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations	6	-	(5,270,983)	(355,859)	(5,626,842)	(5,607,144)
Activities for generation of funds	8	(445,797)	-	-	(445,797)	(397,839)
Governance costs	9	-	(22,255)	-	(22,255)	(22,199)
TOTAL RESOURCES EXPENDED	5	(445,797)	(5,293,238)	(355,859)	(6,094,894)	(6,027,182)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		152,513	142,168	(238,733)	55,948	36,768
TRANSFERS						
Gross transfers between funds		-	(26,130)	26,130	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		152,513	116,038	(212,603)	55,948	36,768
OTHER RECOGNISED GAINS/(LOSSES)						
Actuarial gains on defined benefit pension schemes		-	75,000	-	75,000	40,000
NET MOVEMENT IN FUNDS		152,513	191,038	(212,603)	130,948	76,768
Fund balances brought forward at 31 st August 2013		673,675	(545,707)	18,043,722	18,171,690	18,094,922
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2014	17 & 18	826,188	(354,669)	17,831,119	18,302,638	18,171,690

All of the academy's activities derive from continuing operations during the above financial periods.

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

Langley School

BALANCE SHEET

as at 31 August 2014

Company number: 07693853

	Notes	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible assets	13		17,751,267		18,023,660
CURRENT ASSETS					
Stock		441		651	
Debtors	14	250,700		237,246	
Cash at bank and in hand		2,021,470		1,751,868	
		<u>2,272,611</u>		<u>1,989,765</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	15	(542,240)		(629,735)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			1,730,371		1,360,030
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,481,638</u>		<u>19,383,690</u>
Pension scheme liability	16		(1,179,000)		(1,212,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u>18,302,638</u>		<u>18,171,690</u>
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	17	17,831,119		18,043,722	
General fund	17	824,331		666,293	
Pension reserve	17	(1,179,000)		(1,212,000)	
TOTAL RESTRICTED FUNDS			<u>17,476,450</u>		<u>17,498,015</u>
TOTAL UNRESTRICTED INCOME FUNDS	17		<u>826,188</u>		<u>673,675</u>
TOTAL FUNDS	18		<u>18,302,638</u>		<u>18,171,690</u>

The financial statements on pages 19 to 39 were approved by the Governors and authorised for issue on 10th December 2014, and are signed on their behalf by



Ms J Barker
Chair

Langley School

CASH FLOW STATEMENT

for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	11	224,004	542,894
Capital expenditure (net of capital grant)	11	33,661	(215,208)
Interest received	11	11,937	12,437
Increase in cash for the year.	12	<u>269,602</u>	<u>340,123</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Net funds at 31 August 2014	12	<u>269,602</u>	<u>340,123</u>

Langley School

ACCOUNTING POLICIES

Financial statements for the year ended 31 August 2014

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The financial statements have been prepared under the going concern basis. No material uncertainties related to events or conditions cast a significant doubt on the ability of the Academy to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of approval of these financial statements. Langley School has secured GAG revenue funding of £4,910,568 from the EFA for the next academic year (2013: £5,023,932).

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Langley School

ACCOUNTING POLICIES

Financial statements for the year ended 31 August 2014

Lease of property

As a maintained school converting under the Academies Act 2010, the academy has been able to continue to occupy the predecessor school's premises on a long-term basis under a lease, at nil or peppercorn rental. The terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the Academy Trust and the asset is therefore recognised on the balance sheet as a fixed asset.

An open market, non compartmentalised valuation of the land and buildings was obtained on commission through the Local Authority's Senior Valuer. In subsequent years, buildings are depreciated in accordance with the Academy's depreciation policy.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy by transfer from the restricted fixed asset fund to restricted funds in the Statement of Financial Activities to offset the depreciation of the asset.

