

REGISTRAR OF COMPANIES

The Arbib Education Trust (formerly The Langley Academy Trust)

Annual Report and Financial Statements

31 August 2019

Company Limited by Guarantee
Registration Number 05358533
(England and Wales)



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Reference and administrative information

Members
Sir Martyn Arbib
Mrs Annabel Nicoll
Mr Patrick Nicoll
Mrs Linda Sanderson
The Annabel Arbib Foundation

Trustees
Dr Oona Stannard (Chair)
Mrs EmmaJane Avery
Mr Martin Burford
Mr John Hedger
Mr William Lazarus
Mr David Mallen
Mrs Annabel Nicoll
Rhodri Bryant (Resigned 20 November 2019)

Company Secretary
Mr Mirza Baig (Resigned 2 September 2018)
Ms Coralyn Ann Selman (Appointed 3 September 2018)

Senior Management Team
The Langley Academy Trust

Executive Principal Mr Rhodri Bryant
Finance Director Ms Coralyn Ann Selman (Appointed 3 September 2018)

The Langley Academy
Headteacher Mrs Alison Lusuardi

The Langley Academy Primary
Headteacher Mrs Tracey Bowen

The Langley Heritage Academy
(previously Parlaunt Park Primary
Academy)
Headteacher Mrs Polly Bennett

Registered office
The Langley Academy
Langley Road
Langley
Slough
Berkshire
SL3 7EF

Tel: 01753 214440
Fax: 01753 596321

Reference and administrative information

Company registration number 05358533 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Barclays Bank plc
Wytham Couth
11 West Way
Oxford
OX2 0JB

Trustees' report (including a strategic report) 31 August 2019

The Trustees of The Arbib Education Trust ('the Trust'), who are also directors of the company for the purposes of the Companies Act, present their annual report together with the financial statements of the Trust and auditor's report for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust changed its name to The Arbib Education Trust (formerly The Langley Academy Trust) on 25th July 2019.

The Trust, which is a multi-academy trust in Slough, operated two primary academies, The Langley Heritage Academy formerly (Parlaunt Park Primary Academy PPPA) and The Langley Academy Primary (TLAP), and one secondary academy, The Langley Academy (TLA) during the year. The Trust's academies have a combined pupil capacity of 2,314 and had a roll of 2,126 in the school census on 4 October 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 36 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital (Company Registration No. 05358533) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. Members of the charitable company include representatives of the principle sponsor of the Trust, The Annabel Arbib Foundation, and up to five persons appointed by the trustees of the sponsor. In addition, the members may appoint additional members as they see fit. The members of the charitable company are Sir Martyn Arbib, Mrs Annabel Nicoll, Mr Patrick Nicoll, Mrs Linda Sanderson and the Annabel Arbib Foundation. In accordance with the articles of association of the charitable company they have the powers to appoint or remove Trustees.

On 1 August 2011 the Trust became an exempt charity for the purposes of the Charities Act 2011. At this date, the principal regulator of the Trust changed from the Charity Commission to the Department for Education (DfE). The Education and Skills Funding Agency (ESFA) carries out the role of principal regulator on behalf of the DfE.

The Arbib Education Trust operates state schools funded directly by the DfE and not via the local education authority. The Trust is entirely dependent upon state funding for its operational costs.

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Trust and that the curriculum should comply with the substance of the national curriculum with an emphasis on science.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

Trustees' indemnities

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

Trustees

The Trust has provision for the following Trustees: up to ten Trustees appointed by The Annabel Arbib Foundation, as the principal sponsor; the Executive Principal (ex-officio) and a minimum of two parent Trustees unless there are local governing bodies which include at least two parent members. In addition, the Trust may appoint up to three co-opted Trustees.

Each Trustee has taken responsibility for monitoring the Trust's activities in specific operational areas and constant regard is had to the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Trust's development.

The governance structure of the Trust comprises The Arbib Education Trust Board with separate sub-committees designated to Business, Audit, Pay, Personnel, Health and Safety and Museum Learning. Local governing bodies monitor and develop student achievement, curriculum, and teaching and learning within each academy.

