

Company Registration Number: 08271760 (England & Wales)

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



KINGS LANGLEY SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	F Stickley D Helfgott M Stothard J Harrison
Trustees	D Helfgott, Vice Chair of Trustees ^{1,2} M Hutchings, Parent Trustee ¹ A Westlake, Community Trustee (resigned 27 August 2020) ¹ F Stickley, Chair of Trustees ^{1,2} M Morant, Community Trustee ^{1,2} S Wood, Community Trustee ¹ G Craggs, Community Trustee ¹ S Setterfield, Parent Trustee ¹ H Young, Community Trustee D Butler, Community Trustee ¹ L Welling, Parent Trustee (resigned 21 July 2020) J O'Sullivan, Parent Trustee D Fisher, Headteacher and Accounting Officer ^{1,2} D Ludlow, Community Trustee ¹ Member of Resources Committee ² Member of General Purposes Committee
Company registered number	08271760
Company name	Kings Langley School
Principal and registered office	Love Lane Kings Langley Hertfordshire WD4 9HN
Company secretary	D Bell
Senior leadership team	D Fisher, Headteacher F Winfield, Principal Deputy Headteacher R Jennings (nee Digby), Deputy Headteacher H Pocklington (nee Smith), Principal Assistant Headteacher J Shaw, Assistant Headteacher N Monk, Assistant Headteacher D Bell, School Manager
Independent auditors	Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

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

Bankers	Barclays Bank Plc 62/64 High Street Watford Hertfordshire WD17 2BT
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

Kings Langley School ("The Trust" or "The Academy") operates an academy for students aged 11-18 serving a catchment area in Kings Langley and the surrounding area. The student capacity is 1,180 and had a roll of 1,059 in the school census on 3 October 2019.

Structure, governance and management

a. Constitution

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

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

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

The charitable company operates as Kings Langley School.

Details of the Trustees who served during the year, are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

In accordance with the normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The Department for Education's Risk Protection Arrangement (RPA) provides unlimited indemnity cover.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The governors of the local authority school, Kings Langley School, at the time of converting to an academy were re-appointed as Trustees of the academy school.

The Governing Body (Board of Trustees/Board of Directors) shall not consist of less than three Trustees, being the Headteacher and two parent governors as set out in the Articles of Association. The Governing Body agreed at its inaugural meeting that its membership should consist of twenty Trustees when complete, but the number of Trustees employed by the Academy trust (including the Headteacher must not exceed one third of the total number of Trustees including:

- The Headteacher of Kings Langley School, who is ex officio a member of the school's Governing Body.
- Seven parent Trustees elected by the parents/carers of registered pupils at the school. Any parent/carer of a pupil registered at the school is eligible for parent governorship.
- Ten community Trustees, appointed by the members of the Governing Body.

All Trustees serve a term of four years after which they can be eligible for re-election or re-appointment as above. The governors who were in office in the period under review are listed on page 1.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. This will include specific training courses for new Trustees so they gain a sound understanding of the role and responsibilities of being a school governor. All new Trustees are invited to tour the school and meet with the Headteacher and they are expected to take advantage of the Induction Course for new Trustees run by the governor support unit of Hertfordshire County Council.

f. Organisational structure

The Trustees provide strategic leadership and act as a critical friend to the Senior Leadership Team (SLT). The governing body meet at least once a term to discuss and transact its business.

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

The SLT comprises the Headteacher, one Principal Deputy Headteacher, one Deputy Headteacher, one Principal Assistant Headteacher, two Assistant Headteachers and the School Manager.

The Headteacher leads the SLT and is responsible for all day to day matters within the policy and financial framework (acting as the Accounting Officer) set by the Governing Body. The SLT control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. Any routine queries concerning the operation of the school from a Trustee would normally be handled by the Headteacher (or another member of the SLT). The Chair of Trustees is the Line Manager for the Headteacher and any issues that Trustees may have about the Headteacher should be raised initially with the Chair or Vice Chair of Trustees.

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

Structure, governance and management (continued)

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

Pay decisions at this school are made by the Governing Body based on evidence which is linked to appraisal outcomes and other indicators. Decisions are made after taking full account of the school improvement plan, recent and medium term financial plans and current staffing structure. The Governing Body is committed to making decisions in accordance with the 'key principles of public life': objectivity, openness and accountability.

Objectives and activities

a. Objects and aims

The principal object of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for students of different abilities, with a strong emphasis on English, Maths, Science and vocational subjects.

The aims of the Academy during the period ended 31 August 2020 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all students.
- To provide a broad and balanced curriculum, including extra-curricular activities.
- To develop students as more effective learners.
- To develop the Academy site so that it enables students to achieve their full potential.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To maximise the number of students who achieve Level 1-9 GCSE grades including English and Maths.
- To provide value for money for the funds expended.
- To develop greater coherence, clarity and effectiveness in school systems.
- To comply with all appropriate statutory and curriculum requirements.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- To adapt its policies and procedures to take into consideration the delivery of education during the COVID-19 pandemic.

At Kings Langley School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the year are contained in our School Improvement Plan (SIP).

