
LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Sir C J E Ball
R A Carleton
R Morrison
S Morrison

Governors

R A Carleton
S Morrison
S A Eaton
J Kelly
S Field
A Read
L Killian
V Mahi
M Odedra
J Jones (appointed 29 September 2017)

Company registered number

07463031

Company name

Langley Hall Primary Academy Trust

Principal and registered office

Station Road, Slough, SL3 8GW

Senior management team

S A Eaton, Executive Head Teacher/CEO
J Fallows, Head of Upper School
J Petrie, Head of Lower School
M Bradbeer, SENCO
C Eadie, Head of Children's Services

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

HSBC, 128 High Street, Slough, SL1 1JF

Solicitors

Aston Bond, High Street, Slough, SL1 1DX

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area within a three mile radius. It has a pupil capacity of 728.

Structure, Governance and Management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Langley Hall Primary Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Langley Hall Primary Academy.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

b. 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.

c. Governors' Indemnities

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omission occurring whilst on academy trust business. The insurance provides cover up to £1m on one claim and the cost for the year ended 31 August 2018 was £579.

d. Method of Recruitment and Appointment or Election of Governors

The Governors are selected using the following procedures:

Parent Governors: advertised within the school parents community and appointed following an election vote of the parents for any post for which there is more than one candidate.

Teaching / Non-Teaching staff: advertised within the school staff community and appointed following interview or by election for any post for which is more than one candidate.

Community Governors and Associate Members: applications are invited from professionals whose knowledge and skills will enhance the management and contribute to the success of the school. Appointment are made following interview.

The Ex-officio Governor is appointed by virtue of employment as the Executive Head and Chief Executive Officer. The original signatories to the Article of Association were appointed after an interview with the Executive Head.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. Policies and Procedures Adopted for the Induction and Training of Governors

The Governors follow an on-line induction program provided by the school. Currently the term of office specified in the Articles of Association is four years, except for Parent Governors who serve three years and must resign if their children leave school and staff members who are only eligible to serve whilst employed by the school. All Governors, with the support of the Executive Head, are committed to undertake further training to consolidate and improve their skills performance.

f. Organisational Structure

Langley Hall Primary Academy has a Governing Body consisting of the personnel listed in the page one. These people take on the roles of Governors (that is to say Governor Directors) and they set the principles for and oversee the management of the school. The management is effected by the Executive Head and the Heads of Lower and Upper Schools. The Executive Head oversees the total school operation and the Heads lead the teaching staff and are responsible for all aspects of learning. Middle management teams have specific responsibilities and assist the senior management in the day to day operation of the academy.

g. Arrangements for Setting Pay and Remuneration of Key Management Personnel

For the Heads of Schools, SENCO and Head of Children's Services, the Governing Body will delegate the responsibility for reviewing pay to the CEO, who will determine the group size of the part of the school that they control, with reference to pupil numbers as set out in teachers paid constitute document (TPCD) and select an individual salary range (ISR) consisting of seven consecutive points on the leadership pay spine, within the range applicable to the group size.

For the CEO, the Governing Body will delegate responsibility for reviewing pay to the Chair of Governors, who will do the same as above.

When determining the ISR the CEO and Chair of Governors respectively will take account of the context and full responsibilities of the role with reference to the professional duties set out in TPCD. The salary of the existing Heads of Schools, SENCO, Head of Children's Services or CEO will be disregarded when determining the ISR.

The starting point of a newly appointed Head of School, SENCO or Head of Children's Services will not exceed the third point above the minimum of the ISR.

Further progression on the leadership pay scale of one or two points in any one year, will be subject to the Heads of Schools, SENCO or Head of Children's Services demonstrating a sustained high quality of performance having regard to the most recent review carried out under the schools CPD policy.

h. Related Parties and other Connected Charities and Organisations

Related parties are discussed in notes 11 and 25 of these accounts.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Objectives and Activities

a. Objects and Aims

The objects of the Academy as laid-down in the Articles of Association are to advance, for the public benefit, education in the United Kingdom; in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

b. Objectives, Strategies and Activities

At our school we focus on preparing children for life. We do this through our teachers who make learning imaginative, creative and inspiring. This motivates children to want to learn and make progress on their learning journey. We lay down firm foundations by giving numeracy and literacy a high priority. Art, drama, music, dance and sport also feature highly to provide every child with the opportunity to find their talents and shine.