During the year under review the Board of Trustees held four full meetings. All new Trustees, who are recruited on their ability to play an active part in the governance of the Trust, are interviewed by experienced Trustees, given a tour of the Academies and an opportunity to meet with the Executive Principal prior to their first full meeting. In addition, they are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents dependant on their role within the Board of Trustees. They are also referred to the Academies Financial Handbook and the Trust's Funding Agreement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees (continued)

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees served throughout the year:

Trustees

Dr Oona Stannard (Chair)
Mrs EmmaJane Avery
Mr Rhodri Bryant (resigned 20 November 2019)
Mr Martin Burford (Vice Chair)
Mr John Hedger
Mr William Lazarus
Mr David Mallen
Mrs Annabel Nicoll

No Trustee received any remuneration in respect of their duties as a Trustee from the Trust during the year (2018 – none).

Mr Rhodri Bryant is no longer a trustee but attends the meetings and is remunerated in his position as Executive Principal.

Principal activities

The principal activities of the Trust are to provide education for pupils and adults of Langley and the wider area of Slough and to act as a hub for the local community.

Organisational structure

The Trust's management structure consists of four levels: the Board of Trustees, the local governing bodies, the senior leadership teams and the remaining leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The local governing bodies monitor and develop student achievement, teaching and learning, curriculum and museum learning at each academy. The senior leadership teams comprise the Executive Principal, Headteachers, Vice Principals/Deputy Headteachers and Assistant Headteachers/Directors at each academy. These managers control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The leadership team includes the senior leadership team and also Raising Standards Leaders, Heads of Faculty and other Heads of Year or Department. These managers are responsible for the day to day operation of the Trust, in particular organising the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprise the senior management team as listed on page 1. No Trustees are remunerated in respect of their duties as a Trustee. The pay and remuneration of the key personnel is approved annually by the Pay Committee. Consideration is given to local and national benchmarking as well as the performance of both the individual and the Trust.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
1% - 50%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£1,740
Total pay bill	£8,7m
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations

The Annabel Arbib Foundation (formerly the Arbib Foundation) is the sponsor to the Trust and linked to Annabel Nicoll, a Trustee of the Trust. The Annabel Arbib Foundation donated £2,472,000 towards initially establishing The Langley Academy. During the year it provided further donations of £73,877 (2018 – £204,262).

The sponsors have played a significant role in the Trust achieving its objectives over the years and their continuing financial support has played a major role in building Trust reserves.

Risk management

The Trustees have reviewed the major risks to which the Trust is exposed, in particular those relating to the educational objectives, operations and finances of the Trust. The Trustees have previously expressed concern to the DfE regarding the inadequacy of DfE funding to ensure the long term sustainability of the initial capital expenditure on tangible assets, whilst ensuring adequate resources remain available for day-to-day operations. This risk has been exacerbated by upward pressure on pay costs including national pay recommendations and increases in employer pension and national insurance contributions, some of which have been unfunded by the DfE. The DfE has acknowledged recognition of this issue. Subject to this concern, the Trustees are satisfied that appropriate measures are in place to limit and manage those risks.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The objects of the charitable company are:

- ◆ To advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- ◆ to promote, for the benefit of the inhabitants of the surrounding areas of the academies, the provision of facilities for recreation or other leisure time occupation.

The Trustees are carrying out these objects by running The Arbib Education Trust, funded by the DfE and its sponsor, The Annabel Arbib Foundation, to provide education for pupils of all abilities. The Arbib Education Trust teaches the full national curriculum but extra emphasis is placed on museum learning. This will support the development of each child and help them to understand the world around them and the part they can play in making it better.

The Arbib Education Trust has set out its new vision as 'One community. Many ideas. Everyone's future'.

One Community

Each school in our Trust will add value to every child and member of staff. We shall help develop community cohesion

OBJECTIVES AND ACTIVITIES (continued)

Many Ideas

We shall add that value by creating an ethos of collaboration and sharing our expertise across the three schools.

We want to see children and staff moving across and between schools and the community, working with and learning from each other. This should be visible for any member of the Trust.

