

**LARWOOD ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	Mrs S Barr Mr J Thurgood Mrs J Baker Mr P Myers
<b>Trustees</b>	Mrs S Barr, Chair of Trustees Mr J Thurgood, Vice Chair of Trustees Mr S Trimble, Head Teacher - Larwood Mr D Pearce, Head Teacher - Brandles (appointed 11 February 2020) Mrs L Williams Mrs J Baker Mr P Myers Mr K Abrahams (appointed 11 February 2020) Mr D Login (appointed 11 February 2020) Mr S Jacobs (resigned 1 February 2020) Mr J Walker (resigned 1 September 2019)
<b>Company registered number</b>	10359418
<b>Company name</b>	Larwood Academy Trust
<b>Principal and registered office</b>	Webb Rise Stevenage Hertfordshire SG1 5QU
<b>Company Secretary</b>	Mrs S Fitzpatrick
<b>Accounting Officer</b>	Mr S Trimble
<b>Senior Management Team</b>	Mr S Trimble, Head Teacher/Accounting Officer - Larwood Mr D Pearce, Head Teacher - Brandles Mr P van der Merwe, Deputy Head Teacher - Larwood Mrs B Osobu, Assistant Head Teacher - Larwood Mrs S Fitzpatrick, Business Manager - Larwood Mr I Reid, Head of Care/Premises Manager - Larwood
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank PLC 3 Town Square Stevenage SG1 1BG

**LARWOOD ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of Larwood Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates as a two school Multi-academy Trust, comprising a special needs Primary Academy and a special needs recently converted Secondary Academy. Larwood School serves a catchment area in Stevenage, East and North Hertfordshire, with the capacity for 86 primary age pupils. Brandles School is based in Baldock, serving the same catchment area in Hertfordshire, with a capacity for 60 secondary age pupils. Both Academies have the maximum pupils on roll currently at the time of this annual report.

### **Structure, Governance and Management**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Larwood School                      converted on 01/11/2016
- Brandles School                      converted on 01/02/2020

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. The Board of Trustees (BOT) is comprised of Members, Trustees and Local School Governors, for a cohesive approach to overseeing the two current Academies within the Trust.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee refers to a member of the Main Governing Body / Board of Trustees and the term Governor to a member of a Local Governing Body. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

### **Members' Liability**

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

### **Trustees and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business'. The insurance via the RPA Scheme provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in the accounts.

### **Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

In accordance with the Articles of Association, members may appoint by ordinary resolution, up to 8 Trustees. Any election of Parent Trustees will be held by secret ballot.

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Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for up to 8 Trustees plus the CEO. The structure for 19/20 up until Jan 2020 comprised of three Co-Opted Trustees, two Parent Trustees, one Staff Trustee and the Head Teacher. By the beginning of 19/20 one of the Co-opted Trustees had resigned and another parent Trustee service came to an end. Following the addition of a second Academy to the Trust in February 2020, two new Trustees and the Head Teacher of the Brandles Academy joined the Board of Trustees, with the Larwood Academy Head Teacher becoming the Executive Head Teacher of the MAT.

**Policies and Procedures Adopted for the Induction and Training of Trustees and Governors**

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedure documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

As part of a comprehensive induction programme, a range of documents are supplied to a new Trustee which reflect the Trust's financial position, curriculum initiatives and safeguarding aspects over the previous 12 months, to enable them to participate in and contribute to effective scrutiny and school strategic planning.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The day to day running of operational matters are conducted by the School's Senior Leadership Team (SLT) and led by the Head Teacher at each School. The Executive Head Teacher of the MAT is the Accounting Officer. The Trust Finance Manager oversees and directs all matters connected to finance. Therefore the Trust structure consists of the following layers:

- The Trustees Body (Board of Trustees )
- Dedicated committees – Finance /Teaching, Learning & Assessment / Behaviour, Attendance & Safeguarding
- Multi Academy Trust Executive Head Teacher / CAO
- Head Teacher at each Academy
- The Senior Leadership Team ( SLT )

The BOT, meets on at least 6 occasions per year and its 3 sub committees meet at least 3 times per year with the Finance Committee meeting 6 times per year. The BOT is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Trustees and Governors within the various committees are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Team (SLT) controls each Academy at an executive level implementing policies and reporting through the committee structure. The SLT is responsible for the day to day operation of each Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Executive Head Teacher remains the CEO and Chief Accounting Officer.

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**Arrangements for setting pay and remuneration of key management personnel**

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

All Trustees are non-salaried, with expenses being reimbursed via the established authorisation procedure.

The BOT has adopted a 'Pay and Appraisal Policy' to provide a clear framework for the management of pay and appraisal for all staff employed in the Trust. Any amendments are approved by the Finance Committee and ratified by the BOT.

Trustees recognise the requirement that all pay progression decisions for employees must be linked to annual appraisal of performance; indeed for teachers it is statutory. This policy sets out the framework for a clear and consistent assessment of the overall performance of staff, including the Executive Head Teacher and Academy Head Teachers, and for supporting their development within the context of the Trust's plan for improving educational provision and performance, and the standards expected. It also sets out the arrangements that will apply when staff fall below the levels of competence that are expected of them.

The policy complies with the School Teachers' Pay & Conditions Document (STPCD) and the accompanying statutory guidance and with national and local pay agreements for support staff.

When recruiting a new member of staff, the SLT and BOT will take into account a range of factors when setting the appropriate salary level, including:

- the nature of the post
- the level of qualifications, skills and experience required
- market conditions
- the wider school context
- (for teachers) any specific restrictions set out in the School Teachers' Pay & Conditions Document.

**Trade union facility time**

The Academy Trust has no official Trade Union representative within the members of staff. Trade Union information is displayed when received for staff members.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

All Trustees provide an annual declaration of business or other interests they have with organisations, individuals and charities for complete transparency. Any pecuniary interests which may overlap with the operations of the Trust are identified and published on the School website. Any potential conflicts of interest are recorded in the minutes of committee meetings where a decision is required and the appropriate steps to avoid any such conflict of interest are in place.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Jubilee Court Care Home, Stevenage
- Slimming World
- Mary Kirsten School of Dance

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**TRUSTEES' REPORT (CONTINUED)**  
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- Thurley Dance
- Stevenage Borough Council
- The Butterfly Room
- Karate Club Baldock
- Christ Church Baldock
- Tesco

The Trust does not have a formal sponsor.

