

LARWOOD ACADEMY TRUST

(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S Barr Mr J Thurgood (resigned 17 October 2020) Mrs J Baker Mr P Myers
Trustees	Mrs S Barr, Chair of Trustees Mr J Thurgood (resigned 17 October 2020) Mr S Trimble, Accounting Officer Mr D Pearce (resigned 31 August 2021) Mrs L Williams Mrs J Baker, Vice Chair of Trustees Mr P Myers Mr K Abrahams Mr D Login Mrs J Sharp (appointed 25 May 2021) Mr P Smith (appointed 1 September 2021) Mr P Van Der Merwe (appointed 1 September 2021)
Company registered number	10359418
Company name	Larwood Academy Trust
Principal and registered office	Larwood Drive Stevenage Hertfordshire SG1 5BZ
Company Secretary	Mrs S Fitzpatrick
Accounting Officer	Mr S Trimble
Senior Management Team	Mr S Trimble, Accounting Officer, CEO Mrs S Fitzpatrick, Trust Finance Manager Mr P Van Der Merwe, Deputy Head Teacher, Larwood School (Acting Head Teacher from 01/09/21) Mrs B Osobu, Assistant Head Teacher, Larwood School (Acting Deputy Head Teacher from 01/09/21) Mrs E Williams, Acting Assistant Head Teacher, Larwood School (from 01/09/21) Mr I Reid, Premises Manager, Larwood School Mr D Pearce, Head Teacher, Brandles School (resigned 31/08/21) Mr P Smith, Deputy Head Teacher, Brandles School (Acting Head Teacher from 01/09/21) Mr I Reid, Assistant Head Teacher, Brandles School (Acting Deputy Head Teacher from 01/09/21) Ms N Wilsher, Assistant Head Teacher, Brandles School (Acting Deputy Head Teacher from 01/09/21)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Lloyds Bank PLC
3 Town Square
Stevenage
SG1 1BG

LARWOOD ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Larwood Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates as a two school Multi-Academy Trust, comprising a special needs Primary Academy and a special needs Secondary Academy. Larwood School serves a catchment area in Stevenage, East and North Hertfordshire, with the capacity for 90 primary age pupils. Brandles School is based in Baldock, serving the same catchment area in Hertfordshire, with a capacity for 70 secondary age pupils. Both Academies have recently completed capital projects to increase pupil numbers during 21/22 and 22/23.

Structure, Governance and Management

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

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

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

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

Members' Liability

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

Trustees and Officers' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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Following the addition of a second Academy to the Trust in February 2020, two new Trustees and the Head Teacher of the Brandles Academy joined the Board of Trustees, with the Larwood Academy Head Teacher becoming the Executive Head Teacher of the MAT. At the beginning of 20/21 one of the Co-opted Trustees retired and a new co-opted Trustee joined towards the end of the year. The staff Trustee from Brandles Academy left our employment at the end of the year.

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

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

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

Organisational Structure

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

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

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

The BOT, meets on at least 6 occasions per year and its 5 sub committees meet at least 3 times per year with the Finance Committee meeting 6 times per year. The BOT is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Trustees within the various committees are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

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

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

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Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

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

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

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

Trade union facility time

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

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

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

- Jubilee Court Care Home, Stevenage
- Thurley Dance
- Stevenage Borough Council
- The Butterfly Room
- Karate Club Baldock
- Christ Church Baldock

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities

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

- To support our pupils through Covid related Lockdown periods with remote learning and frequent wellbeing check-ins.
- To help our pupils reintegrate back into school life after Covid related Lockdown, supporting that transition with care and sensitivity.
- To assess and support additional educational and emotional needs following the impact of Covid related Lockdown absence from school.
- To continue to provide a dynamic and flexible curriculum with emphasis on literacy, numeracy and creativity.
- Ensure that every child has a strong and respectful relationship with the adults that work with them.
- To implement new curriculum initiatives at each school that helped address some of the impact that the pandemic had had on pupils and their varied experiences during the pandemic so far.
- Provide a safe and secure environment which allows children to relax, have fun and enjoy themselves. All members of the School community are valued. We ensure that pupils are rewarded for getting things right and we apply consequences when they don't.
- Challenge children to succeed in all areas of School life, ensuring that pupils understand that we all make mistakes and that success comes in many forms. This may include improved behaviour goals, subject progression, and could be related to relationships and trust. All staff will ensure that Hertfordshire Steps is consistently used to engage, modify and aid pupils on their journey of improved progress.
- Collaborate with other parties to ensure we support our children with the very best care and professional interventions. This includes parents, other professionals such as the Educational Psychologist, Mental Health professionals, Attendance Officer, School Nurse, SEN Officers, Art, Speech and Language specialists, animal therapies.
- Prepare our secondary school students to engage in appropriate courses leading to formal qualifications such as GCSEs, BTECs and equivalents.
- Provide appropriate advice, information and guidance outlined in the Gatsby Benchmarks regarding post-16 pathways and future careers.

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Our success in fulfilling our aims can be measured by:

- The engagement of our pupils in remote learning and continued interaction with school staff during Covid related Lockdown periods.
- The Covid catch up initiatives implemented on return to school to support those pupils most impacted by Lockdown.
- The progress that our pupils make in relation to a range of factors including, but not exclusive to, behaviour, attendance, subject specific progress, individual life based skills, examinations results at KS 4
- Attainment tests sat at key times such as Standard Attainment Tests and examinations tests at KS 4
- Independent reporting mechanisms that review the progress of the School such as our School Improvement Partner and Ofsted.
- Continued progress and successful transitioning at partner SEMH secondary schools or for some pupils by returning to mainstream schools
- GCSE, BTEC and equivalent qualifications, successful enrolment and completion of Post-16 courses.
- The ability of our pupils to play a meaningful and contributory role in their local community and society.

