

REGISTRAR OF COMPANIES

The Langley Academy Trust

Annual Report and Financial Statements

31 August 2014

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

WEDNESDAY



A3YLBVEX

A15

07/01/2015

#320

COMPANIES HOUSE

Contents

Reports

Reference and administrative information	1
Trustees' report (including a strategic report)	3
Governance statement	12
Statement of regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditor's report on the financial statements	18
Independent reporting accountant's assurance report on regularity	20

Financial statements

Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Principal accounting policies	25
Notes to the financial statements	29

Reference and administrative information

Members

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

Trustees

Mrs Annabel Nicoll* (Chair)
Mrs Cheryl Bennett (resigned 31 August 2014)
Ms Valerie Bragg*
Mr Rhodri Bryant*
Mr Italo Cafolla (appointed 23 June 2014)
Mrs Elizabeth Croft (resigned 24 September 2013)
Ms Catherine Ensby (resigned 31 August 2014)
Mr John Hedger
Ms Nicola Kibble (resigned 31 August 2014)
Mr Paul Mains
Mrs Catherine Rogers (resigned 31 August 2014)
Mr Daniel Rowland (resigned 31 August 2014)
Mrs Linda Sanderson
Mr Richard York* (appointed 25 November 2013)

*Member of the Business Committee which also fulfilled the function of the Audit Committee during the year

Company Secretary Mr John Ralfs

Senior leadership team
The Langley Academy Trust

Executive Principal Mr Rhodri Bryant
Finance Director Mr John Ralfs

The Langley Academy

Vice Principal Mr Peter Blewett
Vice Principal Mr Oliver Haden
Director Mr Richard Brown
Director Mrs Lindsey Humber
Director Mr Trevor O'Neill
Director Mr Chirag Patel
Director Ms Roberta Wauchob

Reference and administrative information

Senior leadership team (continued)

The Langley Academy Primary

Headteacher Designate

Ms Tracey Bowen

Parlaunt Park Primary Academy

Headteacher

Ms Jane Sweeney

Deputy Headteacher

Ms Nicola York

Registered office

The Langley Academy
Langley Road
Langley
Slough
Berkshire
SL3 7EF

Tel: 01753 214440

Fax: 01753 596321

Company registration number

05358533 (England and Wales)

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

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

Trustees' report (including a strategic report) Year to 31 August 2014

The Trustees of The Langley Academy Trust ('the Trust'), who are also directors of the company for the purposes of the Companies Act, present their statutory report together with the financial statements of the Trust for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 28 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital (Company Registration No. 05358533) and an exempt charity. The company changed its name on 30 May 2014 from The Langley Academy to The Langley Academy Trust. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. Members of the charitable company are appointed by the sponsor of the Trust, The Arbib Foundation. In addition the members may appoint additional members as they see fit. The members of the charitable company are Sir Martyn Arbib, Mrs Annabel Nicoll, Mrs Linda Sanderson, Dr Michael Sanderson and Mr Paddy Nicoll. In accordance with the articles of association of the charitable company they have the powers to appoint or remove Trustees.

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

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

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

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees indemnities

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

Trustees

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

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

During the year under review the Trustees held six full meetings. In addition, there were meetings of the sub-committees of the Board of Trustees covering Museum Learning, Student Achievement, Business, Health and Safety, Personnel and Pay. All new Trustees, who are recruited on their ability to play an active part in the governance of the Trust, are interviewed by experienced Trustees, given a tour of the Academy and an opportunity to meet with the Executive Principal prior to their first full meeting. In addition they are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents dependant on their role within the Board of Trustees. They are also referred to the Academies Financial Handbook and the Trust's Funding Agreement.

On 22 August 2014 a multi-academy trust was established. The governance structure introduced involves The Langley Academy Trust Board with separate sub-committees designated to Business, Audit and Museum Learning. Local governing bodies monitor and develop student achievement, curriculum, museum learning and teaching and learning within each academy.

Trustees' report (including a strategic report) Year to 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees (continued)

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2014 and served throughout the year except where shown:

Trustees	Appointment date	Cessation date
Mrs Cheryl Bennett		31 August 2014
Ms Valerie Bragg		
Mr Rhodri Bryant		
Mr Italo Cafolla	23 June 2014	
Mrs Elizabeth Croft		24 September 2013
Ms Catherine Ensby		31 August 2014
Mr John Hedger		
Ms Nicola Kibble	2 September 2013	31 August 2014
Mr Paul Mainds		
Mrs Annabel Nicoll (Chair)		
Mrs Catherine Rogers	2 September 2013	31 August 2014
Mr Daniel Rowland	25 November 2013	31 August 2014
Mrs Linda Sanderson		
Mr Richard York	25 November 2013	

No Trustee received any remuneration in respect of their duties as a Trustee from the Trust during the year (2013 – none).

Mr Rhodri Bryant is remunerated in his position as Executive Principal and Mrs Cheryl Bennett, Mrs Elizabeth Croft and Mr Daniel Rowland are remunerated as employees of The Langley Academy Trust.