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

Long leasehold land	- 125 years
Long leasehold buildings	- 50 years
Temporary buildings	- 10 years
Fixtures, fittings and equipment	- 5 years
ICT equipment	- 5 years
Motor Vehicles	- 5 years

Langley School

ACCOUNTING POLICIES

Financial statements for the year ended 31 August 2014

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

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

Leased assets

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

Pension 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets £	Total 2014 £	Total 2013 £
1. VOLUNTARY INCOME					
Donations	5,220	-	-	5,220	6,035
	<u>5,220</u>	<u>-</u>	<u>-</u>	<u>5,220</u>	<u>6,035</u>
2. ACTIVITIES FOR GENERATING FUNDS					
Trip income	152,247	-	-	152,247	102,494
Catering income	223,139	-	-	223,139	212,557
Sale of goods/services and reimbursements	97,061	-	-	97,061	80,590
Sundry lettings and hire of facilities	108,706	-	-	108,706	96,151
	<u>581,153</u>	<u>-</u>	<u>-</u>	<u>581,153</u>	<u>491,792</u>
3. INVESTMENT INCOME					
Bank interest receivable on short term cash deposits	11,937	-	-	11,937	12,437
	<u>11,937</u>	<u>-</u>	<u>-</u>	<u>11,937</u>	<u>12,437</u>
4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS					
Core academy funding:					
General Annual Grant (GAG)	-	5,043,193	-	5,043,193	5,208,968
Capital Grant Funding	-	-	117,126	117,126	37,285
	<u>-</u>	<u>5,043,193</u>	<u>117,126</u>	<u>5,160,319</u>	<u>5,246,253</u>
Other government funding:					
Pupil premium	-	211,202	-	211,202	166,429
Catch Up Funding	-	14,500	-	14,500	21,500
Special Educational Needs income	-	156,956	-	156,956	119,504
Other funding	-	2,803	-	2,803	-
Other non-government funding	-	6,752	-	6,752	-
	<u>-</u>	<u>392,213</u>	<u>-</u>	<u>392,213</u>	<u>307,433</u>
	<u>-</u>	<u>5,435,406</u>	<u>117,126</u>	<u>5,552,532</u>	<u>5,553,686</u>

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

5. RESOURCES EXPENDED

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2014 £	Total 2013 £
Costs of Activities for generating funds	46,346	-	399,451	445,797	397,839
Academy Trust's educational operations					
Direct costs	3,853,653	-	288,964	4,142,617	4,176,749
Allocated support costs	547,494	420,975	515,756	1,484,225	1,430,395
	<u>4,447,493</u>	<u>420,975</u>	<u>1,204,171</u>	<u>6,072,639</u>	<u>6,004,983</u>
Governance costs including allocated support costs	1,879	-	20,376	22,255	22,199
	<u>4,449,372</u>	<u>420,975</u>	<u>1,224,547</u>	<u>6,094,894</u>	<u>6,027,182</u>
Incoming/(outgoing) resources for the year include				2014 £	2013 £
Depreciation					
- Owned Assets				58,521	10,763
- Leased Assets				297,338	297,338
Operating leases					
- plant and machinery				3,328	4,298
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit				11,935	11,763
- other services				1,500	1,750
Profit/(loss) on disposal of fixed assets				-	-

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds General £	Restricted Fixed Assets £	Total 2014 £	Total 2013 £
Direct costs:					
Teaching and pupil – staff costs	-	3,790,106	-	3,790,106	3,816,977
Teaching and pupil – other costs	-	265,220	-	265,220	275,610
Premises - staff costs	-	63,547	-	63,547	72,151
Recruitment and training	-	23,744	-	23,744	12,011
Support costs – see note 7	-	1,128,366	355,859	1,484,225	1,430,395
	<u>-</u>	<u>5,270,983</u>	<u>355,859</u>	<u>5,626,842</u>	<u>5,607,144</u>

Costs originally attributed to direct costs, have been reclassified to support costs. Prior year figures have been amended for comparative consistency, but the expenditure in total remains unchanged.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

	Total 2014	Total 2013
	£	£
7. SUPPORT		
Staff costs	460,540	489,873
Depreciation	355,859	308,101
Net finance expense on pension scheme assets and liabilities – see note 16	40,000	42,000
Recruitment and training	1,335	5,485
Premises – staff costs	46,954	47,905
Premises – other costs	420,975	355,887
Other costs	158,562	181,144
	<u>1,484,225</u>	<u>1,430,395</u>
8. ACTIVITIES FOR GENERATING FUNDS		
Trips	152,247	102,494
Catering	197,422	188,429
Sales of other goods and services	96,128	106,916
	<u>445,797</u>	<u>397,839</u>
9. GOVERNANCE COSTS		
Legal and professional fees	5,156	3,033
Auditor's remuneration		
Audit of the financial statements	11,935	11,763
Other services	1,500	1,750
Staff preparation and involvement in governor meetings	1,879	2,953
Responsible Officer	1,500	2,700
Training	285	-
	<u>22,255</u>	<u>22,199</u>