We shall build a 3-19 curriculum and wider experiences that maximise the learning time we have with our children. We shall create a seamless transition between the primary and secondary phases so that children feel part of the Arbib Trust family.

Our aim is that all our stakeholders feel part of a single community; staff to feel they work for the Trust and not simply their individual school; children to recognise the experiences they have are through the work of all the schools and the Trust. We want parents/carers to be proud that their children attend our schools and the community to both use our facilities and, importantly, to see us as a hub of the community

Everyone's Future

All children and young people in the Trust's schools will reach their full potential. We shall close the gap between the highest achievers and the more disadvantaged. This achievement will be, not only in "academic" subjects but recognises the importance to our society of technical skills. We recognise that first class education includes sport, culture and personal development.

We are very proud of our Museum Learning philosophy and our vision is that this will further expand, covering all children in all our schools and widening the range of subject areas which the service supports.

It is the Trustees' ambition to become the best academy trust in the country by offering an outstanding curriculum that supports the principles of both depth and breadth, so that each student/child receives a personalised education.

Strategies and activities

The Trust believes that through providing a broad and balanced curriculum and a wide range of extracurricular activities students/children will be encouraged to succeed. Each academy sets strategic targets within their Academy Improvement Plan to ensure the aims of the Trust are met. The Trust regularly monitors progress against its detailed operational and strategic plans in order to meet its vision.

With two local primary schools included within the multi-academy trust, the Trust is focussed on ensuring the quality of teaching supports a smooth transition for its students from primary to secondary education and to provide a "school for life" for its students.

OBJECTIVES AND ACTIVITIES (continued)

Charitable purposes for public benefit

In setting the objectives and planning the activities the Trustees have considered the Charity Commission's general guidance on public benefit. The Trust continued to make its facilities available to the local community, provided after school and weekend clubs and courses for its students and workshops for its parents.

The Trust is committed to providing an outstanding educational experience for every student by offering a holistic, broad and balanced student-centred curriculum.

Admission to the Trust's primary academies is based on pupils residing closest to each academy. The secondary academy has a selection procedure which bands applicants according to ability. In each of these nine bands the 20 applicants residing closest to The Langley Academy are selected. Pupils from primary academies within the Trust will receive priority to ensure the Trust can deliver an all through education for its students. The Trust believes this enables it to best serve the educational needs of the local community. There is no restriction on access based on ability to pay.

Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust achieves this through adapting the physical environment, by making support resources available and through training and career development. The buildings and sites include lifts, ramps and disabled toilets and door widths that are adequate to enable wheelchair access to all the main areas of the academies.

STRATEGIC REPORT

Achievements and performance

The Langley Academy Primary achieved an Outstanding Ofsted judgement in July 2018 where each aspect of the school was judged to be outstanding. The report highlighted the quality of the curriculum and the uniqueness of the museum learning model which the Trust is most proud of as this demonstrates how the Trust's vision and ambition for young people has been realised. The school has continued to go from strength to strength and results at EYFS and Key Stage 1 were in line with the previous year.

The Langley Academy was rated as good in its most recent Ofsted inspection in November 2017 and the Trust is determined to build on this. GCSE results for the seventh consecutive year puts us in the top 20% of schools based on a P8 score of +.035. Sixth form results dipped compared to the previous year. However, the Trust is confident that this will be resolved. The new £2.7 million sixth form teaching block with 14 classrooms will be completed by January 2020. This along with the refurbishment to the current sixth form facilities will support the Trust's aspiration and ambition to provide an outstanding education for every young person in the Trust.

The Langley Heritage Primary (formerly Parlaunt Park Primary Academy PPPA) had its most recent Ofsted Inspection in November 2019 and the school was judged as good with outstanding leadership and management. This demonstrates significant improvement from its previous inspection in June 2017 when it was judged to be requires improvement, particularly given that Ofsted have raised the bar once again with its new framework. Evidence of that can be seen in the vast improvements in every aspect of the school. Almost all outcomes at KS2 are now above national average with some excellent in-year progress made to achieve that.

Every child in the Trust now attends a good school as described by Ofsted. This demonstrates the very high quality leadership from Trustees, Governors, Executive Principal and leaders in each school.