The latest SIP has been devised to include recommendations following visits from HMI, Ofsted (May 2018) and other external advisers to help students make better progress. In addition the points emanate from a variety of sources; the various school boards, internal review and our own rigorous self-evaluation (SEF)

- Achieve consistently high outcomes of achievement and attainment by reflecting and utilising "best practice".
- Use assessment and feedback to raise attainment.
- Use data and other information to inform planning for learning and progress for all groups of students.
- Improve independence and accepting personal responsibility in order to progress.
- Develop "strong characteristics" to achieve learning excellence.
- Effective communication to ensure that all understand that consistent routines, structures, policies and procedures enable all students to progress.
- Quality of written work confirms progress in evaluative writing and studying stamina.
- Increased aspiration from students and teachers ensures outcomes at all levels and descriptors place the school in the top 25 percentile of similar schools.
- Ensure consistency of curriculum intent across all subject areas.
- Ensure the curriculum supports those students from disadvantaged backgrounds to make better progress.
- Ensure all staff are at least as ambitious as leaders for all children but particularly those from a disadvantaged background.
- Ensure all programmes of study are coherently planned and sequenced towards cumulatively sufficient knowledge.
- Ensure all teachers present subject matter clearly through embedding the teacher repertoire that is based on the principles of instruction and teaching methods that best suit our learners.
- Ensure a consistent approach to assessment that both informs teaching and considers the workload of staff.
- Develop a school wide literacy and numeracy programme and is enriched through programmes of study that meet the school curriculum aims and intent.
- Work with local primary schools to ensure better curriculum links are made between KS2 and KS3.
- Ensure the curriculum supports both students and staff knowledge of mental health support, awareness and prevention.
- Ensure that the school adapts its policies and procedures to take into consideration the delivery of education during the COVID-19 pandemic.

c. Public benefit

The Academy Trust's Trustees have shown due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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

Strategic report

Achievements and performance

a. Review of activities

Kings Langley School is a slightly above average sized 11-18 school with 1,059 students on roll. There is a broadly equal gender split across the school with females making up 48.44% and males 51.56%. The proportion of students entitled to Pupil Premium is 14% which is just over half the national average figure and the deprivation indicator at 0.11 is also below the national average of 0.20. The proportion of students receiving SEN support is 11.9% which is above the national of 10.8%. The number of students with Educational Healthcare Plans (EHCPs) is 0.1% which is below the national average of 1.7%. The proportion of students with a first language other than English is extremely low at 2.3% compared to the national average of 16.9%. Students enter the school with results from KS2 broadly in line with national averages.

The school is heavily oversubscribed with parents citing the ethos, culture and moral stature of the school as a key factor in choosing the school for their child (KR Survey). There were 635 applications for 186 places for entry in September 2020. The school took a decision to go over PAN by 4 and therefore filled 190 places.

The quality of education at Kings Langley School is good. The school has an effective and well-developed approach to safeguarding. Attainment in 2020 was above the national average for the following categories: overall; boys; girls; SEND; disadvantaged girls, boys and disadvantaged all. Progress has improved in 2020 from -0.03 in 2019 to 0.31 *(according to September Checking) with the upper confidence interval moving the school to above 0. Maths and English outcomes are above the national average in 2020 for 9-5 and 9-4 percentage figures. There is an increased drive to support the percentage of English Baccalaureate (Ebacc) entry at GCSE. Science GCSE 9-5 and 9-4 are both above national average. Attendance rates of students overall are above the national average. Students are well supported by high quality Careers guidance (100% GATSBY), Personal, Social and Health Education (PSHE) and Character Development programmes. The school remains an inclusive school and supports the local authority with hard to place students and Children Looked After (CLA).

A recent Ofsted Inspection Report from May 2018 describes the school as a good school with outstanding behaviour.

b. Key performance indicators

Our Financial performance is monitored by actuals against budget as well as challenging our spending and ensuring procurement represents value for money by following our Financial Handbook. As a school we are looking into the use of a Balanced Scorecard to support the collation of the various management information/data already in place, and to add to where appropriate. This will help us to take a rounded view of our performance and support the on-going monitoring, review and improvement of our school.

c. Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

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

Strategic report (continued)

Financial review

a. Financial review

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities. The restricted fixed asset balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2020, total expenditure of £6,964,519 was more than covered by the recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period for unrestricted funds totalled £49,107. The deficit on restricted funds totalled £1,907,466 but this included the pension deficit of £1,998,000.

At 31 August 2020 the net book value of fixed assets was £23,913,391 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

COVID-19 placed increased pressure on the school's financial and physical resources. However, the school responded positively to the challenge of adapting both the physical school learning environment into a COVID secure workplace, as well as introducing an online learning platform for students to provide continuity of education.

Laptops were procured for all staff to operate effectively from home to facilitate the online learning that was required which required a significant investment in hardware of £31,000 as our staff did not have school laptops. The school environment was adapted with signage, hand sanitising stations, increased cleaning products, PPE and a thermal imaging camera was installed. The cost of implementing the H&S requirements to provide a COVID secure environment were significant. We had anticipated costs would be recouped from the DfE for such matters as providing free meals to key worker children which led to increased catering costs, but this was not forthcoming and the other COVID related costs were also left unsupported. However, during the course of the previous school year there had been a significant review of spending and by using integrated curriculum and financial planning savings had been made to the budget for 2019/20, which we had hoped would be reinvested into other projects to support curriculum activities. However this money has been redirected to the COVID related expenditure.