### **Objectives and Activities**

#### **Objects and Aims**

The principal object and aim of the Charitable Company is the operation of the Schools to provide free education and care for pupils of different abilities within its local community from the ages of 5 to 16. Larwood School is a special school for primary aged children with social, emotional and mental health related difficulties. Brandles School is the secondary school equivalent provision for children with similar difficulties, currently exclusively for boys.

#### **Objectives, Strategies and Activities**

During the year the Trust has worked towards the following aims:

- To provide a dynamic and flexible curriculum with emphasis on literacy, numeracy and creativity.
- Ensure that every child has a strong and respectful relationship with the adults that work with them.
- Provide a safe and secure environment which allows children to relax, have fun and enjoy themselves. All members of the School community are valued. We ensure that pupils are rewarded for getting things right and we apply consequences when they don't.
- Challenge children to succeed in all areas of School life, ensuring that pupils understand that we all make mistakes and that success comes in many forms. This may include improved behaviour goals, subject progression, and could be related to relationships and trust. All staff will ensure that Hertfordshire Steps is consistently used to engage, modify and aid pupils on their journey of improved progress.
- Collaborate with other parties to ensure we support our children with the very best care and professional interventions. This includes parents, other professionals such as the Educational Psychologist, Mental Health professionals, Attendance Officer, School Nurse, SEN Officers, Art, Speech and Language specialists, animal therapies.
- Prepare our secondary school students to engage in appropriate courses leading to formal qualifications such as GCSEs, BTECs and equivalents.
- Provide appropriate advice, information and guidance outlined in the Gatsby Benchmarks regarding post-16 pathways and future careers.

Our success in fulfilling our aims can be measured by:

- The progress that our pupils make in relation to a range of factors including, but not exclusive to, behaviour, attendance, subject specific progress, individual life based skills.
- Attainment tests sat at key times such as Standard Attainment Tests.
- Independent reporting mechanisms that review the progress of the School such as our School Improvement Partner and Ofsted.
- Continued progress and successful transitioning at partner SEMH secondary schools or for some pupils by returning to mainstream schools
- GCSE, BTEC and equivalent qualifications, successful enrolment and completion of Post-16 courses.
- The ability of our pupils to play a meaningful and contributory role in their local community and society.

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**Public Benefit**

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**Strategic Report**

**Achievements and Performance**

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

As outlined in the previous year, the main strategic development involved Brandles School joining the Trust from February 2020. This development achieves a major strategic objective of the Trust to provide 'all through' provision for special needs children from 5 to 16 years of age.

For the remainder of the comments in this section of the Report, we focus on Larwood School, unless where Brandles School is specifically reported. Shortly after Brandles School joined the MAT, the Covid-19 restrictions and lockdown occurred, thus the focus of Trustees and Leadership was the safety and wellbeing of pupils and staff. During this period, plans for integration of data collection and performance monitoring were suspended temporarily.

- As with many other schools and the rest of the UK, we only had what can be described as a 'normal' six months of provision. From March onwards, we had to rapidly adapt due to Covid-19. This led to a restructuring of staff roles and a vast range of video/online learning resources being used for our pupils.
- On-site curriculum provision continued during lockdown as it was before lockdown and adaptation took place where needed to secure 'bubbles' and reduce potential transmission. Attendance began in summer term for key workers / most vulnerable only (around 10% per day) but as the term developed, numbers gradually increased. For the last three weeks of term, any pupil who could come back got at least two days physically based in School.
- Committee meetings moved to a virtual format from April 20 onwards, to enable information sharing and monitoring as per our governance approach.
- Transition procedures were similar to those normally used but with the addition of some virtual elements. Year 6 pupils were able to come into School to say 'goodbye' before they left and a Year 6 leavers' video was produced. Covid-friendly tours of the School were conducted for new pupils and their parents, with the involvement of the family worker. Most Year 6 pupils went on to Brandles, which assisted in transition, and Brandles transitioned pupils in a staggered way this year. All of these students had a Covid-friendly tour of the School and met key staff in the Summer Term.
- During the course of 2019-20, Larwood School added capacity from 80 day pupils to 85 day pupils. This was due to a residential unit consultation at the end of 2018-19 that concluded by closing that unit and opening an additional 12 day places. The extra day spaces are all for pupils who have an SEMH diagnosis and autism. This is called The Space Hub.
- Brandles School had 54 pupils on roll at the end of the 19/20 academic year, increasing to 60 from Sept 2020.
- Behaviour Management : Reduction in incidents compared to 18/19 (60%) plus excellent reduction in the need for restrictive physical intervention (90%). Significant decrease in pupils time out of class, allowing more pupils to fully engage in learning with less disruption. Data reported is based on a seven month period Sept to March, excluding the Covid-19 period.
- Pupil Attendance of 95% at Larwood School pre lockdown.  
Pupil Attendance of 77% at Brandles School pre lockdown.
- We continued to provide an outreach service for primary schools within Stevenage. This is contracted by our Developing Specialist Provision Locally (DSPL) and is due for review at the end of 20/21.



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- Governance - as part of our preparations for MAT expansion, we have successfully strengthened the range of experience and skills in our Board of Trustees during autumn 2019. We will continue our program of Trustee training to ensure our Trustees are equipped to move the Trust forward as rapidly as possible in an increasingly changing and complex landscape.
- Curriculum - Continuation of the Hands-On Mondays to allow pupils to practise what they have learned for a deeper understanding of a concept.
- We continued work on our ASC practice, revisiting concepts such as the importance of sensory stories, comic book conversations, sensory breaks, etc. We were on track for our February 2021 accreditation review which has now been postponed due to Covid-19
- Introduction of the CREST science model – and this is continuing to be developed.
- Skills curriculum approach was adapted to provide ‘taster’ sessions as a way to engage new starters through the autumn term.
- Three curriculum leads were appointed in November 2019 – maths, literacy, and creative curriculum for maths, literacy and science. Various tasks were undertaken by these leads but some plans were disrupted due to Covid-19.
- During the Easter and summer holidays, the School provided Cool Kids Club: an out-of-school club especially aimed at pupils who feel safer at school than at home. This provision was led by Larwood staff and was able to accommodate 24 Larwood pupils. Getting provision across the holidays had been a long-term aim, so getting this set up has been a major triumph.
- A variety of trips to complement the curriculum including trips to London, zoos, places of worship. PCL, London theatre trips and the usual end of term trips were cancelled in 19/20 due to Covid-19 restrictions.
- At Brandles the curriculum is based on the National Curriculum and is broadly divided into Key Stage 3 (Years 7 to 9) and Key Stage 4 (Years 10 & 11). Alongside this we have created a series of enrichment activities that are focussed on developing the learning, social and emotional skills.
- To ensure we cater for the needs of all our students we employ a variety of strategies including alternative education programmes, hybrid, and bespoke timetables. This allows for flexible and adaptive teaching, differentiated to both support and challenge students of all abilities.
- We acknowledge that literacy and numeracy levels are a key driver in the implementation of a purposeful and high-quality curriculum. Therefore, we have a dedicated literacy and numeracy support assistant who specialises in improving reading, writing, comprehension, and numeracy of students.
- Moving into Key Stage 4 students follow both a core and option curriculum. The option curriculum allows students to progress further in areas in which they have a particular interest.
- We offer a wide range of qualifications that are in keeping with our School motto of ‘preparing for the future’. These include GCSE, BTEC, Functional Skills, Entry Level Certificates, OCR Cambridge National Awards, and the Duke of Edinburgh Award.