Financial review

Financial report for the year

The statement of financial activities on page 28 shows a deficit for the year before actuarial gains or losses on the Local Government Pension Scheme of £1,353,077 (2018 – £1,289,843). This includes £567,000 of pension costs under FRS102 (28) (2018 – £631,000), £73,877 of donation income from The Annabel Arbib Foundation (2018 – £204,262), £80,674 income from capital grants (2018 – £52,599) and the depreciation and amortisation charge of £1,304,434 (2018 – £1,351,107).

The Trust closed the year with operational reserves of £5,330,310 compared to £5,475,220 at the end of the financial year end 2018. The net deficit of £144,910 is after spending £599,903 on building of the 6th Form block.

Unrestricted funds increased by £175,508 to £2,535,758 as at 31 August 2019 (2018 – £2,360,250).

STRATEGIC REPORT (continued)

Financial review (continued)

As shown in note 17, restricted general funds, excluding the pension reserve, decreased by £320,417 (2018 – increased by £251,785). This is equivalent to the operational deficit for the year.

The pension reserve shows an increase in the Local Government Scheme Pension deficit to £5,612,000 (2018 – £4,048,000). Further details are shown in note 21. The DfE has previously stated that academies are not expected to fund the deficit as a lump sum, but that it will continue to be addressed through employer contribution rates over future periods, from the General Annual Grant.

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

Financial and risk management objectives and policies

The Trust practices through its Board of Trustees and sub-committees risk management principles. The Trust has a risk register which identifies all major risks and controls to mitigate these risks. The risk register is reviewed in detail quarterly at all committee meetings and annually by the Audit Committee.

Reserves policy

The Trustees have reviewed the reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The trust has earmarked £2,075,079 of general restricted reserves to cover the cost of the new sixth form building project which is planned for completion in January 2020. The Trust's long-term forecast predicts that there will be significant financial pressure on the Trust going forwards with significant increasing costs, particularly pay costs that are not matched by increases in grant funding. The Trust has therefore been preparing for this eventuality and set aside reserves to support it whilst it makes the required adjustments to its cost base. The Trustees will keep the level of reserves under review and are satisfied with the way that expenditure during the year has been applied from various restricted reserves, which optimise the future available reserves for the Trust's operations.

As part of the budgeting process, the Trustees have reviewed the appropriate level of reserves to be retained from income received during the year ended 31 August 2019 to allow the Trust to continue operations in future periods.

There is currently a deficit on the reserve for the Local Government Pension Scheme. The Trust is paying contributions to the Local Government Pension Scheme at the rate recommended by the actuary and payments in respect of the deficit will occur over a number of years.

Trustees' report (including a strategic report) 31 August 2019

STRATEGIC REPORT (continued)

Financial review (continued)

At 31 August 2019 total funds comprise:

	£
Unrestricted	2,535,758
Restricted:	
Fixed asset funds	35,997,373
Pension reserve	(5,612,000)
General restricted funds	2,794,553
Total	35,715,684

Investment policy

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

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.

Principal risks and uncertainties

The principal risks facing the Trust are:

- ◆ Financial risk – the principal risks are the reduction in funding levels due to either reduction in pupil numbers or changes in local and central government policy, increases in pay costs which are not matched by increases in grant funding, and the lack of additional funding to cover significant capital repairs and replacements. The Trust mitigates this risk by regular review of both its annual and long term forecasts and its level of reserves.
- ◆ Performance risk – the principal risk is a decline in exam results. To mitigate this, performance is regularly monitored by the local governing body of each academy and reported directly to the Board of Trustees.
- ◆ Reputational risk – the principal risk is how the Trust is perceived in the local and educational communities due to either a reduction of performance or poor OFSTED reports. To mitigate this risk, the local governing bodies regularly monitor performance and each academy actively markets itself within the local community.

Trustees' report (including a strategic report) 31 August 2019

FUNDRAISING

The Arbib Education Trust follows the fundraising practices as per section 13 of the Charities (Protection and Social Investment) Act 2016. The Arbib Education Trust does not currently work with any commercial or professional fundraisers. The Arbib Education Trust's fundraising activities are currently limited to raising funds through appeals to students' parents only. The Trust has received no complaints relating to fundraising during the year. If any complaints were received, these would be dealt with by the Trustees and/or senior management.