We want every child to be a good citizen, a confident communicator respectful of those whose views are different from ours, discerning and kind-hearted. We want them to challenge themselves and to be highly motivated to achieve their best, working towards being independent.



c. Significant Activities

The main activity of the Academy is to educate children of primary school age and to ensure that the infrastructure and support services promote that main objective. In furtherance of that main objective the following additional activities are incorporated into the running of the Academy:

- Holiday clubs run for 10 weeks of the year by the school's own staff.
- Breakfast and after school clubs.
- Provision of a hot school meals service for all children.
- Trips and outings (notably the whole school participates in an annual residential visit).
- Development of outdoor learning with the introduction of a school farm in September 2017 enabling pupils to care for ponies, donkeys, chickens and goats owned by the school.
- The lower school has its own swimming pool and so all children are able to enjoy swimming lessons on the premises.
- The school has a creative arts focus with specialist teachers for dance, drama, art and music.
- Seven specialist sports coaches teach PE and games to all year groups.
- All children learn at least one musical instrument with 120 children having private music lessons every week.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- The school has three choirs, a concert band ,a strong orchestra, a rock band and 11 after school music clubs.
- Ten musical shows have been performed since 2011 with three music concerts each year.

d. Public Benefit

The Governors have taken account of the Charity Commissions guidance on providing public benefit. The Governors are confident that the Academy provides a high quality education in line with its charitable objects.

Achievements and Performance

a. Numbers of the School Roll

The school opened in September 2011 with 182 children on the role including children in reception to year 6. The following September the school became two form entry and in our third year obtained permission from the DfE to expand our four forms of 26 pupils per class making a total of 728 pupils in all. This provides for a 400% growth in 24 months.

At maximum capacity we have 728 pupils on roll, having four form entry. From September 2018 we will be increasing our pupil admission number due to funding cuts in order to generate further income. 82% of the children come from ethnic backgrounds and 52% have English as an additional language. 75 pupils are on the SEND register and 4 children having statements of educational needs. There are 97 Pupil Premium children, 44 of who are eligible for free school meals.

The school enjoys a good reputation in the local area with a healthy waiting list. Reception class applications last year were 350 for 104 places.

b. Provision of School Clubs and Residential Outings

The school runs 78 specialist after school clubs and Superstars after school care until 6pm and is open for 12 weeks during the school holiday period for holiday activities from 8am to 6pm. The school is open from 7.30am for parents who require early morning care. All extended day and year activities are run by staff employed by the school.

The school organises a residential trip for all children in Years 1-6 once a year. Children enjoy abseiling, archery and high ropes when they reach year 3 and most of our environmental work is covered in this forest school environment.

The expectation is that all children will attend the residential event which is seen as an important part of the school curriculum.

c. Focus on Learning

The school has a strong clear vision and ethos which is made known to parents before they enrol their children into the school. The curriculum follows the new national curriculum for Numeracy and Literacy. We have written our own life skills programme which covers all aspects of SMSC, citizenship, financial planning and business skills. We have linked into the International Primary Curriculum for Geography, History and Science. A specialist teaching team join the school each afternoon to teach Music, Sport and Swimming, French, Art, Drama and Dance. This releases class teachers to plan and meet with their year group colleagues and to take children on a one to one or small group basis for learning interventions. The specialist team teach to a remarkably high standard and provide tuition and training that is outstanding.

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Each year the Upper School children take part in a major school production. Year 5 and 6 have recently performed a 90 minute production of Aladdin. This was not originally written to be performed by children. Not only did they manage this version well, they performed at a level far above their years. The audience praised the show for its amazing dancing, singing, acting and overall high level of entertainment. One of our guests said "Yet another LHPA triumph. To see so many children who have made such a fantastic journey through the school and perform with such maturity, presence and enthusiasm was a pleasure to watch. I felt so proud of them all".

The Upper School site is an old house that used to be part of East Berkshire College and the college is situated next to the school. The school is able to use some of the college facilities e.g. the all-weather pitch.

The school places great importance on the teaching of Numeracy and Literacy which is taught in the first two teaching hours of each day. The school has a creative arts focus and every child learns how to play the violin and recorder for three years before adding one or two other instruments. All of the instrument tuition is delivered in small group sessions during music workshop afternoons and there is no additional charge for these lessons.

There are many opportunities for children to perform including major school productions, music concerts and creative arts local and national events.

During this year our string orchestra and ensemble, school choirs and concert band have performed at various events in different locations. We have produced a documentary showcasing our 'Music for All' philosophy which was presented by Kevin Duala from BBC 1's 'The One Show'. The documentary has been shared with staff, parents and external agencies.

All children from Reception to Year 6 have weekly Swimming, Philosophy and French lessons.

d. Key Performance Indicators

We monitor children's progress regularly and meet to discuss pupils' needs and how they can be met effectively. With the additional of levels this year the school selected the Progress in Understanding of Mathematics and Progress in Reading Assessment published by Hodder & Stoughton. These tests give a standardised score and a progress tracking scale.

Bearing in mind that over half of the pupils were new to the school in September 2013, there was a great deal of work to be done to raise the standards of academic achievement. Most children made good progress during the last academic year with some making exceptional progress.

