

Company Registration Number: 07536795 (England & Wales)

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr J Kirk, Chair
C Brackenbury
S Branquinho
R Garrett

Trustees

J Constable, Headteacher and Accounting Officer
Dr J Kirk
C Fitzgerald, Vice Chair
V Boothnath
C Brackenbury
S Branquinho
M Francis, Staff Trustee
R Garrett
V Jain
K Nagra
R Sidhu
C Shine, Staff Trustee (appointed 4 May 2020)
S Wilkinson, Staff Trustee (appointed 4 May 2020)
H Barsby, Staff Trustee (resigned 31 October 2019)
C Wolters, Staff Trustee (term of office ended 21 February 2020)
I Neta (term of office ended 6 March 2020)
S D'Souza-Zerkhfaoui (term of office ended 6 March 2020)

Company registered number

07536795

Company name

Langley Grammar School

Principal and registered office

Reddingdon Drive, Slough, Berkshire, SL3 7QS

Company secretary

Mr G Trigg

Senior management team

J Constable, Headteacher
D Harding, Deputy Headteacher
P Adams, Acting Deputy Headteacher
N Dobbs, Assistant Headteacher (appointed 01 Sept 2019)
H Makowski, Director of Sixth Form (appointed 01 Sept 2019)
D Mace, Assistant Headteacher (appointed 01 Sept 2019)
G Trigg, Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditors

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

Bankers

Lloyds Bank Plc, PO Box 1000, BX1 1LT

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 5BB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving Langley and the surrounding areas; students are selected on merit which is assessed through a competitive 11+ entrance examination. The Academy had a roll of 1,176 in the spring 2020 census. The Academy is oversubscribed and increased from five to six forms of entry in Year 7 from September 2017, an increase of approximately 30 students each year until September 2023.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association is the primary governing document of the Academy.

The Trustees of Langley Grammar School are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Langley Grammar School.

Details of the Trustees who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1 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. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o The Headteacher
- o Up to 7 but not less than 2 parent governors elected or appointed by the governors
- o Up to 12 community governors, appointed by the members
- o Up to 3 staff governors but not less than one appointed by the governors, provided that the maximum number of staff governors does not exceed one third of the total number of governors
- o Any governors appointed by the Secretary of State for Education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

The term of office for any governor is 4 years. The Headteacher's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

e. Policies adopted for the induction and training of Trustees

All new governors are given an induction by the School and the Governing Body. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Where necessary an induction will provide training on charity and educational, legal and financial matters.

f. Organisational structure

The structure of the organisation has three levels; the Governors, the Headteacher and the Senior Leadership Team, and the Middle Leaders (Subject Leaders and Phase Leaders). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for the strategic direction of the School, adopting an annual plan and budget, monitoring the School's use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Leadership Team comprises the Headteacher, two Deputy Headteachers (one acting), two Assistant Headteachers, the Director of Sixth Form and the Business Manager. These managers control the School at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for authorising spending within the agreed budgets and the appointment of staff. The Governors devolve responsibility for staff appointments, other than those of the Headteacher, Deputy Headteachers and the Business Manager.

Senior and Middle Leaders are responsible for the day to day operation of the School departments, in particular organising staff, facilities and students.

The Headteacher assumes the Accounting Officer role.

g. Arrangements for setting pay and remuneration of key management personnel

Since conversion to academy status the Governors have been committed to mirroring the national pay and conditions for teaching and support staff.

The Academy Trust operates a leadership pay spine which retains reference points as recommended by national teacher and headteacher unions. Senior leaders have individual salary ranges (ISRs) comprising five points on the leadership scale. These ISRs were set in place at the last staff structure review and periodic benchmarking against similar roles in other local schools shows that they remain comparable and appropriate. Governors do have the authority to review and change the ISRs following significant changes in responsibilities.

Pay progression through the ISRs is on the basis of performance in the role against the job description and against agreed objectives. Recommendations on pay progression for the senior leadership team are made by the Headteacher and approved or otherwise by the Governors' Pay Committee at the end of the performance management cycle. Pay progression recommendation decisions for the Headteacher are made by the Headteacher's performance review group of governors working with an independent external advisor.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

The Academy Trust is a member of an Umbrella Trust. The Kedermister Education Trust which acts as a strategic body helping to promote and assist education to those schools that are part of its membership. The Kedermister Education Trust does not have any control over the operation of the Academy Trust. There are no connected organisations or related party relationships other than those noted in note 27 to the Financial Statements.