Principal activities

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

Organisational structure

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

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

Trustees' report (including a strategic report) Year to 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The local governing bodies monitor and develop student achievement, teaching and learning, curriculum and museum learning at each academy. The Senior Leadership Team comprises the Executive Principal, Headteachers, Vice Principals and Assistant Heads/Directors at each Academy. These managers control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

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

Connected organisations

The Arbib Foundation is the sponsor to the Trust, and donated £2,472,000 towards initially establishing The Langley Academy, as well as providing further donations during the year to assist the Trust in achieving its objectives. The Suva Foundation is also linked to Annabel Nicoll, a Trustee of the Trust, and has made donations to the Trust during the financial year to assist with its objectives.

Risk management

The Trustees have reviewed the major risks to which the Trust is exposed, in particular those relating to the operations and finances of the Trust. The Trustees have previously expressed concern to the DfE regarding the inadequacy of DfE funding to ensure the long term sustainability of the initial capital expenditure on tangible assets, whilst ensuring adequate resources remain available for day-to-day operations. The DfE has acknowledged recognition of this issue. Subject to this concern, the Trustees are satisfied that appropriate measures are in place to limit and manage those risks.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The objects of the charitable company are:

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

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

OBJECTIVES AND ACTIVITIES (continued)

Objects, aims and objectives (continued)

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

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

Strategies and activities

The Trust began educational operations on 1 September 2008 with the opening of The Langley Academy. A multi-academy trust was then created on 22 August 2014. Parlaunt Park Primary Academy joined the Trust on 1 September 2014. The Trust has also made a successful application to the DFE to establish The Langley Academy Primary on The Langley Academy site. The Langley Academy Primary will open for educational operations on 1 September 2015.

With the addition of two primary schools, the Trust intends to ensure the quality of transition for students from primary to secondary education.

The Trust regularly monitors progress against its detailed operational plans and strategic plans in order to meet its vision.

Charitable purposes for public benefit

In setting the objectives and planning the activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

During the financial year the Trust furthered its charitable purposes for the public benefit at The Langley Academy by teaching the full national curriculum and a broader curriculum to 11 to 16 year olds. The Langley Academy successfully maintained the size of its Sixth Form to enable its Key Stage 4 students to continue into Further Education as well as providing an opportunity to other local students. In addition, many of the students in the Upper Sixth Form successfully progressed to Higher Education or careers.

The Langley Academy has a selection procedure which bands applicants according to ability. In each of these nine bands the 20 applicants residing closest to The Langley Academy are selected. The Trust believes this enables it to best serve the educational needs of the local community. There is no restriction on access based on ability to pay.

Equal opportunities

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

Trustees' report (including a strategic report) Year to 31 August 2014

OBJECTIVES AND ACTIVITIES (continued)

Disabled persons

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

STRATEGIC REPORT

Achievements and performance

In February 2013 The Langley Academy was inspected by OFSTED where the overall effectiveness of the Academy was deemed to have improved from Satisfactory to Good.

OFSTED Report February 2013

Overall	Good
Achievement of pupils	Good
Quality of teaching	Good
Behaviour and safety of pupils	Outstanding
Leadership and management	Good

Academic results

The Academy continues to celebrate improvement in terms of results at all levels.

A Level

At A Level 77% of students achieved A*-C grades, a significant improvement on the previous year's 65.7%. A total of 56% of the 100 A-level students achieved A*-B grades. There was a 99.4% pass rate surpassing the National Average; up from last year's 95.8%. Many students secured their university place at Russell Group Universities and these results put The Langley Academy firmly in the top 25% of schools for value-added measurements.

GCSEs

Based on best entry results there has been an increase of 6% of those students achieving A*-C including English and Maths at GCSE from 56% in 2012/13 to 62%. From 177 students 99.4% achieved a 5A*-G pass rate. English grades have improved with students exceeding the National Average for 3 and 4 levels of progress, demonstrating that students at The Langley Academy are making "rapid progress".

Trustees' report (including a strategic report) Year to 31 August 2014

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

The statement of financial activities on page 22 shows a deficit for the year before actuarial gains or losses on the Local Government Pension Scheme of £67,000 (2013 – deficit of £120,000). The deficit is stated after the annual depreciation charge of £838,000 (2013 – £1,050,000), which is set against the restricted fixed asset fund.

Unrestricted funds increased by £177,000 to £1,091,000 at 31 August 2014.

As shown in note 15, restricted general funds increased by £667,000 (2013 – increased by £588,000).

The pension reserve shows an increase in the Local Government Scheme Pension deficit to £1,209,000 (2013 - £769,000). Further details are shown in note 23. The DfE has previously stated that academies are not expected to fund the deficit as a lump sum, but that it will continue to be addressed through employer contribution rates over future periods, from the General Annual Grant.

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

Financial and risk management objectives and policies

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

Reserves policy

The Trustees have reviewed the reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. There is currently a deficit on the reserve for the Local Government Pension Scheme. The Trust is paying contributions to the Local Government Pension Scheme at the rate recommended by the actuary and payments in respect of the deficit will occur over a number of years. The Trustees will keep the level of reserves under review.

The Trustees are satisfied with the way that expenditure during the year has been applied from various restricted reserves, which optimise the future available reserves for the Trust's operations. As part of the budgeting process, the Trustees have reviewed the appropriate level of reserves to be retained from income received during the year ended 31 August 2014 to allow the Trust to continue operations in future periods.