Key Stage 2

- For Reading 90% of pupils met or exceeded expectations. The "National Average" achievement was 75%. This was 15% above the national average.
- For Writing 89% of pupils met or exceeded expectations. The "National Average" achievement was 78%. This was 12% above the national average.
- For Spelling, Grammar and Punctuation 91% of pupils met or exceeded expectations. The "National Average" achievement was 78%. This is 13% above the national average.
- For Numeracy 84% of pupils met or exceeded expectations. The "National Average" achievement was 76%. This is 12% above the national average.

Key Stage 1

- For Reading 87% met or exceeded expectations. The "National Average" achievement was 76%. This is 11% above the national average.
- For Writing 80% met or exceeded expectations. The "National Average" achievement was 70%. This is 10% above the national average.

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GOVERNORS' REPORT (continued)
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- For Numeracy 87% met or exceeded expectations. The "National Average" achievement was 76%. This is 11% above the national average.
- In the Year 1 Phonics test, 94% of pupils passed. This is 11% above the national average.

Early Years

- In Reception 86% of pupils made a good level of development in the Early Learning Goals 2018 This is 14% above the national average.

e. Parent Partnership

Parent partnership is very important to us. The Governors make themselves available to parents several times each term for Governor drop in sessions and breakfast meetings. There are regular coffee mornings and early evening events organized for parents to be fully informed of various educational issues and in particular those that relate directly to Langley Hall. The school has an open door policy welcomes parent visits and meetings as required. Through the introduction of social media (Facebook & Twitter) we are able to reach more parents more immediately for important or urgent news.

f. Fundraising

Due to ongoing budget cuts, we felt it necessary to inform parents of the continual patterns of decreased funding over the past 5 years. A letter was sent to parents asking if they would be willing to make a voluntary contribution each term. An amount of £20 per term was suggested and some parents opted to pay more than this and some less. The total pledged by parents willing to contribute amounts to £20,568. We have asked for all eligible UK tax payers to claim gift aid which will add an additional £5,142 to the amount donated to school funds.

a. Going Concern

After making appropriate enquiries, the board of governors 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 principle.

b. Financial Review

This is the seventh year of operation.

The termly external audits have been thorough and very worthwhile resulting in some helpful recommendations. These termly audits are carried out by a separate accounting firm to the main end of year audit. No major issues have surfaced just a few minor points which have helped in the continual process of improvement.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the

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total funds of the academy. This deficit is underwritten by the Department for Education (DfE). It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

During the year end 31 August 2018 total expenditure of £4,289K (2017: £4,472k) was met by recurrent grant funding from the ESFA together with other income resources. The excess of expenditure over the income for the year (excluding restricted fixed asset funds and transfer to restricted fixed asset fund) was £179k (2017: £366k).

The Royal County of Berkshire Pension Fund, in which the Academy participates, showed a deficit of £774k at 31 August 2018 (2017: £853k)

The Academy held fund balance at 31 August 2018 of £2,029k (2017: £2,059k) comprising £1,909k (2017: 1,973k) of restricted funds and £120k (2017: £86k) of unrestricted funds. Of the restricted funds £2,912 (2017: £3,003k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £774k (2017: £853k) in deficit.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The finance team looks forward to working with the rest of the school management and staff to achieve the educational aims of Langley Hall Primary Academy in its eighth year of operation.

c. Reserves Policy

The governors' policy is to review the level of the Academy's reserve annually. The review considers the nature of the income and expenditure stream and the need to match income with the financial commitments.

The most significant cost for the Academy is staff cost and such the policy is to hold reserve equal to two weeks of the total staff costs. As at the 31 August 2018, this was approximately £105,000.

Free reserve as at 31 August 2018 amount to £119,858 (2017: £86,248). General restricted funds at the same date amounted to £228,905 in deficit (2017: £177,328 deficit).

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

d. Investment Policy

The Academy keeps the necessary funds in the main bank account for daily operation and holds surpluses on deposit making transfer as necessary.

e. Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks.

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Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Board of Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Board of Governors have implemented a number of systems to access risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to control and finance. Operational procedures and internal financial controls are in place in order to minimize risk. Where significant financial risk remains, insurance cover has been put in place.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

The principle risks and uncertainties facing the Trust have been considered. Our funding stream is obviously vital to our continuation but there is no risk of this being withdrawn in the short term, our funding agreement with the Secretary of State require us to be given 7 years notice of termination. Our funding is linked to our pupil number, but numbers are not likely to fall in the short term, following a grading "Good" at our Ofsted inspection the school is proving to be very popular and still has substantial waiting lists for most year groups. There are no other substantial risks.

Future Developments

a. Priority 1

Effectiveness of leadership and management

Governors and Leaders will continue to create an environment that enables children and staff to excel. They will further foster their deeply embedded culture of positivity that enables everyone within the school community to be self-reflective and challenged to continually improve practice. Children, their safety and well-being, will always be at the heart of strategic decisions. Governors and Leaders will show determination and courage to implement their chosen innovative, inspiring and unique practices; effectively focusing on the impact of their actions in key areas. The school's vision is embraced and celebrated by the whole school community.