Due to Covid-19 and in line with the rest of the country, there were elements of our School Development Plans that could not take place due to the pandemic. Upon return to relative normality in September 2020, various items were transferred to a new plan. Some will not take place at all due to the contextual elements of that aspect of work and some have been adapted due to the ongoing pandemic. Examples include:

- Assessment activities were suspended and will continue during the new academic year
- Some learning activities are now to be online and a greater emphasis will now be made in real KT on to blended learning both due to the pandemic but also for the future when pupils cannot/or refuse to attend schools sites for various reasons.

### **Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers at Larwood School for 2019/20 were 85 against a forecast of 86. Brandles School had a total of 54 pupils at the end of 19/20, an increase of 4 pupils against a forecast of 50.

Larwood School remains classed as ‘good’ by Ofsted for the day School based on its most recent report in Oct 2019.

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Another key financial performance indicator is staffing costs as a percentage of total income, as this is the largest area of expenditure. For 2019/20 at Larwood School this was 81% against budgeted parameters of 82%, at Brandles School 77% against budgeted 73% (supply costs for long term staff absence). The Trustees are confident that staffing levels are closely monitored and staffing structures all approved by the BOT.

The Finance Committee also monitor premises costs to General Annual Grant (GAG) income, capital spend, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the BOT.

Other specific achievements were as follows:

- Prowise interactive screens were installed in all classrooms at Larwood School, updating previous whiteboards.
- Long term capital investment made in reconfiguring the second floor conference area at Larwood School to facilitate the leasing to the Butterfly Room therapy provider, generating increased monthly income and on site, easily accessible therapy support for pupils and staff.
- Completion of the Dining Room refurbishment at Larwood School, with foldable and stackable dining room furniture to enable the space to be used for various activities and meetings.
- Assessment of best value capital investment at Brandles School, with the aims of an additional classroom, some internal refurbishment and ICT upgrading have been identified and budgeted in 20/21 and subsequent years.

### **Going Concern**

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

### **Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received in total £2,922,180 of GAG and other funding (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £3,127,062 on general running costs and transferred £60,883 to support capital new build and improvement projects on the various Academy sites. The Trust brought forward from 2018/19, £NIL restricted funds and £308,543 unrestricted funding. Excluding restricted fixed asset and pension funds, the carry forward for 2019/20 is £298,210 restricted funding and £301,047 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,791,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports in the Finance Committee. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £301,047. This has been built up from a mixture of locally raised income and balances transferred from previous years prudent financial control.

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The Trustees have made a decision to designate unrestricted balances of £58,000 for future capital projects in 2020/21, and is holding other unrestricted funds of £301,047 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £17,000 for in year contingencies and always plans to have a carry forward of between 7% to 10% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £12,383,704.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £724,570. A significant proportion of this cash is held against specific projects which have been delayed due to Covid-19 restrictions, and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Finance committee reports and attempt to hold a minimum of £240,000 to cover short term cash flow variances (equates to 1 month's total payroll costs).

### **Investment Policy**

An Investment Policy was approved by the BOT in May 2017, and has been reviewed in November 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

### **Principal Risks and Uncertainties**

The Trust works with the school leadership teams in maintaining a central risk register identifying the major risks, to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the BOT via the Finance Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

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

As a two school multi academy trust at present, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academies within the Trust have considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;

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- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Price Bailey and Herts For Learning Ltd to carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and the Academies have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

### **Fundraising**

The Trust only held small fundraising events during the year including St Valentine's Day, cake sales and themed dress up days. The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. All fundraising undertaken during the year was monitored by the Trustees. During the year no complaints or issues have arisen as a result of the fundraising events.

### **Plans for Future Periods**

As we move forward as an expanded Multi Academy Trust with two schools from February 2020, having established a strong financial, operational and curriculum foundation, both the Trustees and Senior Management Teams are confident in our ability to establish consistent procedures, best practise sharing and continued pupil places growth. This is a further step in our aim to be the best provider of outstanding provision for special needs pupils in the country.

- MAT expansion – we are pleased to confirm that Brandles School, Baldock, Hertfordshire, joined Larwood Academy Trust from February 2020. This enables the Trust to offer a complete educational experience for SEMH pupils from primary to secondary stages. Indeed the majority of Larwood Yr6 pupils transitioned to Yr7 in Brandles in September 2020.
- During the next 3 years, our aim is to establish an all through (currently 5 – 16yrs, and then in time 16-18yrs pathway) educational pathway for SEMH children in the North Hertfordshire area. Such provision will be characterised by quality experiences, creative, engaging and personalised curriculum provision that is different to previous failed placements, and a range of supportive systems and processes that are qualified as exceptional and innovative. In short, the best provision possible and with a national reputation for such quality and outcomes.
- Our day to day provision will be comprised of:  
Larwood School (Primary) day provision for 86 SEMH pupils (many with additional needs). Larwood School Space Hub for 12 pupils. A specific hub within Larwood School that caters for SEMH pupils with autism.  
Brandles School (secondary) day provision for up to 60 pupils with SEMH and a range of additional needs, with future plans to increase this capacity to 72 pupils with an additional classroom capital investment project in 21/22 already identified.