Public Benefit

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

Strategic Report

Achievements and Performance

The Trust adapted its mission accordingly during the challenges of Covid Lockdown during 20/21 to ensure that students achieved their potential in public examinations, supported staff, pupils and families during such challenging times, and developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

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

- Shortly after Brandles School joined the MAT, the Covid-19 restrictions and lockdown occurred, thus the focus of Trustees and Leadership was the safety and wellbeing of pupils and staff during 19/20 and into 20/21. During this period, plans for integration of data collection and performance monitoring were suspended temporarily and have since resumed as appropriate within our priorities post Lockdown.
- As with many other schools and the rest of the UK, we had to rapidly adapt due to Covid-19. This led to a restructuring of staff roles and a vast range of video/online learning resources being used for our pupils.
- For the second year in a row, we experienced a high level of disruption with a national lockdown period between Jan and March 2021. However, we did not have pupils out of school for very long and initially modelled a similar approach to last year and retained a small group of highly vulnerable pupils in school for this time and gradually added to it each week. By the time that mainstream schools returned to school, we had already had all of our pupils back for a number of weeks.
- On-site curriculum provision continued during lockdown as it was before lockdown and adaptation took place where needed to secure 'bubbles' and reduce potential transmission. See above.
- Committee meetings moved to a virtual format from April 20 onwards, to enable information sharing and monitoring as per our governance approach, and have continued in this format throughout 20/21.

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- Transition procedures were similar to those normally used but with the addition of some virtual elements. Year 6 pupils were able to come into School to say 'goodbye' before they left and a Year 6 leavers' video was produced. Covid-friendly tours of the School were conducted for new pupils and their parents, with the involvement of the family worker. Most Year 6 pupils went on to Brandles, which assisted in transition, and Brandles transitioned pupils in a staggered way this year. All of these students had a Covid-friendly tour of the School and met key staff in the Summer Term. However, we were not able to deliver a well planned summer school for Lawood pupils at Brandles due an outbreak of Covid at Larwood which resulted in the vast majority of Year 6 pupils in isolation for the start of the holiday period.
- During the course of 2020-21, The Space Hub at Larwood School continued to develop the provision established in early 2020. Some pupils actually transitioned back into the main school during the course of the year. We now have additional flexibility to support Autistic pupils with the combination of the main school and Space Hub personalised approach.
- With increased demand for spaces, a capital project in the Space Hub area was supported by Hertfordshire Local Authority to increase pupil places from 12 to 16, ready for the 21/22 academic year.
- Challenge Partners at Larwood. An independent review consultation that due to Covid took place virtually. It was conducted by an ex Headteacher and current Ofsted Inspector. This review took place across three days and involved interview with Senior Leaders, Middle Leaders, and Trustees.
- National Autism Accreditation Review at Larwood. This took place in two phases. One consisting of a range of virtual interviews and the other consisted of a physically based visit with all classes being observed, as well as conversations with pupils and staff on the same day. NAS Review culminated in the awarding of Advanced Accreditation. (Basic accreditation awarded in 2018).
- Larwood : Positive reports from our independent Improvement Partner.
- PE at Larwood : last week of term introduced a new element into PE this academic year where each class had the opportunity to experience new physical challenges that wouldn't traditionally be offered through the national curriculum. These included archery, football snooker, football golf and the most popular one - an obstacle course. These experiences offered pupils the chance to take risks with something new, discover new skills and enjoy the benefits associated with living a healthy lifestyle – this is directly linked to the Chris Quigley learning intention for PE.
- This year we have introduced the use of KISS to assist our self-evaluation review process:
 - K-Keep it
 - I-Improve (by doing what and what would be the expected outcome)
 - S-Start-a different way of working or project to assist this area, outlining the reasons and outcomes
 - S-Stop it! With reasons for this.
- Larwood School continued to provide an outreach service for primary schools within Stevenage. This is contracted by our Developing Specialist Provision Locally (DSPL) and is due for review at the end of 20/21.
- Brandles School had 54 pupils on roll at the end of the 19/20 academic year, increasing to 60 from Sept 2020. Indeed, during 20/21 a new model of External Provision was established to support pupils otherwise likely to be permanently excluded. This initiative was supported financially by Hertfordshire Local Authority and co-ordinated by the school SLT.
- Even with such challenging circumstances, Brandles went to achieve its best ever set of KS 4 examination results. No pupils ended up as NEETs'
- Challenge Partners at Brandles. An independent review consultation that due to Covid took place virtually. It was conducted by an ex Headteacher and current Ofsted Inspector. This review took place across three days and involved interview with Senior Leaders, Middle Leaders, and Trustees.