The policy of the Trust is to carry forward a prudent level of reserves designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

Trustees' report (including a strategic report) Year to 31 August 2014

STRATEGIC REPORT (continued)

Financial review (continued)

Investment policy

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

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

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Trust are:

- ◆ Financial risk – the principal risks are the reduction in funding levels due to either reductions in pupil numbers or changes in Government policy and the availability of additional funding to cover significant capital repairs and replacements.
- ◆ Performance risk – the principal risk is a worsening of exam results.
- ◆ Reputational risk – the principal risk is a reduction in how the Trust is perceived in the local and educational communities due to either a worsening of performance or poor OFSTED reports.

PLANS FOR FUTURE PERIODS

The Trust is committed to making a real difference to its students' lives and will embed its principles and holistic approach to education across all three academies. There will be a focus on rapid and sustained progress across all year groups, whilst ensuring an enriching experience for all its students.

During 2014/15 the Trust plans to build a Third Generation (3G)-floodlit artificial pitch on The Langley Academy site. This will meet the requirements of the FIFA Quality Concept 1 Star Certificate which will qualify the pitch to be put onto the FA register of artificial pitches and attain the International Hockey Federation National standard. This pitch will be used by all students within the Trust and will be an extension to our already thriving community hub.

Construction will also commence on The Langley Academy Primary with the first student intake in 2015/16.

Trustees' report (including a strategic report) Year to 31 August 2014

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees on 16 December 2014 and signed on its behalf by:



Mrs Annabel Nicoll
(Chair of Trustees)

Approved by the Trustees on: 16/12/14

Governance statement 31 August 2014

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the Trust Body 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 six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Number of meetings attended	Out of a possible
Mrs Cheryl Bennett	5	6
Ms Valerie Bragg	6	6
Mr Rhodri Bryant	6	6
Mr Italo Cafolla	0	1
Mrs Elizabeth Croft	1	1
Ms Catherine Ensby	3	6
Mr John Hedger	4	6
Ms Nicola Kibble	3	5
Mr Paul Mainds	4	6
Mrs Annabel Nicoll	6	6
Mrs Catherine Rogers	3	5
Mr Daniel Rowland	4	4
Mrs Linda Sanderson	6	6
Mr Richard York	3	4

Key changes in the Trustees during the year were the appointment of Ms Nicola Kibble and Mrs Catherine Rogers on 2 September 2013, Mr Richard York and Mr Daniel Rowland on 25 November 2013, and Mr Italo Cafolla on 23 June 2014. The resignation of Mrs Elizabeth Croft took place on 24 September 2013, followed by Mrs Cheryl Bennett, Mrs Catherine Ensby, Ms Nicola Kibble, Mrs Catherine Rogers and Mr Daniel Rowland on 31 August 2014.

Governance review

As part of the transition to becoming a multi-academy trust, the role and responsibilities of the Trustees have been reviewed during the year ended 31 August 2014. As the Trust's new school is embedded into the organisation, governance will be kept under review during 2014/15.

Governance statement 31 August 2014

Governance (continued)

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

- ◆ to review any financial implications for the Trust through review of management accounts, long term forecasts, budgets and projects as required;
- ◆ reviewing the Trust's Scheme of Delegation;
- ◆ recommending to the Board of Trustees, not later than 28 June each year, a budget for the following year;
- ◆ reviewing the management accounts projections for the year;
- ◆ approving the statutory accounts so that they can be presented to the Board of Trustees before 31 December each year;
- ◆ discussing reports from the external auditors and advisers;
- ◆ discussing reports from the Responsible Officer;
- ◆ reviewing the use and maintenance of the premises, wider Trust land, and environmental assets;
- ◆ reviewing the inspection of the premises and grounds, and approving a statement of priorities for maintenance and development;
- ◆ approving the Trust's asset management plan annually and reviewing progress;
- ◆ reviewing the Trust's insurance arrangements annually;
- ◆ reviewing the Trust's Health and Safety policy and to review reports at each meeting;
- ◆ supporting the Trust in promoting links with the local community, and wider area, including reporting on links with the business community; and
- ◆ reviewing annually pension liabilities, depreciation policy and state of reserves.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
Ms Valerie Bragg	2	3
Mr Rhodri Bryant	3	3
Mrs Annabel Nicoll	3	3
Mrs Linda Sanderson	2	3
Mr Richard York	3	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

On behalf of the Board of Trustees, the Business Committee has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Business Committee is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Business Committee.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Business Committee;
- ◆ regular reviews by the Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ 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 Linda Sanderson as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the RO reports to the Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The RO is assisted in this role by Buzzacott LLP Chartered Accountants. Buzzacott LLP undertook a review of key controls covering the year ended 31 August 2014 and reported on the operation of these. There were no significant findings from the visits.

Governance statement 31 August 2014

The risk and control framework (continued)

From 1 September 2014 the Audit Committee, a sub-committee of the Board of Trustees, has been established to report on and advise the Board of Trustees on governance and internal and external audit.

Review of effectiveness

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

- ♦ the work of the Responsible Officer;
- ♦ the work of the external auditor;
- ♦ the financial management and governance self assessment process;
- ♦ the work of the Senior Leadership and Leadership Teams within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Mrs Annabel Nicoll
(Chair of Trustees)



Mr Rhodri Bryant
(Executive Principal and Accounting Officer)

Approved on: 16/12/14

Statement on regularity, propriety and compliance 31 August 2014

As Accounting Officer of The Langley Academy Trust, I have considered my responsibility to notify the Trustees 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 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 Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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 EFA.