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**FOR THE YEAR ENDED 31 AUGUST 2020**

- Governance – we will consolidate training and knowledge sharing across the enlarged BOT, extending to secondary school applicable concepts. A new Chair of the Finance Committee was appointed in the autumn term 2020 to replace the recently retired former Chair. MAT policies will be reviewed as applicable and rolled out across the Academies to ensure consistency and best practice.
- Staffing / management structure: we have established a senior management structure during the summer term 2020 to enable the Trust to support both Schools. Our priority is sharing best practice, operational and financial expertise, enhancing consistency and driving progress for our pupils through to secondary school. This will be reviewed initially after 6 months and then again at the end of the first full academic year 20/21.
- Risk assessment – a review will be conducted again in 2021 reflecting both Schools' characteristics and contexts to establish a MAT approach.
- Additional Commissioned Services – The Trust successfully won the contract to provide Outreach support within the DSPL 2 area from Sept 2018 onwards for 3 years. This service is aligned to the Trust's aim to share best practice and knowledge to support the needs of our local community across approximately 25 mainstream primary schools within Stevenage.  
Brandles School has successfully engaged with the LA in a bespoke service for 20/21 to support some external provision pupils with 1to1 tuition and tailored development support.
- Curriculum approach – we continue to assess and actively develop our curriculum offer to enable a bespoke learning environment aligned to the needs of our specific pupils. Recent Covid-19 experience has prompted additional assessment of virtual and online resources which we will continue to develop during 20/21.
- Pupil progress – continued improvement in quality and quantity of writing through the implementation of events / software / moderation as part of an ongoing literacy programme. Plans for a library refresh at Larwood School during 19/20 will continue into 20/21, building on the updated stock of materials and equipment.
- Wellbeing / mental health – with the establishment of a MAT resource to lead on training, best practise sharing and consultation support, we intend to enhance this provision further with on site access to therapy sessions via The Butterfly Rooms provider.
- Learning / play environments – we plan to review the use of courtyard spaces at Larwood School and gym facilities at Brandles School, with a view to future capital investment for improved pupil experiences in these areas.
- Autism strategy – we continue to have a high proportion of pupils with autism therefore pursuing best practice for autistic children is in the best interests of all. It is our aim to achieve the National Autism Accreditation at Brandles School within the next 2 years.
- Behaviour Management – continue the work that has already driven down the need for restrictive physical intervention ( RPI ), through continued safeguarding training for staff, consistent coaching support, and targeted risk assessments / anxiety maps to avoid the need for RPIs.
- Staff professional development – provision of on-going training is a consistent aspect of professional life at Larwood Academy Trust. Where appropriate, combined training sessions will be conducted with staff from both Schools joining together to build on virtual relationships. Mental Health will continue to be a focus for training and further development aligned to the needs of our pupils.

Our overall aim is to continue to be an outstanding Trust, offering a safe and secure environment for our pupils to thrive and succeed in every aspect of School life.

**Funds Held as Custodian Trustee on Behalf of Others**

This is not applicable to Larwood Academy Trust.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**Employees and disabled persons**

**Employee involvement**

Where appropriate the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trade unions. The Trust provides information to employees generally by way of email, shared online documents and staff meetings.

At the Schools, information is channelled via the Leadership meetings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and pupil progress and attainment statistics when they are made available.

**Equal Opportunities Policy**

It is the Trust's policy to ensure equality of opportunities is afforded to staff, students and other stakeholders. Training, career development and promotion opportunities are available to all employees.

**Disabled Persons**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on  
14 Jan 2021 and signed on its behalf by:



S Barr (Jan 14, 2021, 8:39am)

**Mrs S Barr**

Chair of Trustees

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance in our recruitment of Trustees, committee structure and skills range.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, 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 Larwood Academy Trust 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 5 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr, Chair of Trustees	5	5
Mr J Thurgood, Vice Chair of Trustees	4	5
Mr S Trimble, Head Teacher - Larwood	5	5
Mr D Pearce, Head Teacher - Brandles	5	5
Mrs L Williams	4	5
Mrs J Baker	5	5
Mr P Myers	5	5
Mr K Abrahams	5	5
Mr D Login	5	5
Mr S Jacobs	2	2
Mr J Walker	0	0

**Review of year**

The Board of Trustees have been supportive and readily available for all relevant actions and decision making during the course the year, through the challenges of Covid-19 lockdown and moving to a virtual meeting format. Only two committee meetings were cancelled during this time as our focus was on the priorities of supporting the academy pupils and staff wellbeing.

The membership of the Board of Trustees changed during the course of the year when an additional special needs secondary academy joined the MAT. Three new Trustees joined the Board in February 2020 providing additional representation and valuable skills background from the newly joined Academy – we extend a warm welcome to them. One staff Trustee resigned at the end of January 2020 and we would to thank him for his contribution to the MAT since its establishment in November 2016.

We achieved many of our key strategic aims during the year, highlights included increasing pupil places at the primary level academy by 15% and integrating the newly joined secondary academy to establish an 'all through' provision offering for our local community in Hertfordshire. This achievement has seen a long standing goal come to fruition.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

In any review of 2019/20 it cannot go unmentioned the dramatic impact of Covid-19 restrictions and considerations on the delivery of our education provision. As a Board of Trustees, we are proud to reflect on the commitment and flexibility of our Academy leaders and staff members to adapt to and safely navigate the challenges of home-schooling, remote working and supporting the national effort to provide on site schooling for pupils of frontline workers.

**Governance reviews**

Due to the immediate priorities of Covid-19 lockdown, two committee meetings were cancelled in March 2020, resulting in five Finance Committee meetings and five Board of Trustee meetings out of the usual six meetings per annum taking place. However, the Board is satisfied that through the implementation of virtual meetings, it maintained effective oversight during this period.

As part of the strategic planning for MAT expansion, a review of the skills competency of trustees was conducted in spring 2019 by a member of the Board, with a training plan established and a gap analysis of the ideal additional skills to aim for in recruiting new Trustees, many of which have since been successfully achieved. A new finance system was implemented across the MAT in February 2020 to provide the best platform for financial scrutiny, consistency of processes and potential centralisation of services in future years as the MAT expands further.

While no external review of governance was conducted during the year, Larwood School and its Governors were successfully inspected by Ofsted in October 2019. The Chief Financial Officer of the Trust completed a self-evaluation of 'Governance Compliance' to the Academies Financial Handbook requirements and reported to the Finance Committee in July 2020. Following a change in Finance personnel during the year, it was clear that competency gaps had resulted in areas for improvement in the quality of reporting to Trustees, recording of key decisions and consistency of process application. All identified areas for improvement have been addressed immediately and a further change in personnel actioned to re-establish controls.

**Committees**

The Finance, Personnel & Premises Committee's remit is captured in the Terms of Reference for this committee.