The catering contract was a serious concern as the contractor was looking to recoup all of their losses during COVID. Legal advice was sought and the contractor was paid in line with the PPN02/20 guidance. The catering service is now recovering and the initial threat from the service provider to withdraw services has been negated.

The school had entered into a partnership in October 2019 with a company who facilitates the marketing, booking and staffing of the hire of the facilities outside of school hours. Unfortunately Schools Lettings Solutions went into administration in July 2020. The impact for the school was that the guaranteed income of £25k was lost, it is unlikely this will be recouped but it is now being dealt with by the appointed Administrators.

Considering the many challenges we have faced as an organisation from an educational provision and financial resources perspective, the school has managed to balance and mitigate risks that have arisen during the first part of the pandemic in line with the 7 principles of public life.

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

b. Reserves policy

The Academy's Reserves Policy is to carry forward the maximum amount in case of any unexpected expenditure to meet its aims and objectives as long as this does not affect its current activities.

Kings Langley School reviews the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. In normal circumstances, the Trustees have determined that the appropriate level of free reserves should be equivalent to six week's gross salary expenditure (approximately £550,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

c. Investment policy

Kings Langley School has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

d. Principal risks and uncertainties

Other principal risks and uncertainties are as follows:

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy'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.

Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement 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 is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academies Financial Handbook.

Funding – clearly the school has a responsibility to ensure funds are managed appropriately. However, the increase in staffing costs over the last few years and the changes in recent years to the employer Pension contributions, could add significant pressure to the school's budget if the funding allocation support were not to continue to support this area in future years. These are ongoing costs and therefore the school is at risk of financial deficit should support be withdrawn. The school will continue to review all areas of expenditure to ensure best value is always achieved.

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

Fundraising

The Academy continues to focus on fundraising to specifically apply for funding relating to adding to the school environment. The school community has worked hard and raised a significant amount of money which has been spent on new loose furniture and adding to the environment. The Friends of Kings Langley Fundraising Group will continue its fundraising initiatives, to ensure we have a continual means of funding to provide replacement furniture and equipment.

Plans for future periods

Due to funding pressure the school will continue to review staffing and restructure as appropriate. The Academy will continue to examine ALL methods to reduce costs. The Academy will also explore how they can best hire their facilities out of school hours to generate further income. The school will also seek funding to build new facilities which can also contribute to out of hour's income generation.

Funds held as custodian on behalf of others

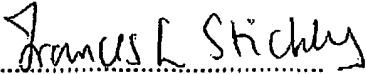
There are no funds held during this period.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 January 2021 and signed on its behalf by:


.....
F Stickley
Chair of Trustees

KINGS LANGLEY SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance, included here, supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times between 1 September 2019 - 31 August 2020.

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

Trustee	Meetings attended	Out of a possible
D Fisher, Headteacher and Accounting Officer	6	6
D Helfgott, Vice Chair of Trustees	3	6
M Hutchings, Parent Trustee	3	6
A Westlake, Community Trustee	4	6
F Stickley, Chair of Trustees	6	6
M Morant, Community Trustee	5	6
S Wood, Community Trustee	5	6
G Craggs, Community Trustee	5	6
S Setterfield, Parent Trustee	6	6
H Young, Community Trustee	0	6
D Butler, Community Trustee	6	6
L Welling, Parent Trustee	5	6
J O'Sullivan, Parent Trustee	6	6
D Ludlow, Community Trustee	5	6

The Chair of Trustees continues to encourage Trustees to visit school more frequently but acknowledges this is difficult for the majority have professional 'day jobs' and it is a challenge for them to be available during school hours.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose and function are:

- the initial review and authorisation of the annual budget.
- the regular monitoring of actual expenditure and income against budget.
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act and ESFA guidance issued to academies.

Attendance at the Resources Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
F Stickley	6	6
D Fisher	6	6
M Morant	6	6
A Westlake	3	6
M Hutchings	3	6
S Wood	6	6
G Craggs	4	6
S Setterfield	6	6
D Butler	3	6
D Ludlow	1	1

The General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose and function are:

1. To undertake activities as requested by the full Governing Body which do not fall under the remit of any other Committee.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

2. To provide guidance to the Governing Body and support to the Headteacher on the above activities.
3. To coordinate the production and review of School policies.
4. To input into the strategic thinking of the Governing Body and the Senior Leadership Team.
5. To review Extended Schools provision.
6. To review the annual financial audit report and pose any questions to the Resources committee.

The General Purposes Committee did not meet this year as all relevant business was absorbed into either the other Committee Meetings or presented at the Full Governing Body meetings.