Objectives and activities

a. Objects and aims

The principal object of the Academy Trust is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

In accordance with the articles of association, the Academy has adopted a 'Scheme of Government' approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

b. Objectives, strategies and activities

The Academy Trust is committed to creating an outstanding academic environment that inspires and challenges students and allows them to fulfil their potential and achieve high standards in a welcoming and caring stimulating environment.

The current improvement priorities are set out in the School Development Plan 2019-22 which lists five key themes:

- Teaching and learning development;
- Curriculum design and wider student development;
- Community and system leadership;
- Long term financial security;
- Environment, site and use of technology.

Each of these themes has a number of success criteria and key indicators associated with them, and how and by whom they are evaluated.

The principal object and activity of the Academy Trust is to provide education for students between the ages of 11 and 18, who are selected on ability which is assessed through a competitive entrance examination.

In accordance with the Articles of Association the Academy Trust has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies amongst other things, the basis for admitting pupils to the Academy Trust and that the Academy Trust will provide a broad and balanced curriculum.

The ethos of the Academy Trust is to:

- Encourage our students to discover their own talents, be confident of their abilities and to follow their

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- passions across academic subjects, in sports and the arts;
- Support our students in developing themselves as innovative, effective and independent learners with high-level skills, willing to think in new ways, solve new problems and create new opportunities for the future;
- Help our students build up a set of sound values so that they have the strength of character, moral integrity and resilience to deal with the challenges they will face, and the motivation and willingness to work hard to achieve their ambitions.

The Academy Trust seeks to develop young men and women who are:

- **Confident and well-rounded**, demonstrating a positive mindset; secure in their own identity and aware of their own strengths; effective and persuasive communicators; believing in their own self-worth, with a broad and balanced outlook; striving for excellence in all they do; resilient and willing to persevere;
- **Independent and creative**, able to think critically and make wise decisions; curious and inquisitive; eager to explore and discover; willing to make mistakes and embrace challenges that may at first appear daunting; adaptable and flexible; innovative and enterprising;
- **Responsible and caring**, grounded in sound ethical and moral values; socially and culturally aware; recognising and appreciating diversity; having the courage to stand up for what is right; acting with kindness and compassion to bring out the best in themselves and others; engaged in communities with a local, national and global outlook.

c. Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Providing events for the local community, such as hosting a social event for local elderly residents.
- Sports Leader programmes that provide sporting activities to local primary schools.
- Providing teaching and learning support to a number of local primary and secondary schools.
- Operating the 'Day a Week School' for local primary school children.

Strategic report

a. Achievements and performance

Langley Grammar School was founded in 1956 and converted to an academy on 1 April 2011. The total student numbers in the year ended 31 August 2019 was 1,176 (2019: 1,139).

Students achieved excellent results in the 2020 public examinations. At 'A' level, 78% of the grades awarded were A*-B (2019: 67%). GCSE results were also impressive, with 100% of students achieving five or more 4-9 grades including English and Mathematics (2019: 99%). All results for the 2020 examinations were Centre Assessed Grades (CAGs), this was determined by the Government as a result of students being unable to sit their examinations due to the COVID-19 pandemic and subsequent lockdown.

A comprehensive rolling three year development plan has guided the development of the Academy during the period under review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

b. Key performance indicators

The Academy Trust set a budget on a 'non-accruals' basis for the year of (£63,000) (2019: (£37,000)), and produced a year end outturn of (£69,000) (2019: £60,000). There were adequate reserves in place to fund any deficit; a significant contribution to the negative results against budget was additional expenditure incurred to mitigate against the risks resulting from COVID-19.

The Academy Trust will continue to trade with sufficient balances so as to continue to improve the infrastructure of the Academy Trust and to ensure the continuity of education of students.

Non financial performance indicators are student numbers and attendance, excellent exam results and maintaining facilities to a high standard. The Academy Trust has a full complement of students in all year groups and details of exam results and facilities are explained within this report.

New teaching block

In February 2020 the Academy took delivery of a new three storey Teaching Block. It has 28 classrooms the majority of which are specialist rooms used for teaching Science, Computing, Art and Design Technology. These classrooms replace those that were in the original school building that was demolished during the year. Full details of this development can be found in 'Plans for future periods' on page 10.

c. Going concern

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

Whilst the COVID-19 outbreak has and will continue to incur additional expenditure for the Academy, we consider this manageable from our existing resources. The 2020-21 teachers' pay increase has received no additional funding support whereas in previous years any excess over 2% was funded by the Education and Skills Funding Agency ('ESFA'); this will result in increased costs of approximately £40k in 2020-21, and this will increase exponentially over time.

a. Financial review

During the period, the ESFA and Local Authority ('LA') grants received totalled to £6,236k. Other income included within restricted funds totalled £635k. Restricted fund expenditure totalled £6,710k.