The charitable company strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved and/or the nature of the cost.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

	12 month period ended 31 August 2014	2013
10. STAFF COSTS		
	£	£
Staff costs during the year were:		
Wages and salaries	3,659,605	3,692,374
Social security costs	259,069	268,489
Pension costs - defined benefit schemes:		
Teachers' Pension Scheme	357,927	363,847
Local Government Pension Scheme	172,771	185,409
	<u>4,449,372</u>	<u>4,510,119</u>

Prior year figures have been amended to include the net finance expense on the Local Government Pension Scheme for comparative purposes.

	No.	No.
The average monthly number of persons employed by the charitable company (excluding governors) during the year, expressed as full time equivalents, was as follows:		
Teaching	83	84
Premises	6	7
Administration and support	14	14
	<u>103</u>	<u>105</u>

	2014 No.	2013 No.
The number of employees whose emoluments for the year exceeded £60,000 fell within the following ranges:		
£60,001 to £70,000	6	7
£70,001 to £80,000	1	-
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
	<u>8</u>	<u>8</u>

Seven of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2014 employer's pension contributions for these staff amounted to £60,595 (2013: £58,613). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £8,923 (2013: £10,316).

No other members of staff received total emoluments in excess of £60,000 during the current period.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

10. STAFF COSTS (Continued)

GOVERNORS' REMUNERATION AND EXPENSES

Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

In addition to being the accounting officer (and also a governor), P Talbot was the headteacher. In respect of his role as headteacher, he received annualised aggregate emoluments for qualifying services amounting to £94,773 (2013: £89,668), and the charitable company incurred pension costs of £11,712 (2013: £11,040) in respect of the pension benefits accruing to 31 August 2014.

In addition to being governors, G Affleck, S Tustain and S Watkins were also members of staff. In respect of their role as members of staff, these governors received annualised aggregate emoluments for qualifying services amounting to £156,248 (2013: £154,610) and the charitable company incurred aggregate pension costs of £19,308 (2013: £19,106) in respect of the pension benefits accruing to them.

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current period. During the year ended 31 August 2014, travel and subsistence expenses totalling Nil (2013: £58) were reimbursed.

GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice Langley School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Langley School business. The insurance provides cover up to £1m on any one claim and the cost for the year ended 31 August 2014 was £1205 (2013: £1,237).

The cost of this insurance is included in the total insurance cost.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

	12 month Period Ended 31 August 2014 £	2013 £	
11. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Net income	130,948	76,768	
Capital grants from DfE and other Capital Income	(117,126)	(37,285)	
FRS 17 actuarial (gain) (note 16)	(75,000)	(40,000)	
FRS 17 pension service cost less contributions paid (note 16)	2,000	10,000	
FRS 17 pension finance expense (note 16)	40,000	42,000	
Depreciation	355,859	308,101	
Interest receivable	(11,937)	(12,437)	
(Increase)/decrease in debtors	(13,454)	5,655	
(Decrease)/increase in creditors (excluding LGPS deficit)	(87,495)	189,519	
Decrease in stock	209	573	
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>224,004</u>	<u>542,894</u>	
INTEREST RECEIVED	<u>11,937</u>	<u>12,437</u>	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	(83,466)	(252,493)	
Capital grants from DfE/EFA	117,126	37,285	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>33,661</u>	<u>(215,208)</u>	
12. ANALYSIS OF CHANGES IN NET FUNDS			
	At 31 August 2013 £	Cash flows 2014 £	At 31 August 2014 £
Cash in hand and at bank	1,751,868	269,602	2,021,470
	<u>1,751,868</u>	<u>269,602</u>	<u>2,021,470</u>