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The successful Performance Appraisal Management system is at the core of the school's improvement system, which directly links teacher's pay with national standards and student outcomes. The bespoke data management system (Bluesky) allows senior and middle leaders to effortlessly match training needs and provision with specifically identified areas of weakness. The school believes this integrally linked monitoring and performance management system permits the efficient use of all resources, both human and financial, to ensure that they continue to be targeted at priority areas.
- The school has provided Trustees with reports and presentations based around measurable assessment and other objective data. This enables them to map progress of identified areas and measure the impact due to the allocation of resources. A key part of the objective measurement of all activity in the school has been provided through regular benchmarking exercises with other similar schools in the East of England and all local secondary schools.
- The school has reviewed the quality and "best value" provided by its service providers. This has resulted in new contracts being negotiated with external providers. Existing contracts for services from the Local Authority have been renegotiated to ensure higher levels of service, often at reduced cost.
- Trustees have been provided with regular and appropriate inspection reports from externally appointed professional agencies. Detailed reports from commissioned accountants and legal advisers indicate proper adherence to all national standards of financial management, procurements and personnel management.
- All financial arrangements are overseen by the governors' resources committee and the detailed minutes of these meetings continue to highlight the level of information provided by the school, specifically concerning benchmarking of income, expenditure and employee salaries.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy 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 Academy 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.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hillier Hopkins LLP, the external auditors, to perform additional checks.

Due to the revised FRC Ethical Standard for auditors the school is to appoint a separate internal audit function for the next financial year 2020-21.

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

Internal Audit Checks

Testing of purchase systems	Review of tangible fixed assets
Testing of contracts and tender procedures	Review of the finance manual
Review of payroll systems	Review of income i.e. trips, lettings, catering
Review of expenses, credit card expenses, petty cash	Review of VAT
Testing of bank reconciliations	

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, the external auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external auditor carried out their schedule of planned work and the following recommendations were made:

Autumn Term 2019:

- Bank Reconciliations: It was identified that the September 2019 reconciliation has not been dated when prepared and signed.
- Petty Cash: It was identified that the set limit of £30 has been exceeded for the payment of referee charges and that reconciliation sheet had not been dated at the time of signature.

Spring Term 2020

- Bank Reconciliation: it was identified that the reconciliation had not been dated when prepared and signed and that Full names were not recorded against signature.
- Petty Cash: It was identified that the reconciliation has not been dated when approved by the Headteacher and that the segregation of authorisation was not reflected against and SLT expense claim.

Summer Term 2020

- Petty Cash: it was noted that the reconciliation has not been dated when approved by the Headteacher.
- Fixed Assets: it was noted that Asset were added to the FAR on date of order not receipt.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

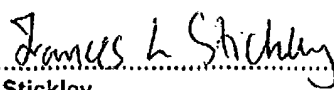
The Resources Committee have advised the Accounting Officer of the implications of the result of these reviews and a plan to ensure continuous improvement is in place.

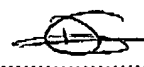
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to ensure continuous improvement of the system is in place.

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

21 January 2021

and signed


F Stickle
Chair of Trustees


D Fisher
Accounting Officer

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kings Langley School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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



.....
D Fisher
Accounting Officer
Date: 21 January 2021

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

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

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

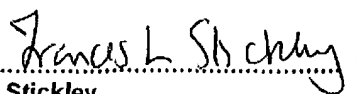
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



F Stickley
Chair of Trustees

Date: 21 January 2021

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Kings Langley School (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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 Academy 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.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

Other Information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 Academy 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.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy 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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Academy 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 Academy 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Bottom ACA (Senior Statutory Auditor)
for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House

51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *28th January 2021*

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 16 November 2015 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 Kings Langley School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Kings Langley School's funding agreement with the Secretary of State for Education dated 26 October 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

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.

Hillier Hopkins LLP

Hillier Hopkins LLP

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *25th January 2021*

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	4	-	-	22,489	22,489	81,950
Charitable activities	5	318,597	5,884,109	2,330	6,205,036	6,355,019
Other trading activities		3,424	-	-	3,424	23,517
Investments	7	6,215	-	-	6,215	5,267
Other income	8	29,923	-	-	29,923	24,197
Total income		358,159	5,884,109	24,819	6,267,087	6,489,950
Expenditure on:						
Charitable activities	10	309,052	6,056,558	598,909	6,964,519	7,102,981
Total expenditure		309,052	6,056,558	598,909	6,964,519	7,102,981
Net income/(expenditure)		49,107	(172,449)	(574,090)	(697,432)	(613,031)
Transfers between funds	19	(51,412)	-	51,412	-	-
Net movement in funds before other recognised gains/(losses)		(2,305)	(172,449)	(522,678)	(697,432)	(613,031)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	156,000	-	156,000	(634,000)
Net movement in funds		(2,305)	(16,449)	(522,678)	(541,432)	(1,247,031)

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	748,341	(1,891,017)	24,436,069	23,293,393	24,540,424
Net movement in funds	(2,305)	(16,449)	(522,678)	(541,432)	(1,247,031)
Total funds/ (deficit) carried forward	746,036	(1,907,466)	23,913,391	22,751,961	23,293,393

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

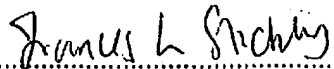
The notes on pages 27 to 55 form part of these financial statements.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08271760