The main source of unrestricted income is catering income, totalling to £170k. The net revenue surplus for the year was £76k. Both the income and resulting surplus were adversely affected by the closure of the Sports Centre from March to August 2020 due to the COVID-19 pandemic.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2020 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 2019), 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.

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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 total funds of the Academy. 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.

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 Governors through the Resources (and Audit) Committee and the Senior Leadership Team receive financial progress reports throughout the year and compare against budgets submitted to the ESFA. The Resources (and Audit) Committee also review longer term financial models (up to 3 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

b. Reserves policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use.

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Governors will keep this level of reserves under review and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

The Academy Trust has a rolling programme of improvements both to its physical and technological infrastructure. The Academy Trust endeavours to manage the flow and efficiency of these capital projects through careful financial planning and considers that there is a need to maintain a level of reserves sufficient to meet these commitments. Total reserves at the end of the period amounted to £19,480k. This balance includes unrestricted funds (free reserves) of £536k, which is considered appropriate for the Academy Trust, and restricted funds of £18,944k, which includes restricted fixed asset funds of £21,506k and a pension deficit of £2,982k.

Within the reserves policy it should be noted that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £2,982k. This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

It should be noted 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

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TRUSTEES' REPORT (CONTINUED)
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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.

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against.

c. 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. 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 Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess 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 the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2020. 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 ('DfE'). The guarantee came into force on 18 July 2013.

Fundraising

The Academy engages in fundraising throughout the academic year, both for specific projects and to augment the annual education budget. The primary fundraising income is the School Development Fund, a gift aid scheme whereby parents of students donate one-off or regular amounts to the school. As the second phase of the PSBP2 project nears completion (see Plans for future periods below) the Academy is relaunching the School Development Fund to generate additional income that will be used to enhance the new school facilities above and beyond what is being funded by the DfE.

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Plans for future periods

In recent years the original school 1956 buildings which comprised approximately half of the Academy Trust's teaching space and public areas were subject to on going structural inspections that identified a number of areas where the structure required strengthening. These were addressed and further inspections took place. The likelihood was that this pattern of having to strengthen the structure would continue as the building reached the end of its useful life, with significant costs being incurred. The DfE was informed of the position and over time had awarded the Academy Trust grants totaling £470,883 from the Academies Capital Maintenance Fund to cover the known works.

In May 2014 the Government announced that it would fund a further phase of the Priority School Building Programme (PSBP2). PSBP2 is a five year programme operating between 2015 and 2021 and undertakes major rebuilding and refurbishment projects in schools and sixth form colleges in the very worst condition. The Academy Trust submitted an Expression of Interest with the ESFA in July 2014 for a phased replacement of the 1956 buildings, to include additional capacity for the planned expansion to 6 forms of entry. In February 2015 the ESFA advised the Academy Trust that this was successful, and since January 2017 the Academy has worked closely with the ESFA in the feasibility study and developing and agreeing the control option. Planning permission for a new teaching block and front of house block were approved and the project was split into three phases:

- construction of a new 28 classroom teaching block which was handed over in February 2020
- the demolition of the 1956 buildings which was completed by the end of August 2020
- construction of a front of house block scheduled for delivery in June 2021.

The project is costing in excess of £18m and is mainly funded by the ESFA for basic replacement and by the LA for the costs of the additional capacity required for the expansion. There are a small number of significant additional facilities and enhancements that the school wishes to integrate into the overall project that will not be funded by the ESFA or the LA; these will be funded (approximately £600,000) by the school from unrestricted funds, including the Millenium Fund and the School Development Fund. A major contribution to the cost of these additional facilities will be generated from the sale of the former caretaker's house; the Academy no longer has a requirement for an on-site caretaker and has successfully applied to the Secretary of State for permission to sell the house and plot. A further application has been made to extend this permission to include a small parcel of land adjacent to the house which will significantly increase the value of the total plot as it will become considerably more attractive as a development opportunity.

The Academy has an ongoing programme of repairs and maintenance. Investment in other parts of the school estate has reduced due to the financial constraints the school has been operating under. This reduction in investment is not sustainable in the long term if these buildings are to continue provide an appropriate learning environment for our students, and over the next 2-3 years there will be a focus on enhancing these facilities.