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- A curriculum review took place which led to an innovative new Life Skills/Learning to Learn approach for Year 7. This was based on comprehensive research, planning and staff training.
- A plan was constructed and delivered to the DFE for expansion of places and this was approved.
- Brandles : Positive reports from our independent Improvement Partner.
- Reduced levels of need for physical interaction with pupils alongside reduced numbers of incidents.
- Where possible continued opportunities to engage in off-site activities within the local community.
- A range of externally verified courses and providers were used to enhance or provide adapted curriculum experiences for pupils that needed such change and presented with different needs to others.
- Brandles introduced a basic level of self-evaluation that will reviewed key areas such as behaviour and curriculum. This approach is set to expand over time, in a similar way that it has evolved at Larwood.
- For the first time in its history, a middle leadership group was established with clear areas of responsibility to help promote even greater progress, alongside development of staff.
- Pupil Attendance of 94.95% at Larwood School for 20/21.
- Pupil Attendance of 82.9% at Brandles School for 20/21.
- Governance – We have continued to successfully strengthen the range of experience and skills in our Board of Trustees during 20/21, with a new Finance experienced Trustee joining in May21. We will continue our program of Trustee training to ensure our Trustees are equipped to move the Trust forward as rapidly as possible in an increasingly changing and complex landscape.
- Curriculum - Continuation of the Hands-On Mondays to allow pupils to practise what they have learned for a deeper understanding of a concept.
- We continued work on our ASC practice, revisiting concepts such as the importance of sensory stories, comic book conversations, sensory breaks, etc. We were on track for our February 2021 accreditation review which has now been postponed due to Covid-19
- Introduction of the CREST science model – and this is continuing to be developed.
- Three curriculum leads were appointed in November 2019 – maths, literacy, and creative curriculum for maths, literacy and science. Their planned tasks have been adapted due to Covid-19.
- During the Easter and summer holidays, the School provided Cool Kids Club: an out-of-school club especially aimed at pupils who feel safer at school than at home. This provision was led by Larwood staff and was able to accommodate 24 Larwood pupils. Getting provision across the holidays had been a long-term aim, so getting this set up has been a major triumph.
- Our normal programme of trips to London, zoos etc and PGL, have been paused due to Covid-19 restrictions, however we are now able to plan ahead for Covid safe events during 21/22 including PGL in June 22.
- At Brandles the curriculum is based on the National Curriculum and is broadly divided into Key Stage 3 (Years 7 to 9) and Key Stage 4 (Years 10 & 11). Alongside this we have created a series of enrichment activities that are focussed on developing the learning, social and emotional skills.

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- To ensure we cater for the needs of all our students we employ a variety of strategies including alternative education programmes, hybrid, and bespoke timetables. This allows for flexible and adaptive teaching, differentiated to both support and challenge students of all abilities.
- We acknowledge that literacy and numeracy levels are a key driver in the implementation of a purposeful and high-quality curriculum. Therefore, we have enhanced our middle leaders team to focus on a programme of interventions, dedicated literacy and numeracy support assistants who specialise in improving reading, writing, comprehension, and numeracy of students.
- Moving into Key Stage 4 students follow both a core and option curriculum. The option curriculum allows students to progress further in areas in which they have a particular interest.
- We offer a wide range of qualifications that are in keeping with our School motto of 'preparing for the future'. These include GCSE, BTEC, Functional Skills, Entry Level Certificates, OCR Cambridge National Awards, and the Duke of Edinburgh Award.
- Due to Covid-19 and in line with the rest of the country, there were elements of our School Development Plans that could not take place due to the pandemic. Upon return to relative normality in September 2020, various items were transferred to a new plan. Some will not take place at all due to the contextual elements of that aspect of work and some have been adapted due to the ongoing pandemic. Examples include:
 - Assessment activities were suspended and will continue during the new academic year; and
 - Some learning activities are now to be online and a greater emphasis will now be made in real KT on to blended learning both due to the pandemic but also for the future when pupils cannot/or refuse to attend schools sites for various reasons.

Key Performance Indicators

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

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers at Larwood School for 2020/21 were 86 against a forecast of 86. Brandles School had a total of 60 pupils at the end of 20/21, an increase of 4 pupils against a forecast of 56.

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

Another key financial performance indicator is staffing costs as a percentage of total income, as this is the largest area of expenditure. For 2020/21 at Larwood School this was 80% against budgeted parameters of 82%, at Brandles School 79% against budgeted 78% (supply costs for long term staff absence). The Trustees are confident that staffing levels are closely monitored and staffing structures all approved by the BOT.

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

Other specific achievements were as follows:

- Both schools benefited from the DfE laptop and PC support scheme in January 2021 to help with additional resources.
- Larwood School completed a restructuring of the Space Hub area, including adding canopy covers to courtyards to enable pupils to have more year-round accessible space and additional capacity for growth in pupil numbers.
- A new Music room cabin was installed at Brandles School to enable more pupils to have access to one-to-one, or small group music lessons in a dedicated space.

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- Assessment of best value capital investment at Brandles School, with the aims of an additional classroom, some internal refurbishment and ICT upgrading have been identified and budgeted in 21/22 and subsequent years.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2021 the Trust received in total £3,865,640 of GAG and other funding (excluding capital funding). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £3,645,075 on general running costs (excluding capital) and transferred £53,635 to support capital projects on the various Academy sites. The Trust brought forward from 2019/20 £298,210 restricted funds and £301,047 unrestricted funding. Excluding restricted fixed asset and pension funds, the carry forward for 2020/21 is £422,206 restricted funding and £343,981 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,698,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Detailed reference of the financial effect of significant events is made in the 'Achievements' section of this report and key factors that are likely to affect the Trust's financial performance going forward are referenced in the 'Plans for Future Periods' section.

Reserves Policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £343,981. This has been built up from a mixture of locally raised income and balances transferred from previous years prudent financial control.

The Trustees have made a decision to designate unrestricted balances of £62,000 for future capital projects in 2021/22, and is holding other unrestricted funds of £281,981 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust plans to have a carry forward of between 7% to 10% to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £766,187.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £886,589. A significant proportion of this cash is held against specific projects which have been delayed due to Covid-19 restrictions, and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the Finance committee reports and attempt to hold a minimum of £240,000 to cover short term cash flow variances (equates to 1 month's total payroll costs).

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Investment Policy

The most recent Investment Policy was approved by the BOT in November 2019, and is due for review in November 2021.

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

Principal Risks and Uncertainties

The Trust works with the school leadership teams in maintaining a central risk register identifying the major risks, to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the BOT via the Audit & Risk Committee from Sept 2021 onwards with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit & Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their systems and by internal financial and other controls.