Key aspects include :

- ~ Finance : to consider and approve the Trust's annual budget, monitor expenditure against budget, review benchmarking quotations and projects to ensure best value is achieved, to review and input into the Trust and School Development Plans, to approve reimbursements to the Executive Head Teacher.
- ~ Personnel : to review annually and consult on the Trust Staff Pay Policy and annual staff appraisal results, to implement procedures dealing with staff discipline and grievances, to provide input into the staffing structure, to participate in the recruitment process through interview stage to final selection.
- ~ Premises : to provide support and guidance for the Head Teachers on all matters relating to the School premises and grounds, security, health and safety. To inspect the premises and grounds annually and prepare a report of the conditions and a proposed order of priorities for maintenance. To undertake a safety audit of the Academy premises on a termly basis and report to the Board of Trustees, and to ensure that the Trust complies with health and safety regulations. To prepare a 'Lettings and Charges' Policy for the approval of the Finance Committee and to oversee the implementation of that policy.

The composition of this committee changed during 2019/20 as an additional Academy was added to the Trust, with three new Trustees joining.

Following the expansion of the MAT, Trustees also took the opportunity to refresh the approach in other committee structures, establishing separate committees to focus on Teaching, Learning and Assessment (TLA) and Behaviour, Attendance and Safeguarding (BAS). Previously this had been the focus of one committee. With this change, we have strengthened the knowledge and focus across the Trust, creating a longer term structure for the future.



**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr	5	6
Mr S Trimble	5	6
Mr J Thurgood	5	6
Mrs J Baker	5	6
Mr D Login	5	6
Mr D Pearce	5	6

**Review of value for money**

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

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

- Installation of ProWise interactive screens in all classrooms at Larwood School to enhance the use of technology for teaching and learning. Trialling of the same technology at Brandles School for evaluation with the donation of a ProWise screen from Larwood School.
- Review of the Trust's vehicles and implementation of changes to smaller seater minibus options which avoid the need for costly driver permit assessments, giving more flexibility of use for pupil activities.
- Completion of the re-designing of the existing 1960's dining room at Larwood School, with foldable dining tables and seating, to allow for greater flexible use of one of the largest spaces in the building eg. use for training, pupil activities.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Larwood Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust'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.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The Board of Trustees has decided to employ Herts For Learning Financial Services as Internal Auditor.

The Board also requests that a non-finance committee Trustee conduct an internal audit annually.

During 2019/20 the Chief Financial Officer also conducted several self assessments, due to the challenges of Covid-19 restrictions and remote working to ensure a range of reviews took place.

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

- Cash handling – reviewing the procedures for controls, segregation of duties, record keeping.
- Governance Compliance to the Academies Financial Handbook – review of quality of reporting to Trustees, recording of decision-making, clarity of meeting records.
- Accounts Processing Accuracy Improvement – review of quality of transaction descriptions, accuracy of budget area coding and process consistency across the academies in the Trust.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an Annual Summary Report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor and Chief Financial Officer have delivered their schedule of work as planned with no material control issues raised. Any suggested further improvement actions have been implemented during the year 2019/20 staff training and Trustee meeting formats.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

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

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

Approved by the Board of Trustees on 14 Jan 2021

and signed on their behalf by:



S Barr (Jan 14, 2021, 8:39am)

**Mrs S Barr**  
Chair of Trustees



S Trimble (Jan 14, 2021, 9:01am)

**Mr S Trimble**  
Accounting Officer

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Larwood Academy Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



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**Mr S Trimble** (Jan 14, 2021, 9:01am)

Accounting Officer

Date: 14 Jan 2021

**LARWOOD ACADEMY TRUST**  
**(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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 the Board of Trustees on  
on its behalf by:

14 Jan 2021

and signed



S Barr (Jan 14, 2021, 8:39am)

**Mrs S Barr**  
Chair of Trustees

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LARWOOD ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Larwood Academy Trust (the 'Trust') 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 Trust'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 2020 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 Trust 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LARWOOD ACADEMY TRUST (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 Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LARWOOD ACADEMY TRUST (CONTINUED)**

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our Report**

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



**Gary Miller (Senior Statutory Auditor)**

for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

Date: 14 January 2021



**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LARWOOD ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2018 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 Larwood Academy Trust 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 Larwood Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Larwood Academy Trust 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 Larwood Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

**Respective responsibilities of Larwood Academy Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of Larwood Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2016 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.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LARWOOD ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**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  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors

Date: 14 January 2021

**LARWOOD ACADEMY TRUST**  
(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 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	2	6,689	(309,252)	7,490,566	7,188,003	23,710
Charitable activities	3	-	2,922,180	-	2,922,180	1,933,058
Other trading activities	4	54,164	-	-	54,164	53,148
Investments	5	230	-	-	230	232
<b>Total income</b>		<b>61,083</b>	<b>2,612,928</b>	<b>7,490,566</b>	<b>10,164,577</b>	<b>2,010,148</b>
<b>Expenditure on:</b>						
Charitable activities	6	7,695	2,847,503	271,863	3,127,061	2,073,976
<b>Total expenditure</b>		<b>7,695</b>	<b>2,847,503</b>	<b>271,863</b>	<b>3,127,061</b>	<b>2,073,976</b>
<b>Net income/ (expenditure)</b>		<b>53,388</b>	<b>(234,575)</b>	<b>7,218,703</b>	<b>7,037,516</b>	<b>(63,828)</b>
Transfers between funds	16	(60,884)	-	60,884	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(7,496)</b>	<b>(234,575)</b>	<b>7,279,587</b>	<b>7,037,516</b>	<b>(63,828)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(281,000)	-	(281,000)	(332,000)
<b>Net movement in funds</b>		<b>(7,496)</b>	<b>(515,575)</b>	<b>7,279,587</b>	<b>6,756,516</b>	<b>(395,828)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		308,543	(977,215)	4,504,860	3,836,188	4,232,016
Net movement in funds		(7,496)	(515,575)	7,279,587	6,756,516	(395,828)
<b>Total funds carried forward</b>		<b>301,047</b>	<b>(1,492,790)</b>	<b>11,784,447</b>	<b>10,592,704</b>	<b>3,836,188</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 51 form part of these financial statements.