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	23,913,391	24,436,069
Current assets			
Debtors	17	138,361	289,338
Cash at bank and in hand		1,315,153	1,226,981
		<u>1,453,514</u>	<u>1,516,319</u>
Creditors: amounts falling due within one year	18	(616,944)	(747,995)
Net current assets		<u>836,570</u>	<u>768,324</u>
Total assets less current liabilities		<u>24,749,961</u>	<u>25,204,393</u>
Net assets excluding pension liability		<u>24,749,961</u>	<u>25,204,393</u>
Defined benefit pension scheme liability	25	(1,998,000)	(1,911,000)
Total net assets		<u><u>22,751,961</u></u>	<u><u>23,293,393</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted Fixed asset funds	19	23,913,391	24,436,069
Restricted income funds	19	90,534	19,983
		<u>24,003,925</u>	<u>24,456,052</u>
Restricted funds excluding pension liability	19	24,003,925	24,456,052
Pension reserve	19	(1,998,000)	(1,911,000)
Total restricted funds	19	<u>22,005,925</u>	<u>22,545,052</u>
Unrestricted income funds	19	<u>746,036</u>	<u>748,341</u>
Total funds		<u><u>22,751,961</u></u>	<u><u>23,293,393</u></u>

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



F Stickle
 Chair of Trustees

21 January 2021

The notes on pages 27 to 55 form part of these financial statements.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	135,699	(175,189)
Cash flows from investing activities	22	(47,527)	(16,910)
Change in cash and cash equivalents in the year		88,172	(192,099)
Cash and cash equivalents at the beginning of the year		1,226,981	1,419,080
Cash and cash equivalents at the end of the year	23, 24	<u><u>1,315,153</u></u>	<u><u>1,226,981</u></u>

The notes on pages 27 to 55 from part of these financial statements

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

1. General information

Kings Langley School is a private company limited by guarantee and incorporated in England and Wales. The registered office is Love Lane, Kings Langley, Hertfordshire, WD4 9HN.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the 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.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

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

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

2.5 Expenditure

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

- **Charitable activities**

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

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.6 Interest receivable

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

2.7 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

2.8 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:

Long-term leasehold property	- 2% straight line
Long-term leasehold land	- Over 125 years
Furniture and fixtures	- 33.3% straight line
Plant and equipment	- 33.3% 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.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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 Academy 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.

2.12 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 17. 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 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.14 PFI arrangement

The buildings used by Kings Langley school were completed during the 2016-17 year under a Private Finance Initiative (PFI) contract. The Academy Trust entered into an arrangement which stipulates that the Academy Trust will pay a monthly contribution towards maintenance. The PFI arrangement is due to end of 9 November 2041.

PFI Payments

The Payments made in respect of the PFI arrangement charge is therefore expensed in the Statement of Financial Activities in the period to which they relate.

The Trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with the Education and Skills Funding Agency, thus the future payments are disclosed as commitments and not recognised as a liability.

Land and buildings

As the Academy Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI contract has ended, the land and buildings are capitalised within fixed assets on the Academy Trust's balance sheet at valuation on completion. The Freehold property is depreciated as disclosed in note 2.8.

KINGS LANGLEY SCHOOL
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.15 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

2.16 Agency arrangements

The academy acts as an agent in distributing funds from Hertfordshire County Council. Payments from Hertfordshire County Council and subsequent disbursements to partnership schools are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. A 20% uplift is included in the funding to support the management role and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

The academy also acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2016 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.

Critical areas of judgment:

Valuation of tangible fixed assets

Trustees have considered the value of tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgment and may, to a large extent, depend on the assumptions made in its evaluation. The trustees have concluded that the valuation of the tangible fixed assets as at the year end are appropriate.

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	-	-	-
Capital Grants	-	22,489	22,489
	<u>-</u>	<u>22,489</u>	<u>22,489</u>

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FOR THE YEAR ENDED 31 AUGUST 2020**

4. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	1,237	-	1,237
Capital Grants	-	80,713	80,713
	<u>1,237</u>	<u>80,713</u>	<u>81,950</u>

5. Funding for the Academy Trust's educational activities

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,240,984	5,240,984
Pupil Premium	-	151,835	151,835
Rates Relief	-	53,192	53,192
Other DfE Grants	-	296,516	296,516
	<u>-</u>	<u>5,742,527</u>	<u>5,742,527</u>
Other government grants			
Local Authority grants	-	44,786	44,786
	<u>-</u>	<u>44,786</u>	<u>44,786</u>
Other funding			
Catering income	180,637	-	180,637
Music Income	(540)	-	(540)
Trip income	14,633	-	14,633
Other income	123,867	99,126	222,993
	<u>318,597</u>	<u>5,886,439</u>	<u>6,205,036</u>

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

5. Funding for the Academy Trust's educational activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,288,362	5,288,362
Pupil Premium	-	163,388	163,388
Rates Relief	-	54,776	54,776
Other ESFA income	-	81,553	81,553
	-	5,588,079	5,588,079
Other government grants			
Local Authority grants	-	5,040	5,040
	-	5,040	5,040
Other income			
Catering income	271,668	-	271,668
Trip income	234,039	-	234,039
Music Income	33,170	-	33,170
Other income	39,440	183,583	223,023
	578,317	5,776,702	6,355,019

6. Income from other trading activities

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	3,424	3,424	23,517

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

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	6,215	6,215	5,267

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School fund income	29,923	29,923	24,197

9. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Direct costs	4,375,889	-	605,685	4,981,574
Allocated support costs	659,051	948,297	375,597	1,982,945
	<u>5,034,940</u>	<u>948,297</u>	<u>981,282</u>	<u>6,964,519</u>
	<u>5,034,940</u>	<u>948,297</u>	<u>981,282</u>	<u>6,964,519</u>
	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Direct costs	4,226,742	-	943,105	5,169,847
Allocated support costs	618,077	1,022,662	292,395	1,933,134
	<u>4,844,819</u>	<u>1,022,662</u>	<u>1,235,500</u>	<u>7,102,981</u>
<i>Total 2019</i>	<u>4,844,819</u>	<u>1,022,662</u>	<u>1,235,500</u>	<u>7,102,981</u>

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

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational activities	309,052	6,655,467	6,964,519

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Educational activities	534,402	6,568,579	7,102,981

11. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational activities	4,981,574	1,982,945	6,964,519

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational activities	5,169,847	1,933,134	7,102,981

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £	Total funds 2019 £
Pension cost	36,000	36,000	33,000
Staff costs	659,051	659,051	618,077
Depreciation	598,909	598,909	595,522
Technology Costs	33,475	33,475	30,236
Premises Costs	443,722	443,722	427,140
Other support costs	195,623	195,623	211,969
Governance costs	16,165	16,165	17,190
	<u>1,982,945</u>	<u>1,982,945</u>	<u>1,933,134</u>

12. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	598,909	595,522
Fees paid to auditors for:		
- audit	8,395	8,150
- other services	4,650	6,700
	<u>13,044</u>	<u>14,872</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,602,222	3,572,096
Social security costs	364,742	358,332
Pension costs	1,000,590	716,653
	<u>4,967,554</u>	<u>4,647,081</u>
Agency staff costs	67,386	197,738
	<u>5,034,940</u>	<u>4,844,819</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	21,290	-
	<u>21,290</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in the current year staff restructuring costs were non-statutory/non-contractual severance payments totalling £21,290. Individually, the payments were: £3,800 made in February 2020, £6,490 made in April 2020 and £11,000 paid after the year end.

There were no restructuring costs incurred in the prior year.

c. Staff numbers

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

	2020 No.	2019 No.
Teaching	66	70
Administration and support	88	81
Management	7	8
	<u>161</u>	<u>159</u>

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

13. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	1
In the band £121,001 - £130,000	-	1

e. Key management personnel

The key management personnel of the Academy 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 Academy Trust was £681,462 (2019 £647,377).

14. Trustees' remuneration and expenses

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

		2020 £	2019 £
D Fisher, Head teacher	Remuneration	85,000 - 90,000	20,000 - 25,000
	Pension contributions paid	20,000 - 25,000	0 - 5,000
G Lewis, Head teacher	Remuneration	n/a	120,000 - 125,000
	Pension contributions paid	n/a	0 - 5,000

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

15. Trustees' and Officers' insurance

In accordance with the normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The Department for Education's Risk Protection Arrangement (RPA) provides unlimited indemnity cover.

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FOR THE YEAR ENDED 31 AUGUST 2020**

16. Tangible fixed assets

	Long-term leasehold land and property £	Assets under construction £	Furniture and fittings £	Plant and equipment £	Total £
Cost or valuation					
At 1 September 2019	25,265,229	13,738	287,519	646,583	26,213,069
Additions	1,000	-	12,146	63,085	76,231
Transfers between classes	13,738	(13,738)	-	-	-
At 31 August 2020	25,279,967	-	299,665	709,668	26,289,300
Depreciation					
At 1 September 2019	949,934	13,738	228,539	584,789	1,777,000
Charge for the year	484,601	-	50,858	63,450	598,909
Transfers between classes	13,738	(13,738)	-	-	-
At 31 August 2020	1,448,273	-	279,397	648,239	2,375,909
Net book value					
At 31 August 2020	23,831,694	-	20,268	61,429	23,913,391
At 31 August 2019	24,315,295	-	58,980	61,794	24,436,069

17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	18,547	9,902
Prepayments and accrued income	93,178	217,476
VAT recoverable	26,636	61,960
	<u>138,361</u>	<u>289,338</u>

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18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,520	122,150
Other taxation and social security	93,154	92,464
Other creditors	392,211	369,552
Accruals and deferred income	124,059	163,829
	<u>616,944</u>	<u>747,995</u>
	2020 £	2019 £
Deferred income at 1 September 2019	72,239	131,413
Resources deferred during the year due in less than 1 year	53,555	72,239
Amounts released from previous periods	(72,239)	(131,413)
	<u>53,555</u>	<u>72,239</u>