PLANS FOR FUTURE PERIODS

The key focus for the Trust is to continue to drive academic achievement whilst also ensuring the well-being of pupils. It is the Trust's ambition for all three academies within the Trust to be classified as outstanding by OFSTED. As Ofsted changes its Education Inspection Framework, the Trust copes with the uncertainties created by committing to each of our schools being excellent and remarkable.

The Trust continues to develop and invest in the infrastructure of its academies to ensure an outstanding provision for both its pupils and the local community. The Trust is in the process of building a new sixth form block and refurbishing the current sixth form premises.

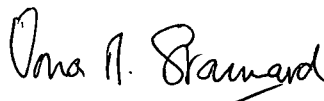
Academies across the country are facing increasing costs not matched by increases in grant funding. The Trust is preparing as required to ensure its future financial viability.

AUDITOR

In so far as the Trustees are aware:

- ◆ there is no relevant audit information of which the Trust'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.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees on 28 November 2019 and signed on its behalf by:



Oona Stannard
(Chair of Trustees)

28.11.19

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, 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 the Trust and the Secretary of State for Education. The Executive Principal is 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 four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Number of meetings attended	Out of a possible
Mrs EmmaJane Avery	3	4
Mr Rhodri Bryant	4	4
Mr Martin Burford	3	4
Mr John Hedger	2	4
Mr William Lazarus	4	4
Mr David Mallen	4	4
Mrs Annabel Nicoll	3	4
Dr Oona Stannard (Chair)	4	4

Governance review

A review of governance was conducted during the year and an action plan developed which will further consolidate the skills and knowledge of trustees which ensures that they remain able to effectively govern a multi-academy trust.

The Trust has a dedicated Audit Committee which allows a specific focus on internal control reviews as well as the risks facing the Trust. The Business and Health and Safety Committees work across the Trust. This allows a consistency of approach and financial oversight, whilst also helping to ensure that the local governing bodies can be focused on student attainment.

Buzzacott LLP provide termly reports, on behalf of the Responsible Officer, in conjunction with the annual audit to provide assurance to the Trustees that appropriate structures and controls are in place.

Governance (continued)

Governance review (continued)

Business Committee

The Business Committee is a sub-committee of the main Board of Trustees. Its purpose is to carry out its responsibilities as laid out in the Terms of Reference for the Committee. This includes:

- ◆ to review the Trust's annual Improvement Plan and consider its financial implications;
- ◆ to review the Trust's Scheme of Delegation;
- ◆ to recommend to the Board of Trustees, not later than 28 June each year, a budget for the following year;
- ◆ to oversee the financial management of the Trust;
- ◆ to review and discuss reports from the Responsible Officer or internal audit;
- ◆ to receive and review the management accounts projections for the year and the current year's financial forecasts for the Trust;
- ◆ to review the statutory accounts for approval by the Board of Trustees and submitted to the ESFA before 31 December each year;
- ◆ to review the use and maintenance of the premises, wider Trust land, and environmental assets;
- ◆ to approve any necessary virements at each meeting;
- ◆ to review the inspection of the premises and grounds, and approve a statement of priorities for maintenance and development as part of the Strategic Plan;
- ◆ to approve the Trust's asset management plan annually and review progress;
- ◆ to review the Trust's insurance arrangements annually;
- ◆ to review a charging and remissions policy for non-essential curriculum activities;
- ◆ to support the Trust in promoting links with the local community, and wider area, including reporting on links with the business community;
- ◆ to maintain a regular review of all aspects of the academy's staffing budget;
- ◆ to review the work of the Pay Committee;

Governance statement 31 August 2019

Governance (continued)

Business Committee (continued)

- ◆ to review all personnel and business-related policies and receive updates as required; and
- ◆ to review annually pension liabilities, depreciation policy and state of reserves.