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

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

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

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

- The Academies within the Trust have considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Academy Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- Fraud and mismanagement of funds - The Trust has appointed Price Bailey and Herts For Learning Ltd to carry out independent and external checks on financial systems and records as required by the Academies Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

Fundraising

The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. Fundraising undertaken during the year was mainly through external donations received from local organisations, as our normal fundraising activities were curtailed due to Lockdown / Covid restrictions.

Plans for Future Periods

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

- MAT expansion – we are pleased to confirm that Brandles School, Baldock, Hertfordshire, joined Larwood Academy Trust from February 2020. This enables the Trust to offer a complete educational experience for SEMH pupils from primary to secondary stages. Indeed the majority of Larwood Yr6 pupils transition to Brandles Yr7 each year.
- During the next 3-5 years, our aim is to establish an all through (currently 5 – 16yrs, and then in time 16-18yrs pathway) educational pathway for SEMH children in the North Hertfordshire area. Such provision will be characterised by quality experiences, creative, engaging and personalised curriculum provision that is different to previous failed placements, and a range of supportive systems and processes that are qualified as exceptional and innovative. In short, the best provision possible and with a national reputation for such quality and outcomes.
- Our day to day provision will be comprised of:
 - Larwood School (Primary) day provision for 90 SEMH pupils (many with additional needs). Larwood School Space Hub for 16 pupils. A specific hub within Larwood School that caters for SEMH pupils with autism.
 - Brandles School (secondary) day provision for up to 70 pupils with SEMH and a range of additional needs, with future plans to increase this capacity to 72 pupils with an additional classroom capital investment project in 21/22 already nearing completion In November 2021.
- Capital Projects – we have engaged in preparing CIF bids during 20/21 for both schools in the Trust to gain financial contribution for roofing replacements and Fire Safety improvements. Our submissions are on course for this year's deadline in December 2021. Additional budget allocation will be updated in the in-year revised budgeting process in Feb 2022, when we have confirmation of the estimated Trust contribution required to the bids. (at time of preparing this Statement, the tender process is in progress).
- Governance – we will consolidate training and knowledge sharing across the enlarged BOT, extending to secondary school applicable concepts. MAT policies will be reviewed as applicable and rolled out across the Academies to ensure consistency and best practice. A new Audit & Risk Committee was formed in the summer term 2021 and will be fully up and running during 21/22.
- Staffing / management structure - Our priority is sharing best practice, operational and financial expertise, enhancing consistency and driving progress for our pupils through to secondary school. Following the resignation of the Head Teacher at Brandles at the end of the 20/21 academic year, we have reviewed the senior leadership structures and have established an interim structure for the Autumn term 2021, to be finalised by January 2022. This change has provided the opportunity for internal progression for existing senior and middle leaders.
- Chief Executive Officer retirement – The current CEO confirmed his intention to retire during 21/22. We will be commencing the recruitment process for his successor during the Autumn Term 21/22.
- Risk assessment – a review will be conducted again in 2021 reflecting both Schools' characteristics and contexts to establish a MAT approach.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

- Additional Commissioned Services – The Trust successfully won the contract to provide Outreach support within the DSPL 2 area from Sept 2018 onwards for 3 years. This service is aligned to the Trust's aim to share best practice and knowledge to support the needs of our local community across approximately 25 mainstream primary schools within Stevenage. We await the outcome of this contract review by the end of the 21/22 academic year.
- Brandles School has successfully engaged with the LA in a bespoke service for 20/21 to support some external provision pupils with 1to1 tuition and tailored development support. Where appropriate this bespoke support is continuing into 21/22.
- Curriculum approach – we continue to assess and actively develop our curriculum offer to enable a bespoke learning environment aligned to the needs of our specific pupils. Recent Covid-19 experience prompted additional assessment of virtual and online resources during 20/21, some of which we intend to retain going forwards as our pupils have benefitted from this style of learning.
- Pupil progress – continued improvement in quality and quantity of writing through the implementation of events / software / moderation as part of an ongoing literacy programme. We completed plans for a library refresh at Larwood during 20/21 and pupils are now able to enjoy a newly stocked and updated library environment.
- Wellbeing / mental health – we established a MAT resource to lead on training, best practise sharing and consultation support. We have further enhanced this provision with on site access to therapy sessions via The Butterfly Rooms provider.
- Learning / play environments – we plan to review the use of courtyard spaces at Larwood School and gym facilities at Brandles School, with a view to future capital investment for improved pupil experiences in these areas.
- Autism strategy – we continue to have a high proportion of pupils with autism therefore pursuing best practice for autistic children is in the best interests of all. It is our aim to achieve the National Autism Accreditation at Brandles School within the next 2 years.
- Behaviour Management – continue the work that has already driven down the need for restrictive physical intervention (RPI), through continued safeguarding training for staff, consistent coaching support, and targeted risk assessments / anxiety maps to avoid the need for RPIs.
- Staff professional development – provision of on-going training is a consistent aspect of professional life at Larwood Academy Trust. Where appropriate, combined training sessions will be conducted with staff from both Schools joining together to build on virtual relationships. Mental Health will continue to be a focus for training and further development aligned to the needs of our pupils.

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

Funds Held as Custodian Trustee on Behalf of Others

This is not applicable to Larwood Academy Trust.

Employees and disabled persons Employee involvement

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

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

Equal Opportunities Policy

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disabled Persons

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2021 and signed on its behalf by:

Mrs S Barr
Chair of Trustees

LARWOOD ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr, Chair of Trustees	5	6
Mr S Trimble, Accounting Officer	6	6
Mr D Pearce	6	6
Mrs L Williams	6	6
Mrs J Baker, Vice Chair of Trustees	6	6
Mr P Myers	5	6
Mr K Abrahams	2	6
Mr D Login	5	6
Mrs J Sharp	1	2

Review of year

The Board of Trustees have been supportive and readily available for all relevant actions and decision making during the course the year, through the challenges of another Covid lockdown and continuing with a virtual meeting format.