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 10359418**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	11,784,447	4,504,860
<b>Current assets</b>			
Debtors	14	69,936	64,590
Cash at bank and in hand		724,570	417,534
		794,506	482,124
Creditors: amounts falling due within one year	15	(195,249)	(113,796)
<b>Net current assets</b>		599,257	368,328
<b>Net assets excluding pension liability</b>		12,383,704	4,873,188
Defined benefit pension scheme liability	23	(1,791,000)	(1,037,000)
<b>Total net assets</b>		10,592,704	3,836,188
 <b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	11,784,447	4,504,860
Restricted income funds	16	298,210	59,785
		12,082,657	4,564,645
Restricted funds excluding pension liability	16	12,082,657	4,564,645
Pension reserve	16	(1,791,000)	(1,037,000)
<b>Total restricted funds</b>	16	10,291,657	3,527,645
<b>Unrestricted income funds</b>	16	301,047	308,543
<b>Total funds</b>		10,592,704	3,836,188

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue on 14 Jan 2021 and are signed on their behalf, by:



S Barr (Jan 14, 2021, 8:39am)  
**Mrs S Barr**  
 Chair of Trustees

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	7,536,038	211,601
<b>Cash flows from investing activities</b>			
	19	(7,229,002)	(118,576)
<b>Change in cash and cash equivalents in the year</b>		307,036	93,025
Cash and cash equivalents at the beginning of the year		417,534	324,509
<b>Cash and cash equivalents at the end of the year</b>	20, 21	724,570	417,534

The notes on pages 28 to 51 form part of these financial statements

**LARWOOD ACADEMY TRUST**  
**(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), judgements and key sources of estimation uncertainty, is set out below.

The Trust is a private company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The registered office of the Trust is Webb Rise, Stevenage, Hertfordshire, SG1 5QU.

**1.1 Basis of preparation of financial statements**

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

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Trust derives majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

**1.3 Income**

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

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.

**LARWOOD ACADEMY TRUST**  
**(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)**

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.

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.

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**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.

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

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust 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 Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Taxation**

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

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

**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.7 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.

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	- 20 - 50 years straight line
Long-term leasehold property	- 125 years straight line
Furniture and equipment	- 5 years straight line
Computer equipment	- 4 years straight line

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

**1.8 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.

**1.9 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.

**1.10 Liabilities**

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



**LARWOOD ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust 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 14. Prepayments are not financial instruments. 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.13 Pensions**

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

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

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

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

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

**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

Investment income, gains and losses are allocated to the appropriate fund.

**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Trustees make 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2020. 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.

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

**2. Income from donations and capital grants**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	748	-	748	8,353
Capital grants	-	-	12,219	12,219	15,357
Amounts transferred on conversion	6,689	(310,000)	7,478,347	7,175,036	-
	<u>6,689</u>	<u>(309,252)</u>	<u>7,490,566</u>	<u>7,188,003</u>	<u>23,710</u>
Total 2019	<u>-</u>	<u>8,353</u>	<u>15,357</u>	<u>23,710</u>	

In 2019, donations income was £8,353, all of which was restricted.

In 2019, capital grants income was £15,357, all of which was restricted fixed assets.

**3. Funding for the Trust's provision of education**

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	1,114,262	1,114,262	687,382
Other DfE /ESFA grants	184,005	184,005	76,885
Start Up Grant	70,000	70,000	-
	<u>1,368,267</u>	<u>1,368,267</u>	<u>764,267</u>
<b>Other Government grants</b>			
Local Authority grants	1,553,913	1,553,913	1,168,791
	<u>2,922,180</u>	<u>2,922,180</u>	<u>1,933,058</u>
Total 2019	<u>1,933,058</u>	<u>1,933,058</u>	

In 2019, income from DfE/ESFA grants and other Government grants was £1,933,058, all of which was restricted.

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

**4. Income from other trading activities**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	10,100	10,100	10,995
Rental income	30,206	30,206	29,859
Other income	13,858	13,858	12,294
	54,164	54,164	53,148
	54,164	54,164	53,148
Total 2019	53,148	53,148	

In 2019, income from other trading activities was £53,148, all of which was unrestricted.

**5. Investment income**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	230	230	232
	230	230	232
	230	230	232
Total 2019	232	232	

In 2019, investment income was £232, all of which was unrestricted.

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

**6. Expenditure**

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	2,024,798	-	99,574	2,124,372	1,471,807
Support costs	426,881	384,582	191,226	1,002,689	602,169
<b>Total 2020</b>	<u>2,451,679</u>	<u>384,582</u>	<u>290,800</u>	<u>3,127,061</u>	<u>2,073,976</u>
Total 2019	<u>1,543,408</u>	<u>290,671</u>	<u>239,897</u>	<u>2,073,976</u>	

In 2019, of total expenditure, £34,420 was from unrestricted funds, £1,845,175 was from restricted funds and £194,381 was from restricted fixed asset funds.

In 2019, direct costs consisted of £1,394,038 staff costs and £77,769 other costs.

In 2019, support costs consisted of £149,370 staff costs, £290,671 premises costs and £162,128 other costs.

**7. Charitable activities**

	2020 £	2019 £
Direct costs	2,124,372	1,471,807
Support costs	1,002,689	602,169
	<u>3,127,061</u>	<u>2,073,976</u>

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	426,881	149,370
Depreciation	259,645	192,493
Governance costs	38,717	11,150
Technology costs	20,865	6,437
Premises costs	124,937	98,178
Other support costs	115,126	142,642
Legal costs	16,518	1,899
	<u>1,002,689</u>	<u>602,169</u>

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

**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	9,962	8,478
Depreciation of tangible fixed assets	259,645	192,493
Fees paid to Auditors for:		
- audit	5,240	5,235
- other services	5,670	4,820
	270,517	201,826

**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	1,784,327	1,179,819
Social security costs	168,075	112,651
Pension costs	499,277	250,938
	2,451,679	1,543,408
Agency staff costs	36,228	27,244
	2,487,907	1,570,652

**b. Staff numbers**

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

	2020	2019
	No.	No.
Teaching	25	10
Admin & Support	46	28
Management	6	5
	77	43

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

**9. Staff (continued)**

**c. Higher paid staff**

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	1	-

**d. Key management personnel**

The key management personnel of the Trust 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 Trust was £619,939 (2019 - £412,666).

Included in this figure are employer national insurance contributions of £55,595 (2019 - £38,243) and employer pension contributions of £87,017 (2019 - £46,314).

**10. Central services**

No central services were provided by the Trust to its academies during the year and no central charges arose.