Impact - Governors and Leaders will carry out their work confidently and to great effect meaning that all practices and procedures are efficient and effective.

Priority 2

Quality of teaching, learning and assessment

Through sustaining embedded effective assessment and monitoring systems and teachers' solid understanding of high 'Quality First Teaching', all children will achieve the highest level of outcomes. A sharp focus on personalised and targeted feedback will reflect a culture where teachers are determined that children achieve well.

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GOVERNORS' REPORT (continued)
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Impact - Children will tell us that they really enjoy their learning and that it has inspired them to learn independently. Parents will tell us that they are pleased with their child's progress and achievements in all areas of the curriculum.

Priority 3

Personal development, behaviour and welfare

The school's open culture will promote high expectations within an environment where children feel safe both in school and online. Children will make confident informed decisions about their health and well-being. Children's SMSC development will equip them to be thoughtful, caring and active citizens in school and in wider society.

Impact - Children's behaviour will be outstanding and there will be lots of examples of self-regulation and an understanding of what making good choices meant.

Priority 4

Outcomes for pupils

Through embedded data analysis and a culture of quality first teach, we will further ensure that the progress of all children, in particular underperforming minority groups, is above average across all subject areas taking into consideration their respective starting points. Children will be well prepared for the next stage of their education.

Impact - The children who meet expectations in core subjects will meet our targets which is significantly above the national averages and the number of children exceeding will rise further.

Targets for KS1 and KS2 2018-2019

Key Stage 1

Reading	87% of children to achieve expected or above progress
Maths	88% of children to achieve expected or above progress
Writing	83% of children to achieve expected or above progress

Key Stage 2

Reading	80% of children to achieve expected or above progress
Maths	80% of children to achieve expected or above progress
Writing	83% of children to achieve expected or above progress

Phonics 90% of children to achieve the expected standard

b. Targets for Early Years 2018-2019

Good Level Development (Early Learning Goals) 90% of children to achieve the expected standard.

Priority 5

Effectiveness of Early Years

Indoor and outdoor learning environments will continue to be highly stimulating in our constant pursuit of excellence at all levels. Our continued drive to improve outcomes through early intervention will ensure the

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

highest outcomes for all children.

Impact - The excellence of our Early Years department will be more widely known locally gaining reputation for achieving great results making it the number one parental choice in the area.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust and/or its Governors did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors,, as the Company Directors, on 19 December 2018 and signed on its behalf by:



R A Carleton
Chair of Governors

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GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Langley Hall Primary Academy 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 Governors has delegated the day-to-day responsibility to the Executive Head, 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 Hall Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors 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 Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
R A Carleton (Chair)	2	3
S Morrison (Vice Chair)	3	3
S A Eaton (Accounting Officer)	3	3
J Kelly	2	3
S Field	2	3
A Read	1	3
L Killian	3	3
V Mahi	2	3
M Odedra	3	3
J Jones	0	3

Governors typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Governing Body Committee is reviewed and monitored through the Headline Document that each committee reviews and produces on a termly basis. The governors have performed an impact report in Autumn 2018.

The Finance and Resource purposes committee is a sub-committee of the main board of governors. Its purpose is to make sure that the Academy is following the ESFA's financial regulations.

No significant issues to note were dealt with during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
R A Carleton	3	3
A Read	1	1
S A Eaton	3	3
V Mahi	1	3
J Kelly	2	3
J Jones	1	3
S Field	1	1

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GOVERNANCE STATEMENT (continued)

The below employees also attended the Finance & Resource committee meetings:

Attendance at meetings in the year was as follows:

Employee	Meetings attended	Out of a possible
P Rakhra (Qualified Accountant & Finance Manager)	2	2
C Eaton (Advisor to the Governors on Commercial Strategy)	3	3
H Powell (Facilities Manager, attended part of each meeting)	3	3
S Thomas (Finance Manager - maternity cover till 13/01/2018)	1	1

Review of Value for Money

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- o Ensuring three quotes are obtained for all major expenditure
- o Scrutinising monthly management accounts
- o Vigorous controls over all procurement and payments operations.

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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Langley Hall Primary Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

The academy'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

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GOVERNANCE STATEMENT (continued)

accountability. In particular, it includes:

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

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint Three Kings Accounting Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of incoming systems

On a termly basis, the auditor reports to the Board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The board can confirm that the internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Governors on 19 December 2018 and signed on their behalf, by:



R A Carleton
Chair of Governors



S A Eaton
Accounting Officer

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Langley Hall Primary Academy Trust I have considered my responsibility to notify the academy trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular 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 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.



S A Eaton
Accounting Officer

Date: 19 December 2018

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 received from ESFA/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 legislation in other jurisdictions.