The membership of the Board of Trustees changed during the course of the year when a long standing Member and Trustee retired in October 2020. We wish to acknowledge his significant contribution to the development of Larwood School and laterally Larwood Academy Trust, his skills and commitment have been greatly appreciated over many years.

We were pleased to have a new Trustee join our Board from May 2021 onwards. Her background in finance enhances our depth of governance skills in this essential area.

Following the resignation of the Head Teacher at the secondary academy, he ceased to be a Trustee at the end of the academic year. We thank him for his contribution to Larwood Academy Trust from Feb 2020 onwards and wish him success in his future plans.

We continued to focus on many of our key strategic aims during the year, highlights included gaining DfE approval for further expansion in pupil numbers in our secondary level academy from 54 to 70 pupils. We successfully gained capital investment from the Local Authority towards the end of the summer term 2021, to support a new classroom at the secondary academy and internal redevelopment at the primary academy to grow pupil numbers there by 5%.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

We are pleased with the quality of additional services we offer our local community – through our secondary academy we have supported 4 pupils with bespoke external provision to avoid exclusion. Our primary academy continues to develop the Outreach service with additional therapy and mental health support for our local schools in the programme.

As a Board of Trustees, we are proud to reflect on the commitment and flexibility of our academy leaders and staff members to adapt to and safely navigate the challenges of Covid-19, which continue to be part of daily life at both our academies.

Governance reviews

All of the planned Committee meetings took place for the Finance Committee and Board of Trustees during 20/21. The Board is satisfied that through the implementation of virtual meetings, it maintained effective oversight during this period.

As part of the strategic planning, a review of the skills competency of Trustees was conducted in spring 2019 by a member of the Board, with a training plan established and a gap analysis of the ideal additional skills to aim for in recruiting new Trustees, many of which have since been successfully achieved (eg. new finance background Trustee joining in May 21).

While no external review of governance was conducted during the year, this will now be addressed following the establishment of a new Audit and Risk Committee during the spring term 2021. A programme of internal scrutiny and external review of governance will be proposed and agreed by Trustees for 21/22.

Committees

The Finance Committee is a sub-committee of the main Board of Trustees. The Finance Committee's remit is captured in the Terms of Reference for this committee.

Key aspects include :

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

The composition of this committee changed during 2020 / 21 with one Trustee retiring, one Trustee joining and another Trustee (staff HT) resigning.

Following the expansion of the MAT, Trustees also took the opportunity to refresh the approach in other committee structures, establishing separate committees to focus on Teaching, Learning and Assessment (TLA) and Behaviour, Attendance and Safeguarding (BAS) during 19/20. During 20/21 we have further evolved the Finance Committee by establishing a separate Audit and Risk Committee and a Premises Committee. With this change, we have strengthened the knowledge and focus across the Trust, creating a longer term structure for the future.

LARWOOD ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr	6	6
Mr S Trimble	6	6
Mrs J Baker	6	6
Mr D Login	5	6
Mr D Pearce	6	6
Mrs J Sharp	0	1

Review of value for money

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

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

- Improving ICT resources with additional chromebooks / laptops from the DfE support scheme and local purchases. This is particularly important as we support our students in the event of home-schooling;
- Installing a new Music Room at the secondary academy – this is a dedicated additional space to provide the opportunity for small groups of pupils to enjoy music lessons together; and
- Overseeing the redevelopment of existing buildings previously used for Residential provision at the primary academy to facilitate pupil numbers increase by 5%.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Larwood Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

LARWOOD ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

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

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

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

- Cashflow forecasting – current format / detail / opportunity for further development.
- Month End Procedures – Management reports / Finance Team segregation of duties.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance Committee (from 21/22 Audit & Risk Committee) on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an Annual Summary Report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Internal Auditor and non-Finance Committee Trustee have delivered their schedule of work as planned with no material control issues raised. Suggested further improvement actions will be implemented during the year.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee (from 21/22 Audit & Risk Committee) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2021 and signed on their behalf by:

Mrs S Barr
Chair of Trustees

Mr S Trimble
Accounting Officer

LARWOOD ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Larwood Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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

Mr S Trimble
Accounting Officer

Date: 14 December 2021

LARWOOD ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

Mrs S Barr
Chair of Trustees

Date: 14 December 2021

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

Opinion

We have audited the financial statements of Larwood Academy Trust (the 'Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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

Use of our Report

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

14 December 2021

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 7 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Larwood Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Larwood Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2016 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Trust's income and expenditure.

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Price Bailey LLP

Date: 14 December 2021

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	2	-	1,153	103,165	104,318	7,188,003
Charitable activities	3	-	3,798,105	-	3,798,105	2,922,180
Other trading activities	4	66,299	-	-	66,299	54,164
Investments	5	83	-	-	83	230
Total income		<u>66,382</u>	<u>3,799,258</u>	<u>103,165</u>	<u>3,968,805</u>	<u>10,164,577</u>
Expenditure on:						
Charitable activities	6	23,448	3,857,627	376,726	4,257,801	3,127,061
Total expenditure		<u>23,448</u>	<u>3,857,627</u>	<u>376,726</u>	<u>4,257,801</u>	<u>3,127,061</u>
Net income/ (expenditure)		42,934	(58,369)	(273,561)	(288,996)	7,037,516
Transfers between funds	16	-	(53,635)	53,635	-	-
Net movement in funds before other recognised gains/(losses)		<u>42,934</u>	<u>(112,004)</u>	<u>(219,926)</u>	<u>(288,996)</u>	<u>7,037,516</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(671,000)	-	(671,000)	(281,000)
Net movement in funds		<u>42,934</u>	<u>(783,004)</u>	<u>(219,926)</u>	<u>(959,996)</u>	<u>6,756,516</u>
Reconciliation of funds:						
Total funds brought forward		301,047	(1,492,790)	11,784,447	10,592,704	3,836,188
Net movement in funds		42,934	(783,004)	(219,926)	(959,996)	6,756,516
Total funds carried forward		<u>343,981</u>	<u>(2,275,794)</u>	<u>11,564,521</u>	<u>9,632,708</u>	<u>10,592,704</u>