**11. Trustees' remuneration and expenses**

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

		2020	2019
		£	£
Mr S Trimble	Remuneration	100,000 -	95,000 -
		105,000	100,000
	Pension contributions paid	20,000 -	15,000 -
		25,000	20,000
Mr S Jacobs	Remuneration	15,000 -	35,000 -
		20,000	40,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Mr D Pearce	Remuneration	40,000 -	0
		45,000	
	Pension contributions paid	10,000 -	0
		15,000	

During the year ended 31 August 2020, expenses relating to travel and general office costs totalling £790 were reimbursed or paid directly to 6 Trustees (2019 - £480 to 2 Trustees).

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

**12. Trustees' and Officers' insurance**

The Trust 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, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the RPA scheme membership.

**13. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	4,903,420	-	81,368	72,249	5,057,037
Additions	23,276	5,893	17,316	14,400	60,885
Transfer on conversion	-	7,436,842	4,669	36,836	7,478,347
At 31 August 2020	<u>4,926,696</u>	<u>7,442,735</u>	<u>103,353</u>	<u>123,485</u>	<u>12,596,269</u>
<b>Depreciation</b>					
At 1 September 2019	473,080	-	50,597	28,500	552,177
Charge for the year	171,750	44,379	19,447	24,069	259,645
At 31 August 2020	<u>644,830</u>	<u>44,379</u>	<u>70,044</u>	<u>52,569</u>	<u>811,822</u>
<b>Net book value</b>					
At 31 August 2020	<u><u>4,281,866</u></u>	<u><u>7,398,356</u></u>	<u><u>33,309</u></u>	<u><u>70,916</u></u>	<u><u>11,784,447</u></u>
At 31 August 2019	<u><u>4,430,340</u></u>	<u><u>-</u></u>	<u><u>30,771</u></u>	<u><u>43,749</u></u>	<u><u>4,504,860</u></u>

Included in the value of freehold property is land of £875,000 (2019 - £875,000) which is not depreciated.



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

**14. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	585	787
VAT recoverable	26,690	11,089
Prepayments and accrued income	42,661	52,714
	69,936	64,590
	69,936	64,590

**15. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	(256)	-
Other taxation and social security	48,310	27,406
Other creditors	48,674	24,534
Accruals and deferred income	98,521	61,856
	195,249	113,796
	195,249	113,796
	2020 £	2019 £
Deferred income at 1 September 2019	2,146	10,763
Resources deferred during the year	2,071	2,146
Amounts released from previous periods	(2,146)	(10,763)
	2,071	2,146
	2,071	2,146

Resources deferred in the year relate to contributions towards future educational visits.

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

**16. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted	308,543	61,083	(7,695)	(60,884)	-	301,047
<b>Restricted general funds</b>						
GAG	-	1,114,262	(879,666)	-	-	234,596
Other DfE/ESFA	-	106,127	(106,127)	-	-	-
Pupil Premium	-	77,878	(77,878)	-	-	-
SEN funding	-	1,489,968	(1,489,968)	-	-	-
Other						
Government	59,785	63,945	(123,730)	-	-	-
Donations	-	748	(748)	-	-	-
Start up grant	-	70,000	(6,386)	-	-	63,614
Pension reserve	(1,037,000)	(310,000)	(163,000)	-	(281,000)	(1,791,000)
	(977,215)	2,612,928	(2,847,503)	-	(281,000)	(1,492,790)
<b>Restricted fixed asset funds</b>						
Fixed assets	4,504,860	7,478,347	(259,644)	60,884	-	11,784,447
DFC	-	12,219	(12,219)	-	-	-
	4,504,860	7,490,566	(271,863)	60,884	-	11,784,447
<b>Total Restricted funds</b>	3,527,645	10,103,494	(3,119,366)	60,884	(281,000)	10,291,657
<b>Total funds</b>	3,836,188	10,164,577	(3,127,061)	-	(281,000)	10,592,704

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**16. Statement of funds (continued)**

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

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

**Other DFE/ESFA grants**

Other DFE/ESFA grants represents other funding from the ESFA to be used for specific purposes.

**Pupil Premium**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**SEN funding**

This represents allocated funding for special educational needs pupils, transport services, residential operations and strategic school development.

**Other Government grants**

This represents funding from the Local Authority including outreach services for schools within the Stevenage area.

**Start up grant**

This represents funding for the costs of conversion to academy status and school improvement priorities of Brandles School.

**Restricted donations**

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the trips.

**Devolved Formula Capital (DFC)**

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

**Restricted fixed asset funds**

Restricted fixed asset funds represent resources which are to be applied to specific capital purposes imposed by the DfE/ESFA. The transfer between funds represents the net adjustment for additions of fixed assets purchased using GAG funding.

**Pension reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state maintained schools.

**Unrestricted funds**

This represents income received that does not have restrictions.

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**16. Statement of funds (continued)**

**Total funds analysis by Academy**

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Larwood	536,584	368,328
Brandles	62,673	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	599,257	368,328
Restricted fixed asset fund	11,784,447	4,504,860
Pension reserve	(1,791,000)	(1,037,000)
	<hr/>	<hr/>
<b>Total</b>	<b>10,592,704</b>	<b>3,836,188</b>
	<hr/> <hr/>	<hr/> <hr/>

**Total cost analysis by Academy**

Expenditure incurred by each Academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Larwood	1,480,569	240,578	36,096	207,499	1,964,742	1,881,483
Brandles	592,786	82,833	13,625	67,568	756,812	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Trust</b>	<b>2,073,355</b>	<b>323,411</b>	<b>49,721</b>	<b>275,067</b>	<b>2,721,554</b>	<b>1,881,483</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**16. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted	289,583	53,380	(34,420)	-	-	308,543
	<u>289,583</u>	<u>53,380</u>	<u>(34,420)</u>	<u>-</u>	<u>-</u>	<u>308,543</u>
<b>Restricted general funds</b>						
GAG	-	687,382	(583,931)	(103,451)	-	-
Other DfE/ESFA	-	26,490	(26,490)	-	-	-
Pupil Premium	-	50,395	(50,395)	-	-	-
SEN funding	-	907,732	(907,732)	-	-	-
Other						
Government	-	261,059	(201,274)	-	-	59,785
Year 7 catch up	-	8,353	(8,353)	-	-	-
Pension reserve	(638,000)	-	(67,000)	-	(332,000)	(1,037,000)
	<u>(638,000)</u>	<u>1,941,411</u>	<u>(1,845,175)</u>	<u>(103,451)</u>	<u>(332,000)</u>	<u>(977,215)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	4,580,433	-	(194,381)	118,808	-	4,504,860
DFC	-	15,357	-	(15,357)	-	-
	<u>4,580,433</u>	<u>15,357</u>	<u>(194,381)</u>	<u>103,451</u>	<u>-</u>	<u>4,504,860</u>
<b>Total Restricted funds</b>	<u>3,942,433</u>	<u>1,956,768</u>	<u>(2,039,556)</u>	<u>-</u>	<u>(332,000)</u>	<u>3,527,645</u>
<b>Total funds</b>	<u><u>4,232,016</u></u>	<u><u>2,010,148</u></u>	<u><u>(2,073,976)</u></u>	<u><u>-</u></u>	<u><u>(332,000)</u></u>	<u><u>3,836,188</u></u>