Funds held as custodian on behalf of others

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

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TRUSTEES' REPORT (CONTINUED)
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Auditor

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

Dr J R Kirk
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Langley Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Barsby	0	1
V Boothnath	3	6
C Brackenbury	5	6
S Branquinho	5	6
J Constable, Headteacher	6	6
S D'Souza-Zerkhfaoui	3	3
C Fitzgerald, Vice Chair	4	6
M Francis	6	6
R Garrett	6	6
V Jain	5	6
Dr J Kirk, Chair	6	6
K Nagra	6	6
I Neta	1	3
C Shine	3	3
R Sidhu	4	6
S Wilkinson	3	3
C Wolters	2	3

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

The Resources (and Audit) Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure that the Academy is following the ESFA's financial regulations.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Constable, Headteacher	3	4
K Nagra, Chair	4	4
V Boothnath	3	4
R Garrett	3	4
H Barsby	0	1

The audit committee function is carried out within the Resources (and Audit Committee). The purpose of the Audit Committee is to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems and report its findings periodically as appropriate but not less than annually to the Board of Trustees, Governing Body and the Accounting Officer as a critical element of the Academy Trust's annual reporting requirements.

- Take delegated responsibility on behalf of the Board of Trustees and Governing Body for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring the AT is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
- Agree an annual programme of work to deliver internal scrutiny that provides coverage across the year, and who will perform the work.
- Review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
- Ensure that the programme of internal scrutiny delivers objective and independent assurance.
- Consider reports at each meeting from those carrying out the programme of work and consider progress in addressing recommendations.
- Advise the Board of Trustees and Governing Body on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency and effectiveness (value for money).
- Consider the appropriateness of executive action following internal scrutiny reviews and to advise senior management, the Board of Trustees and Governing Body on any additional or alternative steps to be taken.
- Advise the Board of Trustees and Governing Body on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal scrutiny).
- Review the findings of the external auditors and agree any action plan arising from them. Monitor the effectiveness of auditors.
- Ensure that additional services undertaken by the auditors are compatible with the audit independence and objectivity.
- Encourage a culture within the Academy Trust whereby each individual feels that s/he has a part to play in guarding the probity of the Academy Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees and Governing Body.

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

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Headteacher 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 Trustees 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:

Cost effective purchasing

- The use of tendering procedures when required for major expenditure items
- Using an outside agency to oversee tendering for gas and electricity to ensure best value
- Considering different suppliers for all purchases
- Sharing knowledge with other local schools
- Challenging the need for all purchases
- Changing insurance provider for all insurance from the open market to the RPA (where the RPA offers relevant cover).

Effective use of staff and technology

- Optimising the timetable to control staffing costs and consider overall timetable requirements when filling vacancies
- For support staff vacancies, consideration given to the most cost effective solution which may involve not replacing or minor restructuring
- Utilising expertise within the Academy Trust for professional development of other staff
- The use of cashless catering to streamline administrative processes.

Income generation

- Operating a Gift Aid scheme
- Optimising use of Sports Centre to generate additional revenues

Reviewing controls and managing risk

- Regular reports are prepared for Resources Committee and budget holders to ensure spending is within budget
- Insurance cover reviewed to ascertain appropriate level of cover is maintained
- Risks concerning overspending are included in the Risk Register which is regularly reviewed.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Grammar School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees 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 Trustees 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- Regular reviews by the Resources (and Audit) 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; and
- Identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed Sudhi Pathak the Director of Finance and Operations of The Eden Academy Trust to perform peer reviews

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

- governance arrangements
- risk management
- testing of control account/ bank reconciliations
- testing of budgetary control
- reviewing any actions from the audit management letter

On a termly basis, the reviewer reports to the Board of Trustees, through the Resources (and Audit) Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The COVID-19 pandemic and subsequent lockdown resulted in only one of the scheduled three reviews taking place during the year to 31 August 2020. This covered the checks described above and no material control issues were noted and thus no remedial action was required to be taken. The first review on the year to 31 August 2021 will focus on payroll, income, procurement procedures, supplier contract letters and inventory.