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

The notes on pages 31 to 55 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	11,526,464	11,784,447
Current assets			
Debtors	14	187,833	69,936
Cash at bank and in hand		886,589	724,570
		1,074,422	794,506
Creditors: amounts falling due within one year	15	(270,178)	(195,249)
Net current assets		804,244	599,257
Net assets excluding pension liability		12,330,708	12,383,704
Defined benefit pension scheme liability	22	(2,698,000)	(1,791,000)
Total net assets		9,632,708	10,592,704
 Funds of the Trust			
Restricted funds:			
Fixed asset funds	16	11,564,521	11,784,447
Restricted income funds	16	422,206	298,210
		11,986,727	12,082,657
Restricted funds excluding pension liability		11,986,727	12,082,657
Pension reserve	16	(2,698,000)	(1,791,000)
Total restricted funds		9,288,727	10,291,657
Unrestricted income funds	16	343,981	301,047
Total funds		9,632,708	10,592,704

The financial statements on pages 28 to 55 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mrs S Barr
Chair of Trustees

Date: 14 December 2021

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	215,571	7,523,819
Cash flows from investing activities	19	(53,552)	(7,216,783)
Change in cash and cash equivalents in the year		162,019	307,036
Cash and cash equivalents at the beginning of the year		724,570	417,534
Cash and cash equivalents at the end of the year	20, 21	<u>886,589</u>	<u>724,570</u>

The notes on pages 31 to 55 form part of these financial statements

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

The Trust is a Company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The registered office of the Trust is Larwood Drive, Stevenage, Hertfordshire, SG1 5BZ.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

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

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

1.3 Fund accounting

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

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Income

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

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

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

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

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

1.5 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1.14 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2021. 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.

2. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	1,153	-	1,153	748
Capital grants	-	-	103,165	103,165	12,219
Amounts transferred on conversion	-	-	-	-	7,175,036
Total 2021	<u>-</u>	<u>1,153</u>	<u>103,165</u>	<u>104,318</u>	<u>7,188,003</u>
Total 2020	<u>6,689</u>	<u>(309,252)</u>	<u>7,490,566</u>	<u>7,188,003</u>	

In 2020, donations income was £748, all of which was restricted.

In 2020, capital grants income was £12,219, all of which was restricted fixed assets.

In 2020, amounts transferred on conversion for Brandles school was £7,175,036, of which £6,689 was unrestricted, £(310,000) was restricted and £7,478,347 was restricted fixed assets.

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Funding for the Trust's provision of education

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,400,000	1,400,000	1,114,262
Other DfE/ESFA grants			
Other DfE /ESFA grants	30,102	30,102	32,169
Start Up Grant	-	-	70,000
Pupil Premium	96,489	96,489	77,878
Teachers Pay grant	44,437	44,437	19,511
Teachers Pension grant	54,144	54,144	54,447
	<u>-</u>	<u>1,625,172</u>	<u>1,368,267</u>
Other Government grants			
Local Authority grants	2,123,903	2,123,903	1,553,913
	<u>2,123,903</u>	<u>2,123,903</u>	<u>1,553,913</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	35,280	35,280	-
COVID Mass Testing	13,750	13,750	-
	<u>49,030</u>	<u>49,030</u>	<u>-</u>
Total 2021	<u><u>3,798,105</u></u>	<u><u>3,798,105</u></u>	<u><u>2,922,180</u></u>
Total 2020	<u><u>2,922,180</u></u>	<u><u>2,922,180</u></u>	

In 2020, income from DfE/ESFA grants was £1,368,267 of which all was restricted.

In 2020, income from Other Government Grants was £1,553,913 of which all was restricted.

Following the reclassification in the Academies Accounts Direction 2020/21, some grants received from the Department of Education and ESFA are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £35,280 of funding for catch-up premium and is carrying forward £11,125 into 2021/22.

LARWOOD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hire of facilities	15,748	15,748	10,100
Rental income	31,294	31,294	30,206
Other income	19,257	19,257	13,858
Total 2021	<u>66,299</u>	<u>66,299</u>	<u>54,164</u>
Total 2020	<u>54,164</u>	<u>54,164</u>	

In 2020, income from other trading activities was £54,164, all of which was unrestricted.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	83	83	230
Total 2020	<u>230</u>	<u>230</u>	

In 2020, investment income was £230, all of which was unrestricted.

LARWOOD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Direct costs	2,792,819	-	100,652	2,893,471	2,124,372
Support costs	485,364	463,747	415,219	1,364,330	1,002,689
Total 2021	<u><u>3,278,183</u></u>	<u><u>463,747</u></u>	<u><u>515,871</u></u>	<u><u>4,257,801</u></u>	<u><u>3,127,061</u></u>
Total 2020	<u><u>2,487,907</u></u>	<u><u>384,582</u></u>	<u><u>254,572</u></u>	<u><u>3,127,061</u></u>	

In 2020, of total expenditure, £7,695 was from unrestricted funds, £2,847,503 was from restricted funds and £271,863 was from restricted fixed asset funds.