**LARWOOD ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	11,784,447	11,784,447
Current assets	301,047	493,459	-	794,506
Creditors due within one year	-	(195,249)	-	(195,249)
Provisions for liabilities and charges	-	(1,791,000)	-	(1,791,000)
<b>Total</b>	<u>301,047</u>	<u>(1,492,790)</u>	<u>11,784,447</u>	<u>10,592,704</u>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,504,860	4,504,860
Current assets	308,543	173,581	-	482,124
Creditors due within one year	-	(113,796)	-	(113,796)
Provisions for liabilities and charges	-	(1,037,000)	-	(1,037,000)
<b>Total</b>	<u>308,543</u>	<u>(977,215)</u>	<u>4,504,860</u>	<u>3,836,188</u>

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	7,037,516	(63,828)
<b>Adjustments for:</b>		
Depreciation	259,645	192,493
Interest receivable	(230)	(232)
Defined benefit pension scheme cost	163,000	67,000
(Increase)/decrease in debtors	(5,346)	4,164
Increase in creditors	81,453	10,116
Loss on disposal of fixed assets	-	1,888
<b>Net cash provided by operating activities</b>	<u>7,536,038</u>	<u>211,601</u>

**19. Cash flows from investing activities**

	2020 £	2019 £
Interest received	230	232
Purchase of tangible fixed assets	(60,885)	(118,808)
Transfers of tangible fixed assets	(7,168,347)	-
<b>Net cash used in investing activities</b>	<u>(7,229,002)</u>	<u>(118,576)</u>

**20. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	724,570	417,534
<b>Total cash and cash equivalents</b>	<u>724,570</u>	<u>417,534</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	417,534	307,036	724,570
	<u>417,534</u>	<u>307,036</u>	<u>724,570</u>

**22. Conversion to an academy trust**

On 1 February 2020 Brandles School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Larwood Academy Trust from Hertfordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	7,436,842	7,436,842
Other tangible fixed assets	-	-	41,505	41,505
LGPS pension surplus/(deficit)	-	(310,000)	-	(310,000)
Budget surplus/(deficit) on LA funds	6,689	-	-	6,689
<b>Net assets/(liabilities)</b>	<u>6,689</u>	<u>(310,000)</u>	<u>7,478,347</u>	<u>7,175,036</u>

**23. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and of the LGPS 31 March 2019.



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

Contributions amounting to £47,214 were payable to the schemes at 31 August 2020 (2019 - £24,477) and are included within creditors.

**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.

**The Teachers' Pension Budgeting and Valuation Account**

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; and
- 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 £129,674 (2019 - £63,649).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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

**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 £211,000 (2019 - £174,000), of which employer's contributions totalled £169,000 (2019 - £139,000) and employees' contributions totalled £ 42,000 (2019 - £35,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 per cent for employees.

As described in note 22 the LGPS obligation relates to the employees of the Trust, 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 Trust 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.

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	2.60	2.40
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020	2019
	Years	Years
Retiring today		
Males	21.9	21.5
Females	24.1	23.7
Retiring in 20 years		
Males	22.8	22.3
Females	25.5	25.0

As at 31 August 2020, the Trust had a pension liability of £1,791,000 (2019 - £1,037,000). The sensitivity analysis detailed below would increase / (decrease) the closing defined benefit obligation in the following way:

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**23. Pension commitments (continued)**

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(101,000)	(63,810)
Discount rate -0.1%	101,000	63,810
Mortality assumption - 1 year increase	29,000	91,160
Mortality assumption - 1 year decrease	(29,000)	(91,160)
CPI rate +0.1%	86,000	50,140
CPI rate -0.1%	(86,000)	(50,140)
	<u><u>          </u></u>	<u><u>          </u></u>

**Share of scheme assets**

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

	2020 £	2019 £
Equities	958,000	609,000
Bonds	632,000	484,000
Property	163,000	99,000
Cash and other liquid assets	54,000	50,000
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Total market value of assets</b>	<u><u>1,807,000</u></u>	<u><u>1,242,000</u></u>

The actual return on scheme assets was £20,000 (2019 - £91,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(308,000)	(186,000)
Past service cost	-	(2,000)
Interest income	29,000	30,000
Interest cost	(53,000)	(48,000)
	<u><u>          </u></u>	<u><u>          </u></u>
<b>Total amount recognised in the Statement of Financial Activities</b>	<u><u>(332,000)</u></u>	<u><u>(206,000)</u></u>

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**23. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	2,279,000	1,615,000
Conversion of academies joining the Trust	654,000	-
Current service cost	308,000	186,000
Past service cost	-	2,000
Interest cost	53,000	48,000
Employee contributions	42,000	35,000
Actuarial losses	272,000	393,000
Benefits paid	(10,000)	-
<b>At 31 August</b>	<u>3,598,000</u>	<u>2,279,000</u>

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

	2020 £	2019 £
<b>At 1 September</b>	1,242,000	977,000
Conversion of academies joining the trust	344,000	-
Interest income	29,000	30,000
Actuarial (losses)/gains	(9,000)	61,000
Employer contributions	169,000	139,000
Employee contributions	42,000	35,000
Benefits paid	(10,000)	-
<b>At 31 August</b>	<u>1,807,000</u>	<u>1,242,000</u>

**24. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	5,261	5,786
Later than 1 year and not later than 5 years	2,742	3,210
	<u>8,003</u>	<u>8,996</u>

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**25. Members' liability**

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

**26. Related party transactions**

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

During the period the Trust purchased cleaning products of £79 (2019 - £NIL) with Quantum Care Limited, a company of which the wife of Mr I Reid is a manager. No balance was owing to the company at the Balance Sheet date.

No other related party transactions took place in the period of accounts other than certain Trustees' remuneration and expenses disclosed in Note 11.