At the balance sheet date the Academy Trust was holding funds received in advance for; rates, local school partnership support grants, hirings booked in advance, trips and student sales relating to the 2020/21 school year.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	724,990	328,236	(282,893)	(51,412)	-	718,921
Fund Account	23,351	29,923	(26,159)	-	-	27,115
	<u>748,341</u>	<u>358,159</u>	<u>(309,052)</u>	<u>(51,412)</u>	<u>-</u>	<u>746,036</u>
Restricted funds						
General Annual Grant (GAG)	4,757	5,240,984	(5,183,800)	-	-	61,941
Pupil Premium	15,226	151,835	(138,468)	-	-	28,593
Rates Relief	-	53,192	(53,192)	-	-	-
Other Government funding	-	44,786	(44,786)	-	-	-
Other income	-	393,312	(393,312)	-	-	-
Pension reserve	(1,911,000)	-	(243,000)	-	156,000	(1,998,000)
	<u>(1,891,017)</u>	<u>5,884,109</u>	<u>(6,056,558)</u>	<u>-</u>	<u>156,000</u>	<u>(1,907,466)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	24,436,069	24,819	(598,909)	51,412	-	23,913,391
Total Restricted funds	<u>22,545,052</u>	<u>5,908,928</u>	<u>(6,655,467)</u>	<u>51,412</u>	<u>156,000</u>	<u>22,005,925</u>
Total funds	<u>23,293,393</u>	<u>6,267,087</u>	<u>(6,964,519)</u>	<u>-</u>	<u>156,000</u>	<u>22,751,961</u>

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

The Pupil Premium fund is for allocation of funding to schools with pupils that come from low income families and are known to be eligible for free school meals.

The Other ESFA fund is for allocation of funding to schools from the ESFA that is separate from the General Annual Grant (GAG) funding.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and through which all the pension scheme movements are recognised.

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

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	655,922	634,561	(537,948)	(27,545)	-	724,990
Fund Account	28,608	24,197	(29,454)	-	-	23,351
	<u>684,530</u>	<u>658,758</u>	<u>(567,402)</u>	<u>(27,545)</u>	<u>-</u>	<u>748,341</u>
Restricted funds						
General Annual Grant (GAG)	31,378	5,288,362	(5,320,351)	5,368	-	4,757
Pupil Premium	15,815	163,388	(163,977)	-	-	15,226
Rates Relief	-	54,776	(54,776)	-	-	-
Other Government funding	-	5,040	(5,040)	-	-	-
Other income	-	238,913	(238,913)	-	-	-
Pension reserve	(1,120,000)	-	(157,000)	-	(634,000)	(1,911,000)
	<u>(1,072,807)</u>	<u>5,750,479</u>	<u>(5,940,057)</u>	<u>5,368</u>	<u>(634,000)</u>	<u>(1,891,017)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	24,928,701	80,713	(595,522)	22,177	-	24,436,069
Total Restricted funds	<u>23,855,894</u>	<u>5,831,192</u>	<u>(6,535,579)</u>	<u>27,545</u>	<u>(634,000)</u>	<u>22,545,052</u>
Total funds	<u>24,540,424</u>	<u>6,489,950</u>	<u>(7,102,981)</u>	<u>-</u>	<u>(634,000)</u>	<u>23,293,393</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. 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	-	-	23,913,391	23,913,391
Current assets	767,206	686,308	-	1,453,514
Creditors due within one year	(21,170)	(595,774)	-	(616,944)
Provisions for liabilities and charges	-	(1,998,000)	-	(1,998,000)
Total	746,036	(1,907,466)	23,913,391	22,751,961

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	-	-	24,436,069	24,436,069
Current assets	781,246	735,073	-	1,516,319
Creditors due within one year	(32,905)	(715,090)	-	(747,995)
Provisions for liabilities and charges	-	(1,911,000)	-	(1,911,000)
Total	748,341	(1,891,017)	24,436,069	23,293,393

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(697,432)	(613,031)
Adjustments for:		
Depreciation	598,909	595,522
Capital grants from DfE and other capital income	(22,489)	(80,713)
Dividends, interest and rents from investments	(6,215)	(5,267)
Defined benefit pension scheme cost less contributions payable	207,000	124,000
Defined benefit pension scheme finance cost	36,000	33,000
Decrease/(increase) in debtors	150,977	(66,688)
Decrease in creditors	(131,051)	(162,012)
Net cash provided by/(used in) operating activities	135,699	(175,189)

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	6,215	5,267
Purchase of tangible fixed assets	(76,231)	(102,890)
Capital grants from DfE Group	22,489	80,713
Net cash used in investing activities	(47,527)	(16,910)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,315,153	1,226,981
Total cash and cash equivalents	1,315,153	1,226,981

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

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,226,981	88,172	1,315,153
	<u>1,226,981</u>	<u>88,172</u>	<u>1,315,153</u>

25. Pension commitments

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

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

Contributions amounting to £90,922 were payable to the schemes at 31 August 2020 (2019 - £80,204) 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.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £633,973 (2019 - £411,112).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £255,000 (2019 - £286,000), of which employer's contributions totalled £203,000 (2019 - £230,000) and employees' contributions totalled £ 52,000 (2019 - £56,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 - 12.5% per cent for employees.

As described in note 2.15 the LGPS obligation relates to the employees of the Academy 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 Academy 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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.40	2.50
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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
<i>Retiring today</i>		
Males	21.9	21.5
Females	24.1	23.7
<i>Retiring in 20 years</i>		
Males	22.8	22.3
Females	25.5	25.0

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate -0.1%	129	123
CPI rate +0.1%	117	105

Share of scheme assets

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

	2020	2019
	£	£
Equities	1,544,970	1,348,480
Corporate bonds	1,229,670	1,073,280
Property	252,240	220,160
Cash and other liquid assets	126,120	110,080
Total market value of assets	3,153,000	2,752,000

The actual return on scheme assets was £184,000 (2019 - £207,000).