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Headteacher 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 peer reviewer
- 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 Resources (and Audit) 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 Trustees on 15 December 2020 and signed on their behalf by:

Dr J R Kirk
Chair of Trustees

Mr J Constable
Accounting Officer

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Langley Grammar School I have considered my responsibility to notify the Academy board of Trustees 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, under the funding agreement in place between the Academy 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 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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

Mr J Constable
Accounting Officer
Date: 15 December 2020

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:

Dr J R Kirk
Chair of Trustees

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY GRAMMAR SCHOOL**

Opinion

We have audited the financial statements of Langley Grammar School (the 'Academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY GRAMMAR SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report 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 Trustees' report.

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

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

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LANGLEY GRAMMAR SCHOOL (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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.

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

15 December 2020

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LANGLEY GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 May 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Langley Grammar School during the year 1 September 2019 to 31 August 2020 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 Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Langley Grammar School and 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 Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Langley Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Langley Grammar School's funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by 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.
- Focused testing, driven by our audit of the financial statements, principally checking that:
 - Grant income received has been expensed on prescribed expenditure; and
 - Expenditure has been appropriately authorised in accordance with the prescribed procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LANGLEY
GRAMMAR SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

(where applicable).

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 15 December 2020

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	-	-	8,113	8,113	84
Charitable activities:						
Funding for the academy trust's educational operations	4	-	6,236	-	6,236	5,536
Other trading activities	5	230	629	-	859	1,148
Investments	6	2	-	-	2	1
Total income		232	6,865	8,113	15,210	6,769
Expenditure on:						
Raising funds		211	144	-	355	600
Charitable activities	8	-	6,565	1,627	8,192	6,744
Total expenditure		211	6,709	1,627	8,547	7,344
Net income		21	156	6,486	6,663	(575)
Transfers between funds	18	-	(100)	100	-	-
Net movement in funds before other recognised gains/(losses)		21	56	6,586	6,663	(575)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(289)	-	(289)	(330)
Net movement in funds		21	(233)	6,586	6,374	(905)
Reconciliation of funds:						
Total funds brought forward		521	(2,335)	14,920	13,106	14,011
Net movement in funds		21	(233)	6,586	6,374	(905)
Total funds carried forward		542	(2,568)	21,506	19,480	13,106

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 49 form part of these financial statements.

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07536795

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	21,506	14,883
		<u>21,506</u>	<u>14,883</u>
Current assets			
Debtors	15	716	203
Cash at bank and in hand		1,161	982
		<u>1,877</u>	<u>1,185</u>
Creditors: amounts falling due within one year	16	(921)	(475)
Net current assets		956	710
Total assets less current liabilities		22,462	15,593
Net assets excluding pension liability		22,462	15,593
Defined benefit pension scheme liability	24	(2,982)	(2,487)
Total net assets		19,480	13,106
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	21,506	14,920
Restricted income funds	18	414	152
		<u>21,920</u>	<u>15,072</u>
Restricted funds excluding pension asset	18	21,920	15,072
Pension reserve	18	(2,982)	(2,487)
Total restricted funds	18	18,938	12,585
Unrestricted income funds	18	542	521
Total funds		19,480	13,106

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

Dr J R Kirk
Chair of Trustees

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	<i>2019</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	20	313	<i>164</i>
Cash flows from investing activities	21	(134)	<i>38</i>
Change in cash and cash equivalents in the year		179	<i>202</i>
Cash and cash equivalents at the beginning of the year		982	<i>780</i>
Cash and cash equivalents at the end of the year	22, 23	<u>1,161</u>	<u><i>982</i></u>

The notes on pages 27 to 49 form part of these financial statements

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

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

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following bases:

Freehold property	- 10 - 45 years
Furniture and Fixtures	- 4 years
Plant and machinery	- 4% straight line
Computer equipment	- 3 years

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

1.7 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.

1.8 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.

1.9 Liabilities

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.

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. 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.

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

LANGLEY GRAMMAR SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.10 Financial instruments (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Pensions

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

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

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

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

1.12 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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FOR THE YEAR ENDED 31 AUGUST 2020

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Capital Grants	8,113	8,113	<i>84</i>
<i>Total 2019</i>	<i>84</i>	<i>84</i>	

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4. Funding for the Academy's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant	5,466	5,466	5,240
Other DfE/ESFA Grants	614	614	134
	<hr/> 6,080	<hr/> 6,080	<hr/> 5,374
Other government grants			
Local authority grants	148	148	162
	<hr/> 148	<hr/> 148	<hr/> 162
Exceptional government funding			
Coronavirus Job Retention Scheme grant	8	8	-
	<hr/> 6,236	<hr/> 6,236	<hr/> 5,536
	<hr/> <hr/> 5,536	<hr/> <hr/> 5,536	
<i>Total 2019</i>			
	<hr/> <hr/> 5,536	<hr/> <hr/> 5,536	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed its support staff under the government's CJRS. The funding received of £8k relates to staff costs in respect of these staff which are included within note 10 below as appropriate.