Approved by order of the Members of the Board of Governors on 19 December 2018 and signed on its behalf by:



R A Carleton
Chair of Governors

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY HALL PRIMARY ACADEMY TRUST**

Opinion

We have audited the financial statements of Langley Hall Primary Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

LANGLEY HALL PRIMARY ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY HALL PRIMARY ACADEMY TRUST**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

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

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

Responsibilities of Governors

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

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

LANGLEY HALL PRIMARY ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY HALL PRIMARY ACADEMY TRUST**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

 FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Mountcliff House
154 Brent Street
London
NW4 2DR
19 December 2018

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LANGLEY HALL PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 October 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Langley Hall Primary Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Langley Hall Primary Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Langley Hall Primary Academy Trust's funding agreement with the Secretary of State for Education dated 22 August 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:

LANGLEY HALL PRIMARY ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LANGLEY HALL PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

- o Grant income received has been expensed on prescribed expenditure; and
 - o Expenditure has been appropriately authorised in accordance with the procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Mountcliff House
154 Brent Street
London
NW4 2DR

19 December 2018

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	2,867	-	11,988	14,855	21,214
Charitable activities	3	-	3,230,099	-	3,230,099	3,303,275
Other trading activities	4	71,914	696,796	-	768,710	696,568
Investments	5	-	30	-	30	80
Total income		74,781	3,926,925	11,988	4,013,694	4,021,137
Expenditure on:						
Charitable activities		26,458	4,152,113	108,900	4,287,471	4,472,262
Total expenditure	8	26,458	4,152,113	108,900	4,287,471	4,472,262
Net income / (expenditure) before transfers		48,323	(225,188)	(96,912)	(273,777)	(451,125)
Transfers between Funds	19	-	(5,479)	5,479	-	-
Net income / (expenditure) before other recognised gains and losses		48,323	(230,667)	(91,433)	(273,777)	(451,125)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	245,000	-	245,000	(51,000)
Net movement in funds		48,323	14,333	(91,433)	(28,777)	(502,125)
Reconciliation of funds:						
Total funds brought forward		86,248	(1,030,328)	3,003,263	2,059,183	2,561,308
Total funds carried forward		134,571	(1,015,995)	2,911,830	2,030,406	2,059,183

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07463031

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	15		2,911,830		3,003,263
Current assets					
Debtors	16	141,077		161,883	
Cash at bank and in hand		69,650		43,487	
		<u>210,727</u>		<u>205,370</u>	
Creditors: amounts falling due within one year	17	<u>(308,151)</u>		<u>(286,450)</u>	
Net current liabilities			<u>(97,424)</u>		<u>(81,080)</u>
Total assets less current liabilities			<u>2,814,406</u>		<u>2,922,183</u>
Creditors: amounts falling due after more than one year	18		<u>(10,000)</u>		<u>(10,000)</u>
Net assets excluding pension scheme liabilities			<u>2,804,406</u>		<u>2,912,183</u>
Defined benefit pension scheme liability	23		<u>(774,000)</u>		<u>(853,000)</u>
Net assets including pension scheme liabilities			<u><u>2,030,406</u></u>		<u><u>2,059,183</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	(241,995)		(177,328)	
Restricted fixed asset funds	19	2,911,830		3,003,263	
Restricted income funds excluding pension liability		<u>2,669,835</u>		<u>2,825,935</u>	
Pension reserve		<u>(774,000)</u>		<u>(853,000)</u>	
Total restricted income funds			<u>1,895,835</u>		<u>1,972,935</u>
Unrestricted income funds	19		<u>134,571</u>		<u>86,248</u>
Total funds			<u><u>2,030,406</u></u>		<u><u>2,059,183</u></u>

The financial statements on pages 22 to 45 were approved by the governors, and authorised for issue, on 19 December 2018 and are signed on their behalf, by:

R A Carleton
Chair of Governors

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>31,612</u>	<u>(164,664)</u>
Cash flows from investing activities:			
Interest receivable		30	80
Purchase of tangible fixed assets		(17,467)	(55,490)
Capital grants from DfE Group		11,988	18,581
Net cash used in investing activities		<u>(5,449)</u>	<u>(36,829)</u>
Change in cash and cash equivalents in the year		26,163	(201,493)
Cash and cash equivalents brought forward		<u>43,487</u>	<u>244,980</u>
Cash and cash equivalents carried forward		<u><u>69,650</u></u>	<u><u>43,487</u></u>

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Langley Hall Primary Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors 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 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 authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LANGLEY HALL PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

LANGLEY HALL PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and Buildings	-	2% straight line
Improvements to property	-	2% straight line
Furniture and fixtures	-	10% straight line
Computer equipment	-	33% straight line

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 incorporating income and expenditure account.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

LANGLEY HALL PRIMARY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The academy 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 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.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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FOR THE YEAR ENDED 31 AUGUST 2018**