In 2020, direct costs consisted of £2,061,026 staff costs and £63,346 other costs.

In 2020, support costs consisted of £426,881 staff costs, £384,582 premises costs and £191,226 other costs.

7. Charitable activities

	2021 £	2020 £
Direct costs	2,893,471	2,124,372
Support costs	1,364,330	1,002,689
	<u><u>4,257,801</u></u>	<u><u>3,127,061</u></u>

Analysis of support costs

	2021 £	2020 £
Support staff costs	485,364	426,881
Depreciation	347,783	259,645
Governance costs	49,668	38,717
Technology costs	32,881	20,865
Premises costs	115,964	124,937
Other support costs	332,551	115,126
Legal costs	119	16,518
	<u><u>1,364,330</u></u>	<u><u>1,002,689</u></u>

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021	2020
	£	£
Operating lease rentals	12,978	9,962
Depreciation of tangible fixed assets	347,783	259,645
Fees paid to Auditors for:		
- audit	7,160	6,950
- other services	6,405	6,200
	670,226	532,757

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	2,307,866	1,784,327
Social security costs	197,603	168,075
Pension costs	673,095	499,277
	3,178,564	2,451,679
Agency staff costs	99,619	36,228
	3,278,183	2,487,907

b. Staff numbers

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

	2021	2020
	No.	No.
Teaching	26	25
Admin & Support	53	46
Management	6	6
	85	77

LARWOOD ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1
	1	1

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £733,165 (2020 - £619,939).

Included in this figure are employer national insurance contributions of £66,618 (2020 - £55,595) and employer pension contributions of £102,366 (2020 - £87,017).

10. Central services

The Trust has provided the following central services to its academies during the year:

- CEO leadership
- Financial/HR services
- Curriculum Development
- Behaviour Management Development
- IT support

The Trust charges for these services on the following basis:

- Top slice calculated monthly @ 3% of GAG and LA Top Up funding

This was charged up to February 2021. The top slice contribution was halted from March 2021 and the central services approach and policy will be reviewed again in 2022/23.

The actual amounts charged during the year up to February 2021 were as follows:

	2021 £	2020 £
Larwood School	26,996	-
Brandles School	20,929	-
Total	47,925	-

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Trustees' remuneration and expenses

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

		2021	2020
		£	£
Mr S Trimble	Remuneration	100,000 - 105,000	100,000 - 105,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mr S Jacobs (resigned 1 February 2020)	Remuneration		15,000 - 20,000
Mr D Pearce (resigned 31 August 2021)	Pension contributions paid		0 - 5,000
	Remuneration	75,000 - 80,000	40,000 - 45,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year ended 31 August 2021, expenses relating to travel and general office costs totalling £149 were reimbursed or paid directly to 1 Trustee (2020 - £790 to 6 Trustees).

12. Trustees' and Officers' insurance

The Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the RPA scheme membership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	4,926,696	7,442,735	103,353	123,485	12,596,269
Additions	33,473	11,059	1,376	43,892	89,800
At 31 August 2021	<u>4,960,169</u>	<u>7,453,794</u>	<u>104,729</u>	<u>167,377</u>	<u>12,686,069</u>
Depreciation					
At 1 September 2020	644,830	44,379	70,044	52,569	811,822
Charge for the year	171,863	124,860	15,149	35,911	347,783
At 31 August 2021	<u>816,693</u>	<u>169,239</u>	<u>85,193</u>	<u>88,480</u>	<u>1,159,605</u>
Net book value					
At 31 August 2021	<u><u>4,143,476</u></u>	<u><u>7,284,555</u></u>	<u><u>19,536</u></u>	<u><u>78,897</u></u>	<u><u>11,526,464</u></u>
At 31 August 2020	<u><u>4,281,866</u></u>	<u><u>7,398,356</u></u>	<u><u>33,309</u></u>	<u><u>70,916</u></u>	<u><u>11,784,447</u></u>

Included in the value of freehold property is land of £875,000 (2020 - £875,000) which is not depreciated.

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	294	585
VAT recoverable	25,705	2,764
Prepayments and accrued income	161,834	66,587
	<u>187,833</u>	<u>69,936</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	90,717	1,012
Other taxation and social security	48,311	48,310
Other creditors	52,267	47,406
Accruals and deferred income	78,883	98,521
	270,178	195,249
	270,178	195,249
	2021	2020
	£	£
Deferred income at 1 September 2020	2,071	2,146
Resources deferred during the year	848	2,071
Amounts released from previous periods	(2,071)	(2,146)
	848	2,071
	848	2,071

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

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted	301,047	66,382	(23,448)	-	-	343,981
Restricted general funds						
General Annual Grant (GAG)	234,596	1,400,000	(1,379,017)	(20,982)	-	234,597
Other DfE/ESFA grants	-	177,713	(143,978)	-	-	33,735
Pupil Premium	-	96,489	(62,188)	-	-	34,301
SEN funding	-	1,846,552	(1,803,288)	(32,653)	-	10,611
Other Government grants	-	277,351	(232,782)	-	-	44,569
MAT conversion grant	63,614	-	-	-	-	63,614
Donations	-	1,153	(374)	-	-	779
Pension reserve	(1,791,000)	-	(236,000)	-	(671,000)	(2,698,000)
	<u>(1,492,790)</u>	<u>3,799,258</u>	<u>(3,857,627)</u>	<u>(53,635)</u>	<u>(671,000)</u>	<u>(2,275,794)</u>
Restricted fixed asset funds						
Fixed assets	11,784,447	21,381	(347,783)	68,419	-	11,526,464
DFC	-	14,784	-	(14,784)	-	-
Other ESFA capital grants	-	67,000	(28,943)	-	-	38,057
	<u>11,784,447</u>	<u>103,165</u>	<u>(376,726)</u>	<u>53,635</u>	<u>-</u>	<u>11,564,521</u>
Total Restricted funds	<u>10,291,657</u>	<u>3,902,423</u>	<u>(4,234,353)</u>	<u>-</u>	<u>(671,000)</u>	<u>9,288,727</u>
Total funds	<u><u>10,592,704</u></u>	<u><u>3,968,805</u></u>	<u><u>(4,257,801)</u></u>	<u><u>-</u></u>	<u><u>(671,000)</u></u>	<u><u>9,632,708</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DFE/ESFA grants