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5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Lettings income	60	-	60	82
Trip income	-	146	146	323
Catering income	170	-	170	264
Other income	-	483	483	479
	<u>230</u>	<u>629</u>	<u>859</u>	<u>1,148</u>
<i>Total 2019</i>	<u>346</u>	<u>802</u>	<u>1,148</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Investment income	2	2	1
	<u>2</u>	<u>2</u>	<u>1</u>
<i>Total 2019</i>	<u>1</u>	<u>1</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2020	2020	2020	2020	<i>2019</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on raising funds:					
Direct costs	-	-	355	355	600
Educational activities:					
Direct costs	4,599	511	1,689	6,799	5,316
Allocated support costs	788	410	195	1,393	1,428
	<u>5,387</u>	<u>921</u>	<u>2,239</u>	<u>8,547</u>	<u>7,344</u>
<i>Total 2019</i>	<u>5,051</u>	<u>376</u>	<u>1,917</u>	<u>7,344</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted	Total	<i>Total</i>
	funds	funds	<i>funds</i>
	2020	2020	<i>2019</i>
	£000	£000	<i>£000</i>
Educational activities	8,192	8,192	6,744
	<u>8,192</u>	<u>8,192</u>	<u>6,744</u>
<i>Total 2019</i>	<u>6,744</u>	<u>6,744</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Educational activities	6,799	1,393	8,192	6,744
<i>Total 2019</i>	<u>5,316</u>	<u>1,428</u>	<u>6,744</u>	

Analysis of direct costs

	Educational activities 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	4,567	4,567	4,130
Depreciation	560	560	522
Technology costs	59	59	82
Educational supplies	303	303	229
Examination fees	125	125	130
Staff development	15	15	13
Other direct costs	71	71	111
Teaching supply costs	32	32	99
Loss on disposal of fixed assets	1,067	1,067	-
	<u>6,799</u>	<u>6,799</u>	<u>5,316</u>
<i>Total 2019</i>	<u>5,316</u>	<u>5,316</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Pension finance cost	45	45	50
Staff costs	683	683	732
Recruitment and support	22	22	46
Maintenance of premises and equipment	46	46	66
Cleaning	106	106	113
Rent and rates	54	54	56
Energy costs	151	151	114
Insurance	53	53	27
Security and transport	6	6	6
Support staff supply costs	106	106	90
Other support costs	90	90	104
Governance costs	31	31	24
	<u>1,393</u>	<u>1,393</u>	<u>1,428</u>
<i>Total 2019</i>	<u>1,428</u>	<u>1,428</u>	

10. Net income

Net income for the year includes:

	2020 £000	<i>2019 £000</i>
Depreciation of tangible fixed assets	560	522
Fees paid to auditors for:		
- audit	4	4
- other services	3	3
	<u>567</u>	<u>529</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	3,869	<i>3,709</i>
Social security costs	388	<i>349</i>
Pension costs	992	<i>804</i>
	5,249	<i>4,862</i>
Supply teaching costs	32	<i>99</i>
Support staff supply costs	106	<i>90</i>
	5,387	<i>5,051</i>

b. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	69	<i>66</i>
Administration and support	20	<i>21</i>
Management	5	<i>5</i>
	94	<i>92</i>

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	5	<i>4</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £100,001 - £110,000	-	<i>1</i>
In the band £110,000 - £120,000	1	<i>-</i>

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11. Staff (continued)

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 and employer national insurance contributions) received by key management personnel for their services to the Academy was £793,394 (2019 £626,967).