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,867	-	-	2,867	2,633
Capital Grants	-	-	11,988	11,988	18,581
	<u>2,867</u>	<u>-</u>	<u>11,988</u>	<u>14,855</u>	<u>21,214</u>
<i>Total 2017</i>	<u>2,633</u>	<u>-</u>	<u>18,581</u>	<u>21,214</u>	

3. Funding for Academy's educational operations

Langley Hall Primary Academy Trust

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,922,579	2,922,579	2,999,850
Pupil Premium	127,688	127,688	137,141
Other DfE / ESFA Grants	144,802	144,802	127,403
	<u>3,195,069</u>	<u>3,195,069</u>	<u>3,264,394</u>
Other government grants			
Local authority grants	25,030	25,030	38,881
	<u>25,030</u>	<u>25,030</u>	<u>38,881</u>
Other funding			
Other Grants	10,000	10,000	-
	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>3,230,099</u>	<u>3,230,099</u>	<u>3,303,275</u>
<i>Total 2017</i>	<u>3,303,275</u>	<u>3,303,275</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	52,925	-	52,925	43,922
Catering income	-	172,453	172,453	149,079
Trip income	-	174,940	174,940	158,155
Other income	18,989	349,403	368,392	345,412
	<u>71,914</u>	<u>696,796</u>	<u>768,710</u>	<u>696,568</u>
<i>Total 2017</i>	<u>44,702</u>	<u>651,866</u>	<u>696,568</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	-	30	30	80
	<u>-</u>	<u>30</u>	<u>30</u>	<u>80</u>
<i>Total 2017</i>	<u>-</u>	<u>80</u>	<u>80</u>	

6. Direct costs

	Educational activities £	Total 2018 £	Total 2017 £
Educational supplies	130,740	130,740	184,970
Technology costs	55,610	55,610	64,149
Staff development and training	18,058	18,058	26,834
Other direct costs	408,154	408,154	402,739
Teaching support staff	114,854	114,854	210,316
Wages and salaries	1,696,119	1,696,119	1,764,897
National insurance	146,066	146,066	156,030
Pension cost	156,627	156,627	151,950
	<u>2,726,228</u>	<u>2,726,228</u>	<u>2,961,885</u>
<i>Total 2017</i>	<u>2,961,885</u>	<u>2,961,885</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. Support costs

	Educational activities £	Total 2018 £	Total 2017 £
Pension finance cost	21,000	21,000	13,000
Technology costs	24,341	24,341	18,466
Support staff supply costs	11,313	11,313	28,349
Recruitment and Indirect expenses	13,359	13,359	20,497
Maintenance of premises and equipment	145,381	145,381	139,329
Insurance	22,168	22,168	19,145
Rent and rates	294,934	294,934	297,753
Professional services	26,138	26,138	32,416
Energy costs	55,744	55,744	84,893
Other support costs	11,260	11,260	8,647
Wages and salaries	532,064	532,064	467,724
National insurance	38,628	38,628	35,662
Pension cost	256,013	256,013	240,469
Depreciation	108,900	108,900	104,027
	<u>1,561,243</u>	<u>1,561,243</u>	<u>1,510,377</u>
<i>Total 2017</i>	<u>1,510,377</u>	<u>1,510,377</u>	

8. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Activities:					
Direct costs	2,684,358	-	41,870	2,726,228	2,961,885
Support costs	267,326	496,159	797,758	1,561,243	1,510,377
	<u>2,951,684</u>	<u>496,159</u>	<u>839,628</u>	<u>4,287,471</u>	<u>4,472,262</u>
<i>Total 2017</i>	<u>3,055,397</u>	<u>487,859</u>	<u>929,006</u>	<u>4,472,262</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational activities	<u>2,726,228</u>	<u>1,561,243</u>	<u>4,287,471</u>	<u>4,472,262</u>
<i>Total 2017</i>	<u>2,961,885</u>	<u>1,510,377</u>	<u>4,472,262</u>	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	108,900	104,027
Auditors' remuneration - audit	4,500	4,500
Auditors' remuneration - other services	1,038	3,050
Operating lease rentals	<u>296,925</u>	<u>307,102</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	2,228,183	2,232,621
Social security costs	184,694	191,692
Operating costs of defined benefit pension schemes	412,640	392,419
	2,825,517	2,816,732
Supply teacher costs	114,854	210,316
Support staff supply costs	11,313	28,349
	2,951,684	3,055,397

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	63	32
Administration and support	34	75
Management	6	6
	103	113

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £368,068 (2017: £260,312).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Related party transactions- Trustee's remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as governors. The value of governors' remuneration and other benefits was as follows:

		2018	2017
		£	£
S Eaton	Remuneration	70,000-75,000	<i>70,000-75,000</i>
	Pension contributions paid	10,000-15,000	<i>10,000-15,000</i>
L Killian	Remuneration	35,000-40,000	<i>35,000-40,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
S Field	Remuneration	10,000-15,000	<i>10,000-15,000</i>
	Pension contributions paid	NIL	<i>NIL</i>

During the year ended 31 August 2018, no governors received any reimbursement of expenses (2017 - £761 to 2 governors).

13. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £[enter amount] (2017 - £589).

14. Pension finance cost

	2018	2017
	£	£
Interest income on pension scheme assets	15,000	<i>13,000</i>
Interest on pension scheme liabilities	(36,000)	<i>(26,000)</i>
	(21,000)	<i>(13,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Freehold property £	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost					
At 1 September 2017	1,465,000	1,776,667	333,324	330,854	3,905,845
Additions	-	1,750	2,550	13,167	17,467
At 31 August 2018	<u>1,465,000</u>	<u>1,778,417</u>	<u>335,874</u>	<u>344,021</u>	<u>3,923,312</u>
Depreciation					
At 1 September 2017	165,714	194,617	220,856	321,395	902,582
Charge for the year	29,300	35,558	33,555	10,487	108,900
At 31 August 2018	<u>195,014</u>	<u>230,175</u>	<u>254,411</u>	<u>331,882</u>	<u>1,011,482</u>
Net book value					
At 31 August 2018	<u>1,269,986</u>	<u>1,548,242</u>	<u>81,463</u>	<u>12,139</u>	<u>2,911,830</u>
At 31 August 2017	<u>1,299,286</u>	<u>1,582,050</u>	<u>112,468</u>	<u>9,459</u>	<u>3,003,263</u>

16. Debtors

	2018 £	2017 £
Other debtors	74,943	62,863
Prepayments and accrued income	66,134	99,020
	<u>141,077</u>	<u>161,883</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	127,983	107,440
Other taxation and social security	79,545	78,775
Other creditors	6,463	3,516
Accruals and deferred income	94,160	96,719
	<u>308,151</u>	<u>286,450</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	77,881	86,631
Resources deferred during the year	83,241	77,881
Amounts released from previous years	(77,881)	(86,631)
	83,241	77,881
Deferred income at 31 August 2018	83,241	77,881

At 31 August 2018, the academy trust held parental contributions, grant funding and other income received in relation to the 2018-2019 academic year.

18. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	10,000	10,000

19. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	86,248	74,781	(26,458)	-	-	134,571
	86,248	74,781	(26,458)	-	-	134,571
Restricted funds						
Restricted Funds - all funds	(177,328)	3,926,925	(3,986,113)	(5,479)	-	(241,995)
Pension reserve	(853,000)	-	(166,000)	-	245,000	(774,000)
	(1,030,328)	3,926,925	(4,152,113)	(5,479)	245,000	(1,015,995)
	(1,030,328)	3,926,925	(4,152,113)	(5,479)	245,000	(1,015,995)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,003,263	11,988	(108,900)	5,479	-	2,911,830
Total restricted funds	1,972,935	3,938,913	(4,261,013)	-	245,000	1,895,835
Total of funds	2,059,183	4,013,694	(4,287,471)	-	245,000	2,030,406

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. Statement of funds (continued)

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

Restricted Fixed Assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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

Statement of funds - prior year

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
General Funds - all funds	67,001	47,335	(28,088)	-	-	86,248
Restricted funds						
Restricted Funds - all funds	92,507	3,955,221	(4,188,147)	(36,909)	-	(177,328)
Pension reserve	(650,000)	-	(152,000)	-	(51,000)	(853,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,051,800	18,581	(104,027)	36,909	-	3,003,263
Total of funds	<u>2,561,308</u>	<u>4,021,137</u>	<u>(4,472,262)</u>	<u>-</u>	<u>(51,000)</u>	<u>2,059,183</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	67,001	122,116	(54,546)	-	-	134,571
Restricted funds						
Restricted Funds - all funds	92,507	7,882,146	(8,174,260)	(42,388)	-	(241,995)
Pension reserve	(650,000)	-	(318,000)	-	194,000	(774,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	3,051,800	30,569	(212,927)	42,388	-	2,911,830
	2,494,307	7,912,715	(8,705,187)	-	194,000	1,895,835
Total of funds	<u>2,561,308</u>	<u>8,034,831</u>	<u>(8,759,733)</u>	<u>-</u>	<u>194,000</u>	<u>2,030,406</u>

20. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,911,830	2,911,830
Current assets	132,948	77,779	-	210,727
Creditors due within one year	1,623	(309,774)	-	(308,151)
Creditors due in more than one year	-	(10,000)	-	(10,000)
Provisions for liabilities and charges	-	(774,000)	-	(774,000)
	<u>134,571</u>	<u>(1,015,995)</u>	<u>2,911,830</u>	<u>2,030,406</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	3,003,263	3,003,263
Current assets	86,248	119,122	-	205,370
Creditors due within one year	-	(286,450)	-	(286,450)
Creditors due in more than one year	-	(10,000)	-	(10,000)
Provisions for liabilities and charges	-	(853,000)	-	(853,000)
	<u>86,248</u>	<u>(1,030,328)</u>	<u>3,003,263</u>	<u>2,059,183</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(273,777)	(451,125)
Adjustment for:		
Depreciation charges	108,900	104,027
Bank interest receivable	(30)	(80)
Decrease/(increase) in debtors	20,806	(9,649)
Increase in creditors	21,701	58,744
Capital grants from DfE and other capital income	(11,988)	(18,581)
Defined benefit pension scheme cost less contributions payable	145,000	139,000
Defined benefit pension scheme finance cost	21,000	13,000
Net cash provided by/(used in) operating activities	<u>31,612</u>	<u>(164,664)</u>

22. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	69,650	43,487
Total	<u>69,650</u>	<u>43,487</u>

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal County of Berkshire. Both are Multi-employer

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £156,627 (2017 - £151,950).

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

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23. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £153,000 (2017 - £141,000), of which employer's contributions totalled £115,000 (2017 - £101,000) and employees' contributions totalled £38,000 (2017 - £40,000). The agreed contribution rates for future years are 6.2% - 27.4% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.70 %	<i>2.60 %</i>
Rate of increase in salaries	3.80 %	<i>4.20 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.70 %</i>
Inflation assumption (CPI)	2.30 %	<i>2.70 %</i>

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

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

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23. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	320,000	253,000
Gilts	-	-
Corporate bonds	102,000	80,000
Property	93,000	70,000
Cash and other liquid assets	101,000	59,000
Other assets	66,000	47,000
	<hr/>	<hr/>
Total market value of assets	682,000	509,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £24,000 (2017 - £46,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	(260,000)	(239,000)
Interest income	15,000	13,000
Interest cost	(36,000)	(26,000)
Admin expenses	-	(1,000)
	<hr/>	<hr/>
Total	(281,000)	(253,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	24,000	46,000
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	1,362,000	1,177,000
Current service cost	260,000	239,000
Interest cost	36,000	26,000
Employee contributions	38,000	40,000
Actuarial gains	(236,000)	(113,000)
Benefits paid	(4,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,456,000	1,362,000
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	509,000	527,000
Interest income	15,000	13,000
Actuarial gains/(losses)	9,000	(164,000)
Employer contributions	115,000	101,000
Employee contributions	38,000	40,000
Benefits paid	(4,000)	(7,000)
Admin expenses	-	(1,000)
	<u>682,000</u>	<u>509,000</u>

24. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	299,210	296,925
Between 1 and 5 years	1,446,580	1,370,748
After more than 5 years	3,585,620	3,585,620
Total	<u>5,331,410</u>	<u>5,253,293</u>

25. 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.

LANGLEY HALL PRIMARY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

26. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The members and governors at LHPA firmly believe that all funding given to the school should be used to the benefit of the children. They ensure any connected party transactions are only agreed if they make best use of public funds and save the trust money. All decisions are made without the connected party involvement compiling strictly to the academy handbook guidance in such matters.

The following are the list of related party transactions incurred during the year, in addition to the trustees remuneration and expenses set out in note 11.

Laser Learning Limited, a company owned by Sally Eaton and her husband Chris Eaton, had previously created an administrative system for the academy free of charge. The estimated cost of this was £50,000. The company provided maintenance and development services at the request of the academy to add new features to the systems. The total cost incurred by the academy in the year was £6,140 (2017: £11,473) All services were charged at less than cost.

Wellingtons for Langley Hall Limited, a company owned by Sally Eaton and her husband Chris Eaton allows school staff to visit the nursery in order to prepare children who are transferring to the school each year. Due to the connected party relationship the nursery insists on paying the school for the staff who spends time at Wellingtons. Therefore a charge is made from the school to Wellingtons in respect of this. The academy rents out its swimming pool to a number of users, including Wellingtons and the school charges Wellingtons at the same rate as every other hirer. The total charges in the year totalled £4,340 (2017: £9,885). There was recharge of expenses totalling £1,001 relating to Carrot Wood training and subscription, and income of £102 received for phonic training event.

Chris Eaton, the husband of Sally Eaton, was paid a salary as Advisor to the Governors on Commercial Strategy totalling £22,248 (2017: £14,836). He was also reimbursed expenses totalling £709 (2017: £229) in the current year.

Aston Bond, a legal firm to which R A Carleton acts as a self-employed consultant provided the academy with legal advice on various matters, a total amount of £3,850 (2017: £13,700) was charged to the school during the year. He provides these services at cost and in many instances without any charges.

Costa Louvieris, the son-in-law of Sally Eaton, was paid £1,600 for editing the school play.