Mr Rhodri Bryant
(Executive Principal and Accounting Officer)

Date: 16/12/14

Statement of Trustees' responsibilities 31 August 2014

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its 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' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Trust will continue in operation.

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

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

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

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



Mrs Annabel Nicoll
Chair of Trustees
Date: 16/12/14

Independent auditor's report on the financial statements 31 August 2014

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

We have audited the financial statements of The Langley Academy Trust for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. 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 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purpose 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report on the financial statements 31 August 2014

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the Trust'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;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

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



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

Date: 18 December 2014

Independent reporting accountant's assurance report on regularity 31 August 2014

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

In accordance with the terms of our engagement letter dated 21 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Langley Academy Trust during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Langley Academy Trust's funding agreement with the Secretary of State for Education dated 10 February 2006 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Independent reporting accountant's assurance report on regularity 31 August 2014

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 18 December 2014

Statement of financial activities Year to 31 August 2014
(including income and expenditure account and statement of total recognised gains and losses)

		Restricted funds			2014	2013
	Notes	Unrestricted funds £	Fixed Assets £	General funds £	Total funds £	Total funds £
Incoming resources						
Incoming resources from generated funds:						
. Voluntary income	1	123,024	-	-	123,024	182,959
. Activities for generating funds	2	31,934	-	109,300	141,234	152,750
. Investment income	3	22,063	-	-	22,063	18,562
Incoming resources from charitable activities						
. Funding for the Trust's educational operations and development	4	-	22,699	7,565,021	7,587,720	7,800,052
Total incoming resources		177,021	22,699	7,674,321	7,874,041	8,154,323
Resources expended						
Costs of generating funds:						
. Costs of activities for generating funds	5	-	-	108,386	108,386	82,494
Charitable activities:						
. Trust's educational operations	6	-	838,188	6,979,930	7,818,118	8,158,332
Governance costs	7	-	-	14,279	14,279	33,720
Total resources expended	5	-	838,188	7,102,595	7,940,783	8,274,546
Net incoming (outgoing) resources before transfers		177,021	(815,489)	571,726	(66,742)	(120,223)
Transfers between funds	15	-	28,101	(28,101)	-	-
Net income (expenditure) for the year		177,021	(787,388)	543,625	(66,742)	(120,223)
Other recognised gains and losses						
. Actuarial (losses) gains on defined benefit pension scheme	23	-	-	(316,000)	(316,000)	32,000
Net movement in funds		177,021	(787,388)	227,625	(382,742)	(88,223)
Fund balances brought forward at 1 September 2013		914,050	28,852,355	947,650	30,714,055	30,802,278
Fund balances carried forward at 31 August 2014		1,091,071	28,064,967	1,175,275	30,331,313	30,714,055

All of the Trust's activities derived from continuing operations during the above two financial periods. A statement of total recognised gains and losses is not required as all gains and losses are included in the above Statement of Financial Activities.

There is no difference between the net movement in funds stated above and its historical cost equivalent.

Balance sheet 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	11		27,872,198		28,659,586
Current assets					
Stock	12	13,967		8,736	
Debtors	13	484,030		291,847	
Short term deposits		3,600,000		3,100,000	
Cash at bank and in hand		423,183		335,023	
		<u>4,521,180</u>		<u>3,735,606</u>	
Creditors: amounts falling due within one year	14	<u>(853,065)</u>		<u>(912,137)</u>	
Net current assets			<u>3,668,115</u>		<u>2,823,469</u>
Total assets less current liabilities			<u>31,540,313</u>		<u>31,483,055</u>
Pension scheme liability	23		<u>(1,209,000)</u>		<u>(769,000)</u>
Net assets including pension scheme liability			<u>30,331,313</u>		<u>30,714,055</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	15				
. General restricted funds			2,384,275		1,716,650
. Pension reserve			<u>(1,209,000)</u>		<u>(769,000)</u>
			<u>1,175,275</u>		<u>947,650</u>
. Fixed assets			<u>28,064,967</u>		<u>28,852,355</u>
Total restricted funds			<u>29,240,242</u>		<u>29,800,005</u>
Unrestricted funds					
. General fund			<u>1,091,071</u>		<u>914,050</u>
Total funds			<u>30,331,313</u>		<u>30,714,055</u>

Approved by the Trustees, authorised for issue
and signed on their behalf by:



Mrs Annabel Nicoll
(Chair of Trustees)

Approved on: 16/12/14

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

Cash flow statement Year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	591,115	662,616
Returns on investment and servicing of finance	20	22,063	18,562
Capital expenditure	21	(25,018)	(98,806)
Increase/(decrease) in cash in the year		588,160	582,372
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		3,435,023	2,852,651
Net funds at 31 August 2014	22	4,023,183	3,435,023

Principal accounting policies 31 August 2014

Basis of preparation

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

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

Grants receivable

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 year is shown in the relevant funds on the balance sheet. 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.

The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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.

Resources expended and the basis of apportioning costs

Resources expended are recognised in the period in which they are incurred and are stated net of recoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of costs

In accordance with SORP 2005, expenditure has been analysed between the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Charitable activities

These are costs incurred on the Trust's educational operations.