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
Mr Rhodri Bryant	3	3
Mr William Lazarus (Chair)	3	3
Mrs Annabel Nicoll	3	3
Dr Oona Stannard	3	3

Mr Martin Burford and Mr David Mallen are not members of the Business Committee but attend meetings in their roles as Chair of The Langley Heritage Primary and The Langley Academy Primary Local Governing Bodies and Chair of The Langley Academy Local Governing Body respectively.

Audit Committee

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to carry out its responsibility as laid out in the Terms of Reference for the Committee. This includes:

- ◆ to review management reports associated with the annual external audit as received from the auditors;
- ◆ to receive the approved the statutory accounts so that they can be signed off on behalf of the Board of Trustees before submission to the ESFA on 31 December each year;
- ◆ to agree the program of work for reviewing the risks to internal financial controls and to receive and review the reports from the internal control reviews carried out; and
- ◆ to review the risk register annually and to review the procedures to make sure this register is kept up to date, reviewed regularly and that relevant action is taken by management when risks appear to be unacceptable.

Governance statement 31 August 2019

Governance (continued)

Audit Committee (continued)

Attendance at meetings in the year was as follows:

Trustee	Number of meetings attended	Out of a possible
Mr William Lazarus (Chair)	1	1
Mr Rhodri Bryant	1	1
Mr John Hedger	1	1
Mrs Annabel Nicoll	1	1
Dr Oona Stannard	1	1

The meeting is also attended by a representative from Buzzacott LLP in their role as the auditor.

Review of value for money

As Accounting Officer, the Executive Principal 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 the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered and improved value for money during the year through:

- ◆ cost reduction - setting tight balanced budgets after a programme of streamlining costs and cost reductions in the context of reduced funding
- ◆ regular review of income and expenditure by managers. Management accounts are reviewed monthly with the Chair, submitted to the trustees monthly and discussed quarterly at Business Committee
- ◆ cost control – regular review of and tightening of financial regulation ensuring income and costs are controlled. An electronic purchase ordering system used across the trust help to ensure that commitments are known and included in the management reporting. Procurement is controlled, through an established scheme of delegations. Staff costs are controlled through the use of establishment control with any increases having to be explained, justified and signed off
- ◆ annual review of the financial manual which explains how the Trust buys goods and services and manage contracts with suppliers
- ◆ actively seeking opportunities for partnership working with other Trusts in an attempt to achieve further savings through economies of scale
- ◆ actively seeking charitable donations both at Trust and local level for specific projects to support pupils and employees and which result in little or no cost to the Trust.

Review of value for money (continued)

- ◆ recruiting and retaining quality staff, who will go the extra mile to deliver better outcomes for pupils. This is at the heart of the pay and reward strategy. The pay and personnel committees review pay and benefits packages annually to ensure that they remain competitive
- ◆ benchmarking costs and performance across the trust, against other trusts and similar schools. Throughout the year the Trust will seek to use this information to identify any significant variations and use this to inform and support planning and decision making across the trust.
- ◆ continually seeking ways to reduce costs and generate income across the trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the trust's 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 at the Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

On behalf of the Board of Trustees, the Audit Committee 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 Audit Committee 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 ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Business and Audit Committees.

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 regular financial reports which are reviewed and agreed by the Business Committee;
- ◆ regular reviews by the Business 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;

The risk and control framework (continued)

- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

From 1 September 2014 the Audit Committee, a sub-committee of the Board of Trustees, has been established to report on and advise the Board of Trustees on governance and internal and external audit. The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks. In particular, the checks carried out in the current period included:

- ◆ testing of payroll systems
- ◆ testing of purchase systems
- ◆ testing of control account/bank reconciliations
- ◆ testing of income recording
- ◆ testing timeliness and accuracy of management accounts

On a termly basis, Buzzacott LLP reports to the Trustees, through the Business Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. There were no material control issues arising as a result of Buzzacott LLP's work.

Review of effectiveness

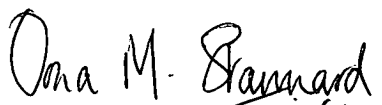
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership and Leadership Teams 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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Governance statement 31 August 2019

Approved by order of the Trustees and signed on their behalf by:



(Chair of Trustees) (DONA STANNARD)



(RHODRI BRYANT)

(Executive Principal and Accounting Officer)

Approved on: 28.11.19

28/11/2019

Statement on regularity, propriety and compliance 31 August 2019

As Accounting Officer of The Arbib Education Trust, I have considered my responsibility to notify the Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2018.