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25. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	(410,000)	(350,000)
Past service cost	-	(4,000)
Interest income	52,000	68,000
Interest cost	(88,000)	(101,000)
Total amount recognised in the Statement of Financial Activities	(446,000)	(387,000)

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

	2020 £	2019 £
At 1 September	4,663,000	3,408,000
Current service cost	410,000	350,000
Interest cost	88,000	101,000
Employee contributions	52,000	56,000
Actuarial (gains)/losses	(24,000)	773,000
Benefits paid	(38,000)	(29,000)
Past service costs	-	4,000
At 31 August	5,151,000	4,663,000

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

	2020 £	2019 £
At 1 September	2,752,000	2,288,000
Interest income	52,000	68,000
Actuarial gains	132,000	139,000
Employer contributions	203,000	230,000
Employee contributions	52,000	56,000
Benefits paid	(38,000)	(29,000)
At 31 August	3,153,000	2,752,000

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26. Operating lease commitments

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

	2020 £	2019 £
Amounts payable:		
Not later than 1 year	27,849	32,324
Later than 1 year and not later than 5 years	3,631	31,479
	<u>31,480</u>	<u>63,803</u>

As noted in accounting policy note 2.14, the new school build was constructed under a Private Finance Initiative (PFI) agreement.

The PFI arrangement commitments as disclosed above relate to the amounts payable to Education and Skills Funding Agency as the school's contribution to the PFI contract payments.

The commitment under the agreement is based on estimated RPI figures for the monthly contributions. The payment will increase by RPI for the remainder of the PFI contract which expires on 9 November 2041.

The trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with Education and Skills Funding agency, thus the future payments are disclosed as commitments and not recognised as a liability.

	2020 £	2019 £
PFI arrangement:		
Not later than 1 year	122,427	119,441
Between 1 and 5 years	521,088	508,378
Later than 5 years	2,757,666	2,892,802
	<u>3,401,181</u>	<u>3,520,621</u>

27. Other financial commitments

At 31 August 2020 the academy had annual commitments under contracts held totalling £84,689 (2019: £65,988).

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28. 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.

29. Related party transactions

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

During the prior year the Academy entered into a transaction with the Kings Langley School Outdoor Education Centre, a charity, for the use of the accommodation facilities as part of the Duke of Edinburgh Award. F Stickley and D Helfgott are Trustees of both the Academy and the charity. The total amount paid during in the prior year was £1,200. There was no amounts paid in the year to 31 August 2020.

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30. Agency arrangements

During the year ended 31 August 2020 the Trust received funding of £47,340 (2019: £47,328) and disbursed £47,340 (2019: £47,328) in relation to DFS School Family Worker. At the year end, there were no undistributed funds held in the balance sheet.

During the year ended 31 August 2020 the Trust received funding of £11,000 (2019: £19,000) and disbursed £11,127 (2019: £13,108) in relation to DSPL J Sandford. At the year end, there was £11,945 (2019: £12,072) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £148,331 (2019: £79,430) and disbursed £150,270 (2019: £255,327) in relation to DSPL M Oliver. At the year end, there was £205,547 (2019: £207,486) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £71,335 (2019: £81,336) and disbursed £71,143 (2019: £77,561) in relation to Gade Services partnership. At the year end, there was £18,393 (2019: £18,201) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £53,992 (2019: £28,405) and disbursed £55,334 (2019: £73,308) in relation to Link Family Services partnership. At the year end, there was £31,573 (2019: £32,915) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £nil (2019: £nil) and disbursed £214 (2019: £nil) in relation to Extended School Sports Funding. At the year end, there was £1,098 (2019: £1,312) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £9,000 (2019: £18,099) and disbursed £13,194 (2019: £13,445) in relation to Kings Langley School Primary Services. At the year end, there was £9,566 (2019: £13,760) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £25,408 (2019: £31,030) and disbursed £29,606 (2019: £33,401) in relation to Kings Langley School Services. At the year end, there was £552 (2019: £4,750) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £14,500 (2019: £9,000) and disbursed £13,918 (2019: £8,319) in relation to DSPL N Long. At the year end, there was £1,263 (2019: £681) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £20,617 (2019: £18,724) and disbursed £8,873 (2019: £17,847) in relation to Partnership of Dacorum Schools. At the year end, there was £12,621 (2019: £877) of undistributed funds in creditors.

During the year ended 31 August 2020 the Trust received funding of £14,000 (2019: £nil) and disbursed £11,204 (2019: £nil) in relation to A Farrance. At the year end, there was £2,796 (2019: £nil) of undistributed funds in creditors.

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the Trust received £12,863 (2019: £13,050) and disbursed £8,215 (2019: £38,291) from the fund. An amount of £5,939 (2019: £1,291) is included in other creditors relating to undistributed funds that is repayable to ESFA.

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31. Controlling party

In the opinion of the governors there is no ultimate controlling party.