12. Related Party Transactions- Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
J Constable, Headteacher and Accounting Officer	Remuneration	110 - 115	<i>105 - 110</i>
	Pension contributions paid	25 - 30	<i>15 - 20</i>
M Francis	Remuneration	40 - 45	<i>40 - 45</i>
	Pension contributions paid	5 - 10	<i>5 - 10</i>
C Wolters (resigned 27 February 2020)	Remuneration	15 - 20	<i>35 - 40</i>
	Pension contributions paid	0 - 5	<i>5 - 10</i>
H Barsby (resigned 31 October 2019)	Remuneration	0 - 5	<i>20 - 25</i>
	Pension contributions paid	0 - 5	<i>0 - 5</i>
C Shine (appointed 4 May 2020)	Remuneration	5 - 10	<i>NIL</i>
	Pension contributions paid	0 - 5	<i>NIL</i>
S Wilkinson (appointed 4 May 2020)	Remuneration	15 - 20	<i>NIL</i>
	Pension contributions paid	0 - 5	<i>NIL</i>

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Freehold property £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 September 2019	17,563	137	179	458	18,337
Additions	8,088	56	9	96	8,249
Disposals	(3,047)	-	-	-	(3,047)
At 31 August 2020	<u>22,604</u>	<u>193</u>	<u>188</u>	<u>554</u>	<u>23,539</u>
Depreciation					
At 1 September 2019	2,864	114	40	435	3,453
Charge for the year	478	27	6	49	560
On disposals	(1,980)	-	-	-	(1,980)
At 31 August 2020	<u>1,362</u>	<u>141</u>	<u>46</u>	<u>484</u>	<u>2,033</u>
Net book value					
At 31 August 2020	<u>21,242</u>	<u>52</u>	<u>142</u>	<u>70</u>	<u>21,506</u>
At 31 August 2019	<u>14,699</u>	<u>23</u>	<u>138</u>	<u>23</u>	<u>14,883</u>

The Academy's transactions relating to freehold property in the year included a new teaching block which was gifted from the DfE. This was ready for use in the year and had a total contractual value of £8,088K. In addition, as part of these works, old buildings at the academy were demolished during the year which had a total net book value of £1,067K.

15. Debtors

	2020 £000	2019 £000
Due within one year		
Other debtors	72	144
Prepayments and accrued income	644	59
	<u>716</u>	<u>203</u>

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16. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	678	66
Other taxation and social security	196	170
Other creditors	1	207
Accruals and deferred income	46	32
	921	475
	921	475
	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	14	-
Resources deferred during the year	15	14
Amounts released from previous periods	(14)	-
	15	14
	15	14

At the balance sheet date the academy trust was holding funds received in advance for the year 2020/21.

17. Financial instruments

	2020	<i>2019</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	1,161	982
	1,161	982

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	521	232	(211)	-	-	542
Restricted general funds						
GAG	152	5,460	(5,098)	(100)	-	414
Pupil premium	-	47	(47)	-	-	-
Other ESFA funding	-	386	(386)	-	-	-
SEN funding (LA)	-	14	(14)	-	-	-
Other LA funding	-	142	(142)	-	-	-
General funds	-	816	(816)	-	-	-
Pension reserve	(2,487)	-	(206)	-	(289)	(2,982)
	<u>(2,335)</u>	<u>6,865</u>	<u>(6,709)</u>	<u>(100)</u>	<u>(289)</u>	<u>(2,568)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - All Funds	14,920	8,088	(560)	100	-	22,548
Devolved Formula Capital	-	25	-	-	-	25
Demolishment of buildings	-	-	(1,067)	-	-	(1,067)
	<u>14,920</u>	<u>8,113</u>	<u>(1,627)</u>	<u>100</u>	<u>-</u>	<u>21,506</u>
Total Restricted funds	<u>12,585</u>	<u>14,978</u>	<u>(8,336)</u>	<u>-</u>	<u>(289)</u>	<u>18,938</u>
Total funds	<u><u>13,106</u></u>	<u><u>15,210</u></u>	<u><u>(8,547)</u></u>	<u><u>-</u></u>	<u><u>(289)</u></u>	<u><u>19,480</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
The specific purposes for which the funds are to be applied are as follows:						
Restricted funds are resources for educational purposes.						
Restricted fixed assets fund are resources for particular capital expenditure purposes.						
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 Trustees.						
Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.						
Comparative information in respect of the preceding year is as follows:						
	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>		<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General Funds - all funds	482	347	(308)		-	521
	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>
Restricted general funds						
GAG	55	5,239	(5,142)		-	152
Pupil premium	-	56	(56)		-	-
Other ESFA funding	-	78	(78)		-	-
SEN funding (LA)	-	13	(13)		-	-
Other LA funding	-	150	(150)		-	-
General funds	-	802	(802)		-	-
Pension reserve	(1,884)	-	(273)		(330)	(2,487)
	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>
	(1,829)	6,338	(6,514)		(330)	(2,335)
	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>
Restricted fixed asset funds						
Restricted Fixed Asset Funds						
- All Funds	15,358	-	(522)		-	14,836
Devolved Formula Capital	-	84	-		-	84