Langley School

NOTES TO THE FINANCIAL STATEMENTS the year ended 31 August 2014

13. TANGIBLE ASSETS

	Leasehold Land and buildings	Temporary buildings	Fixtures and fittings	Furniture and equipment	Computer equipment	Total
Cost:	£	£	£	£	£	£
At 1 st September 2013	18,318,375	-	267,148	9,512	12,686	18,607,721
Additions in year	-	55,699	18,033	9,734	-	83,466
31 August 2014	18,318,375	55,699	285,181	19,246	12,686	18,691,187
Depreciation:						
At 1 st September 2013	569,564	-	9,714	1,334	3,449	584,061
Charge in the year	297,338	-	53,720	2,264	2,537	355,859
31 August 2014	866,902	-	63,434	3,598	5,986	939,920
NBV as at 31 August 2014	17,451,473	55,699	221,747	15,648	6,700	17,751,267
NBV as at 31 August 2013	17,748,811	-	257,434	8,178	9,237	18,023,660

The leasehold land and buildings inherited by the charitable company upon conversion were valued at £18,318,375 on a depreciated replacement costs basis by Solihull Metropolitan Council. The land element of this valuation was £5,752,480.

14. DEBTORS

	2014	2013
	£	£
Amounts falling due within one year:		
Trade debtors	6,220	6,345
Other debtors	732	1,124
Prepayments and accrued income	176,580	177,070
Other taxation and social security	67,168	52,707
	<u>250,700</u>	<u>237,246</u>

15. CREDITORS

	2014	2013
	£	£
Amount falling due within one year:		
Trade creditors	216,836	227,628
Other tax and social security costs	73,411	81,690
Other creditors	70,672	73,436
Accruals and deferred income	181,321	246,981
	<u>542,240</u>	<u>629,735</u>

DEFERRED INCOME

	2014
	£
Deferred income at 1 September 2013	90,397
Resources deferred in the year	45,047
Amounts released from previous years	(86,373)
Deferred income at 31 August 2014	<u>49,071</u>

Accruals and deferred income includes £25,803 deferred income relating to trips occurring in 2014/2015, rates funding from EFA in advance of £11,415, £2,704 relating to sales of goods and services in advance of supply, a potential clawback of ACMF by the EFA of £4,024 and £5,125 potential clawback relating to summer school pupil premium funding.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

16 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 Wolverhampton City Council, both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' 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' Pensions Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,000 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publications-of-the-valuation-report.aspx>).

Langley School

NOTES TO THE FINANCIAL STATEMENTS the year ended 31 August 2013

16 PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than the Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire. There will also be further transitional protection, tapered over a three and half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £173,000 (2013: £177,000), of which employer's contributions totalled £132,000 (2013: £133,000) and employees' contribution totalled £41,000 (2013: £44,000). The agreed rate for future years is 14% for employers and the employee rate varies according to income band.

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

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.95	4.15
Rate of increase in pensions	2.20	2.40
Discount rate	4.00	4.60
Inflation – cpi	2.20	2.40

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

16 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	2014 %	2013 %
Retiring today:		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years:		
Males	25.1	23.9
Females	27.8	26.7

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000s		Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000s	
Equities	7.0	545 (45.0%)		7.0	446 (42.4%)	
Bonds	6.7	221 (18.2%)		7.8	206 (19.6%)	
Property	6.2	105 (8.7%)		5.7	91 (8.7%)	
Cash	0.5	53 (4.4%)		0.5	43 (4.1%)	
Alternative assets	7.0	287 (23.7%)		7.0	265 (25.2%)	
TOTAL MARKET VALUE OF ASSETS		1,211			1,051	
Present value of scheme liabilities		(2,390)			(2,263)	
DEFICIT IN THE SCHEME		(1,179)			(1,212)	

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual asset classes weighted by the proportion of assets in the particular asset class.

The actual return on scheme assets was £119,000 (2013: £91,000).

Langley School

NOTES TO THE FINANCIAL STATEMENTS the year ended 31 August 2014

16 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	134	143
Past service cost	-	-
Total operating charge	<u>134</u>	<u>143</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	66	52
Interest on pension liabilities	(106)	(94)
Pension finance income/(costs)	<u>(40)</u>	<u>(42)</u>
Total pension costs	<u>94</u>	<u>101</u>

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £21,000 loss (2013: £96,000 loss).