Governance costs

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

Tangible fixed assets

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

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

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

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

- | | |
|--|--------------------------------------|
| ♦ Freehold buildings | 2% on a straight line basis |
| ♦ Computer equipment | 33.3% on a straight line basis |
| ♦ Fixtures, fittings and equipment
and motor vehicles | 20% on a straight line balance basis |

Tangible fixed assets (continued)

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.

Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Stocks

Stocks are represented by unsold school uniforms which are valued at the lower of cost and net realisable value.

Pensions

Trust staff are members of one of two multi-employer defined benefit pension schemes. More details of the schemes are given in note 23 to the financial statements.

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, is a statutory, contributory, final salary scheme, contracted out of the State Earnings-Related Pension Scheme ('SERPS') and is administered by Teachers' Pensions on behalf of the Department for Education. The assets of TPS are held separately from those of the 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 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 23, the TPS is a multi employer scheme and the Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme on a consistent and reasonable basis. The Trust has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the year.

Principal accounting policies 31 August 2014

Pensions (continued)

Local Government Pension Scheme (LGPS)

Non teaching members of staff are able to join the Royal County of Berkshire Local Government Pension Scheme (LGPS).

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. The Trust's share of the LGPS assets are measured at fair value as at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method and are discounted at a rate equivalent to the current rate of return on a high quality bond of equivalent term and currency to that of the liabilities. The actuarial valuations are obtained at least triennially. The amounts charged to operating surplus are the current service costs and the gains and losses on settlements and curtailments. They are included as part of the 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.

Personal pension plans

Contributions made by the Trust in respect of employees' personal pension plans are charged to the statement of financial activities in the period in which they are payable to the scheme.

Fund accounting

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

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

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Trust is potentially exempt from taxation in respect of income and 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.

Notes to the financial statements 31 August 2014

1 Voluntary income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
The Arbib Foundation (note 17)	70,750	-	70,750	56,069
The Suva Foundation (note 17)	48,948	-	48,948	125,746
Other donations	3,326	-	3,326	1,144
	<u>123,024</u>	<u>-</u>	<u>123,024</u>	<u>182,959</u>

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Contributions towards trips and activities	-	42,833	42,833	29,261
Hire of facilities	21,266	-	21,266	25,981
Rental income	2,585	-	2,585	2,495
Sale of assets	3,083	-	3,083	17,559
Other self-generated income	5,000	66,467	71,467	77,454
	<u>31,934</u>	<u>109,300</u>	<u>141,234</u>	<u>152,750</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Bank interest receivable	22,063	-	22,063	18,562

Notes to the financial statements 31 August 2014

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
EFA revenue grants				
Recurrent General Annual Grant	-	6,905,016	6,905,016	7,275,437
Start-up grants	-	132,000	132,000	-
Other EFA grants	-	408,285	408,285	258,209
	-	7,445,301	7,445,301	7,533,646
Other government grants				
Slough Local Authority grants	-	119,720	119,720	243,800
Capital grants				
EFA Devolved Formula Capital grant	-	22,699	22,699	22,606
	-	22,699	22,699	22,606
	-	7,587,720	7,587,720	7,800,052

5 Resources expended

	Staff costs £	Non Pay Expenditure		Total 2014 £	Total 2013 £
		Premises £	Other costs £		
Costs of activities for generating funds	21,737	-	86,649	108,386	82,494
Trust's educational operations (note 7)					
Direct costs	4,741,864	838,188	590,257	6,170,309	6,470,876
Allocated support costs	896,458	438,842	312,509	1,647,809	1,687,456
	5,638,322	1,277,030	902,766	7,818,118	8,158,332
Governance costs (note 8)	-	-	14,279	14,279	33,720
	5,660,059	1,277,030	1,003,694	7,940,783	8,274,546

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia/compensation payments	6,500	6,500	Loss of office
Gifts made by the Trust	1,121	-	-

Notes to the financial statements 31 August 2014

6 Trust's educational operations

	2014 Total funds £	2013 Total funds £
Direct costs		
Teaching and educational support staff costs	4,706,102	4,597,677
Teaching and educational support agency costs	35,762	74,785
Depreciation	838,188	1,049,994
Technology costs	64,605	100,818
Educational supplies	191,607	283,339
Examination fees	98,411	143,797
Staff development	15,212	38,148
Educational consultancy	161,877	92,125
Other direct costs	58,545	90,193
	6,170,309	6,470,876
Educational support costs		
Support staff costs	785,607	886,047
FRS 17 staff costs adjustment (note 23)	95,000	64,000
FRS 17 interest costs (note 23)	29,000	22,000
Support staff agency costs	15,851	7,737
Bank interest and charges	1,872	1,185
Catering	124,600	126,956
Cleaning	50,647	48,747
Energy	119,534	138,226
Insurance	65,174	102,763
Maintenance	124,542	107,464
Occupancy costs	24,729	28,792
Other supplies and services	108,428	58,479
Recruitment and support	29,172	18,776
Rent and rates	54,216	52,830
Technology costs	19,437	23,454
	1,647,809	1,687,456
	7,818,118	8,158,332

Net incoming (outgoing) resources for the year is stated after charging:

	2014 £	2013 £
Operating leases	2,154	8,614
Fees payable to auditor – audit of financial statements	12,950	14,470
– other audit services (including audit of 31 March 2013 return)	(3,000)	13,000
– other services	3,700	6,250
Profit on disposal of fixed assets	(3,083)	(17,559)

Notes to the financial statements 31 August 2014

7 Governance costs

	2014 Total funds £	2013 Total funds £
Audit fees		
.Current year	12,950	13,500
.Prior year	-	970
.Interim audit – 31 March 2013 return	(3,000)	13,000
Other professional services	3,700	3,750
Other professional services – prior year	-	2,500
Trustees' training	629	-
	14,279	33,720

8 Staff

(a) Staff costs

Staff costs comprise:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Wages and salaries	-	4,591,672	4,591,672	4,564,660
Social security costs	-	373,545	373,545	377,005
Other pension costs	-	541,729	541,729	544,669
FRS17 adjustment	-	95,000	95,000	64,000
	-	5,601,946	5,601,946	5,550,334
Agency staff costs	-	51,613	51,613	82,522
Staff restructuring costs	-	6,500	6,500	18,094
Total staff costs	-	5,660,059	5,660,059	5,650,950

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,500 (2013 – £18,094). The payment related to one individual.

(c) Staff numbers

The average number of employees (including senior management) during the year expressed as full time equivalents was as follows:

Number of employees	2014 Number	2013 Number
Teaching staff	73	73
Teaching support	29	28
Management and administration	26	29
Other support	9	9
	137	139

Notes to the financial statements 31 August 2014

8 Staff (continued)

(d) Higher paid staff

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

	2014 Number	2013 Number
£60,000 - £70,000	4	3
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

Six (2013 – six) of the above employees earning £60,000 per annum or more participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £67,989 (2013 - £66,364). The other employee participated in the Local Government Pension Scheme; employer's pension contributions amounted to £9,917 (2013 – £nil).

9 Trustees' remuneration and expenses

The Principal and Staff Trustees only receive remuneration in respect of the services they provide in undertaking their role as employees of the Trust and not in respect of their services as Trustees. No Trustee received any payments from the Trust in respect of their role as Trustee. The value of Trustees' remuneration in their capacity as employees was as follows:

	2014 £	2013 £
Mr Rhodri Bryant – Executive Principal and Staff Trustee	140,000 – 145,000	125,000 – 130,000
Mrs Cheryl Bennett – Staff Trustee	10,000 – 15,000	15,000 – 20,000
Mrs Elizabeth Croft – Staff Trustee	3,000 – 3,500	35,000 – 40,000
Mr Daniel Rowland – Staff Trustee	40,000 – 45,000	-

Mrs Elizabeth Croft resigned as a Staff Trustee on 23 September 2013, but continued as an employee of the Trust. The banding above relates to the remuneration that was paid to her in the period up until her resignation as a Staff Trustee.

During the year ended 31 August 2014 travel and subsistence expenses amounting to £485 (2013 - £1,036) were reimbursed to one (2013 – two) Trustees. Other related party transactions involving the trustees are set out in note 17.

10 Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2014 was £1,411 (2013 - £1,633). The cost of this insurance is included in the total insurance cost.

Notes to the financial statements 31 August 2014

11 Tangible fixed assets

	Leasehold buildings £	Fixtures, fittings, equipment and motor vehicles £	Computer equipment and software £	Total £
Cost				
At 1 September 2013	31,275,293	1,523,182	1,302,831	34,101,306
Additions	-	6,746	44,203	50,949
Disposals	-	(757)	(447)	(1,204)
At 31 August 2014	31,275,293	1,529,171	1,346,587	34,151,051
Depreciation				
At 1 September 2013	3,071,956	1,302,937	1,066,827	5,441,720
Charge for period	625,506	76,884	135,798	838,188
Disposals	-	(757)	(298)	(1,055)
At 31 August 2014	3,697,462	1,379,064	1,202,327	6,278,853
Net book values				
At 31 August 2014	27,577,831	150,107	144,260	27,872,198
At 31 August 2013	28,203,337	220,245	236,004	28,659,586

The land on which The Langley Academy is sited is leased from Slough Borough Council at a peppercorn rent over a term of 999 years from 25 September 2008. No value has been placed on this land in the financial statements due to the restrictive covenants on the asset.

12 Stock

	2014 £	2013 £
Uniform	13,967	8,736
	13,967	8,736

13 Debtors

	2014 £	2013 £
Trade debtors	130,249	71,753
VAT recoverable	84,958	87,564
Other debtors	12,831	8,532
Prepayments and accrued income	255,992	123,998
	484,030	291,847

Notes to the financial statements 31 August 2014

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	244,545	327,703
Taxation and social security	101,650	108,696
Other creditors	118,204	77,935
Accruals and deferred income	388,666	397,803
	<u>853,065</u>	<u>912,137</u>

Creditors above include the following deferred income balance:

	2014 £
Deferred income	
Deferred income at 1 September 2013	175,949
Resources deferred in the year	232,327
Amounts released from previous years	(157,199)
Deferred income at 31 August 2014	<u>251,077</u>

At the balance sheet date, the Trust was holding funds receivable in advance for rates, SEND, Devolved Formula Capital, LACSEG and pupil premium.