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

Pupil Premium

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

SEN funding

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

Other Government grants

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

MAT conversion grant

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

Restricted donations

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

Devolved Formula Capital (DFC)

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

Restricted fixed asset funds

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

Pension reserve

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

Unrestricted funds

This represents income received that does not have restrictions.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Larwood School	653,204	536,584
Brandles School	112,983	62,673
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	766,187	599,257
Restricted fixed asset fund	11,564,521	11,784,447
Pension reserve	(2,698,000)	(1,791,000)
	<hr/>	<hr/>
Total	9,632,708	10,592,704
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Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Larwood School	1,756,019	195,351	36,019	273,945	2,261,334	1,964,742
Brandles School	1,194,664	132,149	156,252	165,619	1,648,684	756,812
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trust	2,950,683	327,500	192,271	439,564	3,910,018	2,721,554
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LARWOOD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,526,464	11,526,464
Current assets	343,981	692,384	38,057	1,074,422
Creditors due within one year	-	(270,178)	-	(270,178)
Provisions for liabilities and charges	-	(2,698,000)	-	(2,698,000)
Total	<u>343,981</u>	<u>(2,275,794)</u>	<u>11,564,521</u>	<u>9,632,708</u>

Analysis of net assets between funds - prior year

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

LARWOOD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(288,996)	7,037,516
Adjustments for:		
Depreciation	347,783	259,645
Capital grants from DfE	(14,784)	(12,219)
Interest receivable	(83)	(230)
LGPS adjustment	236,000	163,000
Increase in debtors	(117,897)	(5,346)
Increase in creditors	74,929	81,453
Donated assets	(21,381)	-
Net cash provided by operating activities	215,571	7,523,819

19. Cash flows from investing activities

	2021 £	2020 £
Interest received	83	230
Purchase of tangible fixed assets	(68,419)	(60,885)
Transfers of tangible fixed assets	-	(7,168,347)
Capital grants from DfE Group	14,784	12,219
Net cash used in investing activities	(53,552)	(7,216,783)

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	886,589	724,570
Total cash and cash equivalents	886,589	724,570

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	724,570	162,019	886,589
	<u>724,570</u>	<u>162,019</u>	<u>886,589</u>

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £51,880 were payable to the schemes at 31 August 2021 (2020 - £47,214) 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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22. 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; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £185,608 (2020 - £129,674).

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

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

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 2021 was £256,000 (2020 - £211,000), of which employer's contributions totalled £202,000 (2020 - £169,000) and employees' contributions totalled £ 54,000 (2020 - £42,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.30	2.60
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

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

	2021 Years	2020 Years
Retiring today		
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.8
Females	26.2	25.5

As at 31 August 2021, the Trust had a pension liability of £2,698,000 (2020 - £1,791,000). The sensitivity analysis detailed below would increase / (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	139	101
Discount rate -0.1%	(139)	(101)
Mortality assumption - 1 year increase	200	29
Mortality assumption - 1 year decrease	(200)	(29)
CPI rate +0.1%	100	86
CPI rate -0.1%	(100)	(86)

Share of scheme assets

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

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

	2021 £	2020 £
Equities	1,221,000	958,000
Bonds	668,000	632,000
Property	253,000	163,000
Cash and other liquid assets	161,000	54,000
Total market value of assets	2,303,000	1,807,000

The actual return on scheme assets was £254,000 (2020 - £20,000).

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

	2021 £	2020 £
Current service cost	(407,000)	(308,000)
Interest income	33,000	29,000
Interest cost	(64,000)	(53,000)
Total amount recognised in the Statement of Financial Activities	(438,000)	(332,000)

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

	2021 £	2020 £
At 1 September	3,598,000	2,279,000
Conversion of academies joining the Trust	-	654,000
Current service cost	407,000	308,000
Interest cost	64,000	53,000
Employee contributions	54,000	42,000
Actuarial losses	892,000	272,000
Benefits paid	(14,000)	(10,000)
At 31 August	5,001,000	3,598,000

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

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

	2021 £	2020 £
At 1 September	1,807,000	1,242,000
Conversion of academies joining the trust	-	344,000
Interest income	33,000	29,000
Actuarial gains/(losses)	221,000	(9,000)
Employer contributions	202,000	169,000
Employee contributions	54,000	42,000
Benefits paid	(14,000)	(10,000)
At 31 August	<u>2,303,000</u>	<u>1,807,000</u>

23. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	16,059	5,261
Later than 1 year and not later than 5 years	31,124	2,742
	<u>47,183</u>	<u>8,003</u>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Members' liability

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

25. Related party transactions

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

During the year the Trust purchased cleaning products of £440 (2020 - £79) with Quantum Care Limited, a company of which the wife of Mr I Reid is a manager. No balance was owing to the company at the Balance Sheet date.

During the year the Trust purchased services of £1,920 (2020 - £NIL) with Buddy Services, as business of which the receptionist at Larwood School runs to provide dog therapy sessions. The Trust has chosen to disclose this transaction for transparency. No balance was owing at the Balance Sheet date.

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