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
Balance as at 1 September	2,263	2,007
Current service cost	134	143
Interest cost	106	94
Employee contributions	41	44
Benefits/transfers paid	(41)	(25)
Actuarial (gain)/loss	(113)	-
At 31 August	<u>2,390</u>	<u>2,263</u>

Movements in the fair value of Academy Trust's share of scheme assets:

Balance as at 1 September	1,051	807
Expected return on assets	66	52
Actuarial (loss)/gain	(38)	40
Benefits/transfers paid	(41)	(25)
Employer contributions	132	133
Employee contributions	41	44
At 31 August	<u>1,211</u>	<u>1,051</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £144,000.

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

16 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The experience adjustments summary is as follows:

	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(2,390)	(2,263)	(2,007)
Fair value of share of scheme assets	1,211	1,051	807
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(1,179)	(1,212)	(1,200)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets	(38)	40	(21)
Experience adjustments on scheme liabilities:	267	-	(108)

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

17. THE FUNDS OF THE CHARITY

	Brought forward £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31-Aug-14 £
RESTRICTED FIXED ASSETS FUND					
Inherited on conversion	17,952,266	-	(297,338)	-	17,654,928
DfE/EFA capital grants	43,663	117,126	(48,994)	-	111,795
Capital Exp. from Unrestricted	47,793	-	(9,527)	-	38,266
Capital Exp. from GAG	-	-	-	26,130	26,130
	<u>18,043,722</u>	<u>117,126</u>	<u>(355,859)</u>	<u>26,130</u>	<u>17,831,119</u>
RESTRICTED GENERAL FUNDS					
LGPS deficit	(1,212,000)	-	(42,000)	75,000	(1,179,000)
General Annual Grant	607,264	5,043,193	(4,884,810)	(26,130)	739,517
Pupil premium	59,029	211,202	(191,831)	-	78,400
Catch Up Funding	-	14,500	(8,086)	-	6,414
SEN funding	-	156,956	(156,956)	-	-
Other DfE/EFA grants	-	2,803	(2,803)	-	-
Other restricted non-govt grants	-	6,752	(6,752)	-	-
	<u>(545,707)</u>	<u>5,435,406</u>	<u>(5,293,238)</u>	<u>48,870</u>	<u>(354,669)</u>
UNRESTRICTED FUNDS					
Inherited on conversion	411,049	-	-	-	411,049
Activities for generating funds	206,703	581,153	(445,797)	-	342,059
Investment income	14,767	11,937	-	-	26,704
Donations	41,156	5,220	-	-	46,376
	<u>673,675</u>	<u>598,310</u>	<u>(445,797)</u>	<u>-</u>	<u>826,188</u>
TOTAL FUNDS	<u><u>18,171,690</u></u>	<u><u>6,150,842</u></u>	<u><u>(6,094,894)</u></u>	<u><u>75,000</u></u>	<u><u>18,302,638</u></u>

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

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

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2014

17. THE FUNDS OF THE CHARITY (Continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2014.

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

The Special Educational Needs fund has been created to recognise all restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the school in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible assets £	Net current assets £	Pension scheme liability £	2014 Total £	2013 £
Restricted fixed assets funds	17,831,119	-	-	17,831,119	18,043,722
Restricted general funds	(79,852)	904,183	(1,179,000)	(354,669)	(545,707)
Unrestricted funds	-	826,188	-	826,188	673,675
NET ASSETS	<u>17,751,267</u>	<u>1,730,371</u>	<u>(1,179,000)</u>	<u>18,302,638</u>	<u>18,171,690</u>

19. MEMBERS' LIABILITY

Langley School is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

20. CAPITAL COMMITMENTS

At the balance sheet date, the charitable company had capital commitments amounting to £25,758

21. COMMITMENTS UNDER OPERATING LEASES

	31 August 2014 £	31 August 2013 £
At 31 August 2014, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows:		
In respect of plant and machinery leases –		
expiring within one year	646	-
expiring within two to five years	-	3,218
	<u>646</u>	<u>3,218</u>

Langley School

NOTES TO THE FINANCIAL STATEMENTS

the year ended 31 August 2013

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is considered inevitable that transactions will take place with organisations in which a governor may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No such transactions have been identified for the year ended 31 August 2014.