Notes to the financial statements 31 August 2014

15 Funds

The income funds of the Trust comprise the following:

	At 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2014 £
Restricted general funds					
EFA GAG recurrent	1,214,949	6,905,015	(5,871,185)	(16,486)	2,232,293
EFA Start - up	-	132,000	(41,243)	-	90,757
EFA Other funds	159,272	408,285	(523,781)	(11,615)	32,161
Other restricted funds	342,429	229,021	(542,386)	-	29,064
	<u>1,716,650</u>	<u>7,674,321</u>	<u>(6,978,595)</u>	<u>(28,101)</u>	<u>2,384,275</u>
Pension reserve	<u>(769,000)</u>	<u>-</u>	<u>(124,000)</u>	<u>(316,000)</u>	<u>(1,209,000)</u>
	<u>947,650</u>	<u>7,674,320</u>	<u>(7,102,595)</u>	<u>(344,101)</u>	<u>1,175,275</u>
Restricted fixed asset funds					
Unspent capital funds:					
Private sector sponsorship	1,200	-	-	-	1,200
Devolved Formula Capital grant	191,569	22,699	-	(22,699)	191,569
Fixed asset funds	<u>28,659,586</u>	<u>-</u>	<u>(838,188)</u>	<u>50,800</u>	<u>27,872,198</u>
	<u>28,852,355</u>	<u>22,699</u>	<u>(838,188)</u>	<u>28,101</u>	<u>28,064,967</u>
Total restricted funds	<u>29,800,005</u>	<u>7,697,020</u>	<u>(7,940,783)</u>	<u>(316,000)</u>	<u>29,240,242</u>
Unrestricted funds	914,050	177,021	-	-	1,091,071
Total funds	<u>30,714,055</u>	<u>7,874,041</u>	<u>(7,940,783)</u>	<u>(316,000)</u>	<u>30,331,313</u>

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

Transfers between funds

The majority of the transfers relate to fixed assets purchased from the General Annual Grant and other EFA grants.

EFA revenue grant fund and other restricted funds

These grants relate to the Trust's development and operational activities.

EFA Start-up grant

This grant relates to funding to setup The Langley Academy Primary which is due to open 1 September 2015.

Fixed asset fund

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

General Annual Grant (GAG)

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

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme (note 23).

Notes to the financial statements 31 August 2014

16 Analysis of net assets between funds

	General fund £	Restricted General funds £	Restricted Fixed Assets £	2014 Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	27,872,198	27,872,198
Current assets	1,091,071	3,237,340	192,769	4,521,180
Creditors: amounts falling due within one year	-	(853,065)	-	(853,065)
Pension reserve	-	(1,209,000)	-	(1,209,000)
Total net assets	1,091,071	1,175,275	28,064,967	30,331,313

17 Related party transactions

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

Transactions with related parties were as follows:

	2014 £	2013 £
Contributions from The Arbib Foundation	70,750	56,069
Contributions from The Suva Foundation	48,948	125,746

Mrs Annabel Nicoll and Sir Martyn Arbib are Members of The Langley Academy Trust and are also Trustees of the registered charity The Arbib Foundation (Registration number 296358). Mrs Annabel Nicoll and Mr Paddy Nicoll are also Trustees of the registered charity The Suva Foundation (Registration number 1077057). Mrs Annabel Nicoll was a Trustee of the Langley Academy Trust throughout the years ended 31 August 2013 and 2014. Sir Martin Arbib was a Trustee of The Langley Academy until 1 December 2012.

18 Commitments under operating leases

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Operating leases on equipment which expire:		
Within one year	-	1,446

Notes to the financial statements 31 August 2014

19 Reconciliation of net outgoing resources to net cash inflow from operating activities

	2014 £	2013 £
Net outgoing resources	(66,742)	(120,223)
Depreciation (note 11)	838,188	1,049,994
Profit on disposal of tangible fixed assets	(3,083)	(17,559)
Capital grants from DfE/EFA and other capital income	(22,699)	(22,606)
Interest receivable (note 3)	(22,063)	(18,562)
FRS 17 pension cost less contributions payable (note 23)	95,000	64,000
FRS 17 pension finance charge (note 23)	29,000	22,000
(Increase)/decrease in stocks	(5,231)	12,249
(Increase)/decrease in debtors	(192,183)	22,758
Decrease in creditors	(59,072)	(329,435)
Net cash inflow from operating activities	591,115	662,616

20 Returns on investment and servicing of finance

	2014 £	2013 £
Interest received	22,063	18,562
Net cash inflow from returns on investment and servicing of finance	22,063	18,562

21 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	(50,949)	(139,216)
Capital grants from DfE / EFA and other capital receipts	22,699	22,606
Receipts from sale of tangible fixed assets	3,232	17,804
Net cash outflow from capital expenditure and financial investments	(25,018)	(98,806)

22 Analysis of changes in net funds

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash in hand and at bank	3,435,023	588,160	4,023,183

23 Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pensions Scheme (LGPS) for non teaching staff, which is managed by the Royal County of Berkshire. 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

23 Pension commitments

Contributions amounting to £82,927 (2013 - £72,875) were payable to the schemes at 31 August 2014 and are included within creditors.

a) Teachers' Pension Scheme

Introduction

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

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

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' Pension 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 £176,600 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/publication-of-the-valuation-report.aspx>).