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18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
	15,358	84	(522)	-	14,920
Total Restricted funds	13,529	6,422	(7,036)	(330)	12,585
Total funds	14,011	6,769	(7,344)	(330)	13,106

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	21,506	21,506
Current assets	542	1,335	-	1,877
Creditors due within one year	-	(921)	-	(921)
Provisions for liabilities and charges	-	(2,982)	-	(2,982)
Total	542	(2,568)	21,506	19,480

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	14,883	14,883
Current assets	521	627	37	1,185
Creditors due within one year	-	(475)	-	(475)
Provisions for liabilities and charges	-	(2,487)	-	(2,487)
Total	521	(2,335)	14,920	13,106

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19. Analysis of net assets between funds (continued)

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income/(expenditure) for the period (as per Statement of financial activities)	6,663	<i>(575)</i>
Adjustments for:		
Depreciation	560	<i>522</i>
Capital grants from DfE and other capital income	(8,113)	<i>(84)</i>
Interest receivable	(2)	<i>(2)</i>
Defined benefit pension scheme cost less contributions payable	161	<i>223</i>
Defined benefit pension scheme finance cost	45	<i>50</i>
Increase in debtors	(514)	<i>(35)</i>
Increase in creditors	446	<i>65</i>
Loss on disposal of fixed assets	1,067	<i>-</i>
Net cash provided by operating activities	313	<i>164</i>

21. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	2	<i>2</i>
Purchase of tangible fixed assets	(161)	<i>(48)</i>
Capital grants from DfE/ESFA	25	<i>84</i>
Net cash (used in)/provided by investing activities	(134)	<i>38</i>

22. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	1,161	<i>982</i>
Total cash and cash equivalents	1,161	<i>982</i>

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23. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	982	179	1,161
	<u>982</u>	<u>179</u>	<u>1,161</u>

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal Borough of Windsor and Maidenhead.. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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24. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £708,000 (2019 - £462,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £178,000 (2019 - £230,000), of which employer's contributions totalled £126,000 (2019 - £182,000) and employees' contributions totalled £ 52,000 (2019 - £48,000). The agreed contribution rates for future years are 19.6 per cent until 31 March 2021, 20.6 per cent from 1 April 2021 and 21.6 per cent from 1 April 2022 for employers, and 5.5 to 12.5 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Principal actuarial assumptions

Royal County of Berkshire Pension Fund

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.5	22.1
Females	24.1	24.0
<i>Retiring in 20 years</i>		
Males	22.9	23.7
Females	25.5	25.8

Share of scheme assets

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

	2020	<i>2019</i>
	£000	£000
Equities	1,224	1,109
Debt	275	289
Property	298	251
Cash	199	156
Other	102	185
Total market value of assets	2,098	1,990

The actual return on scheme assets was £88,000 (2019 - £112,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(285)	<i>(256)</i>
Past service cost	-	<i>(147)</i>
Interest income	38	<i>47</i>
Interest cost	(83)	<i>(97)</i>
Administrative expenses	(2)	<i>(2)</i>
Total amount recognised in the Statement of financial activities	<u>(332)</u>	<i><u>(455)</u></i>

Changes in the present value of the defined benefit obligations were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	4,477	<i>3,554</i>
Current service cost	285	<i>256</i>
Interest cost	83	<i>97</i>
Employee contributions	52	<i>48</i>
Actuarial losses	205	<i>395</i>
Benefits paid	(22)	<i>(20)</i>
Past service costs	-	<i>147</i>
At 31 August	<u>5,080</u>	<i><u>4,477</u></i>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	1,990	<i>1,670</i>
Interest income	38	<i>47</i>
Actuarial (losses)/gains	(84)	<i>65</i>
Employer contributions	126	<i>182</i>
Employee contributions	52	<i>48</i>
Benefits paid	(22)	<i>(20)</i>
Administrative expenses	(2)	<i>(2)</i>
At 31 August	<u>2,098</u>	<i><u>1,990</u></i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Within 1 year	98	<i>72</i>
Between 1 and 5 years	87	<i>102</i>
	185	<i>174</i>

26. 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.

27. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

28. Agency arrangements

The Academy Trust distributes 16 -19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the Academy received £20,763 (2019: £19,979) and disbursed £24,073 (2019: £20,988) from the fund. An amount of £NIL (2019: £NIL) is included in other creditors relating to undistributed funds that is repayable to the ESFA.