23 Pension commitments (continued)

a) 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 their 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, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a 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 Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the 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 Trust has set out above the information available on the scheme.

(b) Local Government Pension Scheme

The Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The agreed contribution rates for future years are x% for employers and x% for employees.

Notes to the financial statements 31 August 2014

23 Pension commitments (continued)

b) Local Government Pension Scheme (continued)

The following information is based upon a full actuarial valuation of the fund, at 31 March 2010, updated to 31 August 2014 by a qualified independent actuary.

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

Assumptions

The major assumptions used by the actuary were:

	31 August 2014 % per annum	31 August 2013 % per annum
Inflation (CPI)	2.7%	2.9%
Salary increases	4.5%	4.85%
Rate of discount	4.0%	4.7%
Rate of increase in pensions in payment and deferred pensions	2.7%	2.9%
Commutation	50%	50%

The mortality assumptions used were as follows:

	2014 years	2013 years
Longevity at age 65 for current pensioners		
. Men	22.7	23.1
. Women	26.0	25.7
Longevity at age 65 for future pensioners		
. Men	24.9	25.1
. Women	28.3	27.6

Notes to the financial statements 31 August 2014

23 Pension commitments (continued)

b) Local Government Pension Scheme (continued)

The assets of the scheme and the weighted average expected rate 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	6.7	724	6.3	631
Gilts	3.0	19	3.5	15
Bonds	3.6	253	4.4	316
Property	5.9	208	4.3	135
Cash	2.9	58	0.5	15
Alternative assets	-	-	4.7	391
Target Return Portfolio	6.7	287	-	-
Commodities	6.7	146	-	-
Infrastructure	3.6	76	-	-
Longevity Insurance	2.9	(62)	-	-
Total assets	5.9	1,709	5.2	1,503
Present value of scheme liabilities		(2,918)		(2,272)
Deficit in the scheme		(1,209)		(769)

None of the fair values of the assets shown above include any of the Trust's own financial instruments or any property occupied by, or other assets used by, the Trust.

The expected return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

Total expenditure recognised in the Statement of Financial Activities (SOFA)

	2014 £'000s	2013 £'000s
Current service cost	234	216
Interest cost	115	80
Expected return on scheme assets	(86)	(58)
Total expenditure recognised in SOFA	263	238
	2014 £'000s	2013 £'000s
Actuarial loss on pension scheme assets	(178)	(33)
Actuarial gain (loss) on scheme liabilities	(138)	65
Total amount recognised in STRGL	(316)	32

The cumulative amount of actuarial losses recognised in the statement of financial activities since the adoption of FRS 17 is £568,000 (2013 - £252,000 losses).

23 - Pension commitments (continued)

(b) Local Government Pension Scheme (continued)

Contributions

The total contributions made by the employer in the year were £139,000 (2013 - £152,000). £21,916 (2013 - £17,400) was payable to the scheme at the year end.

The best estimate of contributions to be paid by the employer to the scheme for the year ending 31 August 2015 is £113,000.

Movement in deficit during the year

	2014 £'000s	2013 £'000s
Deficit at 1 September 2013	(769)	(715)
Employer contributions	139	152
Current service cost	(234)	(216)
Net interest/return of assets	(29)	(22)
Actuarial (loss) gain	(316)	32
Deficit at 31 August 2014	(1,209)	(769)

	2014 £'000s	2013 £'000s
Movements in the present value of defined benefit obligations		
Scheme liabilities at 1 September 2013	2,272	1,859
Current service cost	234	216
Interest cost	115	80
Contributions by scheme participants	80	71
Actuarial loss (gain) on liabilities	138	(65)
Benefits paid net of transfers in	79	111
Scheme liabilities at 31 August 2014	2,918	2,272

	2014 £'000s	2013 £'000s
Movements in the fair value of the Trust's share of scheme assets		
Fair value of scheme assets at 1 September 2013	1,503	1,144
Expected return on scheme assets	86	58
Actuarial losses	(178)	(33)
Contributions by employer	139	152
Contributions by scheme participants	80	71
Benefits paid net of transfers in	79	111
Fair value of scheme assets at 31 August 2014	1,709	1,503

23 Pension commitments (continued)

(b) Local Government Pension Scheme (continued)

The history of experience adjustments	31 August 2014 £'000s	31 August 2013 £'000s	31 August 2012 £'000s	31 August 2011 £'000s	31 August 2010 £'000s
Fair value of assets	1,709	1,503	1,144	909	703
Present value of scheme liabilities	(2,918)	(2,272)	(1,859)	(1,221)	(1,150)
Deficit in scheme	(1,209)	(769)	(715)	(312)	(447)
Experience adjustments on scheme assets	(178)	(33)	(17)	(19)	12
Experience adjustments on scheme liabilities	(55)	215	—	17	—
Cumulative actuarial (loss) / gain	(659)	(343)	(375)	4	(207)

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 Events after the balance sheet date

On 1 September 2014 Parlaunt Park Primary School converted to an Academy and joined The Langley Academy Trust. All employees were transferred to the Trust through a TUPE agreement with Slough Borough Council.

The Trust is currently working with Slough Borough Council to secure funding to create an all-weather pitch on The Langley Academy site, subject to the agreement of terms.