I confirm that I and the Trustees are able to identify any material irregular or improper use of 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 2018.

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.



(RHODRI BRYANT)

(Executive Principal and Accounting Officer)

Date: 28/11/2019.

Statement of Trustees' responsibilities 31 August 2019

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual 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 Trust and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

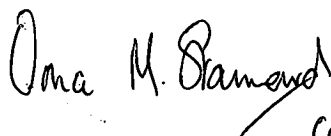
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust 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 the ESFA/DfE have been applied for the purposes intended.

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

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



(Chair of Trustees)

(OONA STANWARD)

Date:

28.11.19

Independent auditor's report on the financial statements 31 August 2019

Independent auditor's report to the members of The Arbib Education Trust

Opinion

We have audited the financial statements of The Arbib Education Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report on the financial statements 31 August 2019

Other information (covering the reference and administrative details, the report of the Trustees and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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.

Independent auditor's report on the financial statements 31 August 2019

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 December 2019

Independent reporting accountant's assurance report on regularity 31 August 2019

Independent reporting accountant's assurance report on regularity to The Arbib Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Arbib Education Trust during the period from 1 September 2018 to 31 August 2019 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 The Arbib Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Arbib Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Arbib Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Arbib Education Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Arbib Education Trust's funding agreement with the Secretary of State for Education dated 10 February 2006 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 period from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Independent reporting accountant's assurance report on regularity 31 August 2019

Approach (continued)

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.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

12 December 2019

Statement of financial activities Year to 31 August 2019
(including income and expenditure account)

		Unrestricted funds	Restricted funds		2019	2018
	Notes	£	Fixed assets	General funds	Total funds	Total funds
		£	£	£	£	£
Income from:						
Donations and capital grants	1	74,024	80,674	37,986	192,684	258,801
Charitable activities:						
· Funding for the Trust's educational operations	2	—	—	12,087,506	12,087,506	11,645,855
Other trading activities	3	76,002	—	33,201	109,203	144,880
Investments	4	28,707	—	—	28,707	20,065
Total income		<u>178,733</u>	<u>80,674</u>	<u>12,158,693</u>	<u>12,418,100</u>	<u>12,069,601</u>
Expenditure on:						
Raising funds		—	—	25,959	25,959	63,962
Charitable activities:						
· Trust's educational operations		3,225	1,304,434	12,437,559	13,745,218	13,295,482
Total expenditure	5	<u>3,225</u>	<u>1,304,434</u>	<u>12,463,518</u>	<u>13,771,177</u>	<u>13,359,444</u>
Net income (expenditure) before transfers		175,508	(1,223,760)	(304,825)	(1,353,077)	(1,289,843)
Transfers between funds	17	—	687,593	(687,593)	—	—
Net income (expenditure) for the year		175,508	(536,167)	(992,418)	(1,353,077)	(1,289,843)
Other recognised gains						
· Actuarial gains (losses) on defined benefit pension scheme	21	—	—	(892,000)	(892,000)	1,091,000
Net movement in funds		<u>175,508</u>	<u>(536,167)</u>	<u>(1,884,418)</u>	<u>(2,245,077)</u>	<u>(198,843)</u>
Total funds brought forward at 1 September 2018		<u>2,360,250</u>	<u>36,533,541</u>	<u>(933,030)</u>	<u>37,960,761</u>	<u>38,159,604</u>
Total funds carried forward at 31 August 2019		<u>2,535,758</u>	<u>35,997,373</u>	<u>(2,817,447)</u>	<u>35,715,684</u>	<u>37,960,761</u>

All of the Trust's activities derived from continuing operations during the above two financial periods.

All gains and losses are included in the statement of financial activities above.

Balance sheet 31 August 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		1,242		3,770
Tangible assets	13		<u>35,992,307</u>		<u>36,528,453</u>
			35,993,549		36,532,223
Current assets					
Stock	14	2,448		11,758	
Debtors	15	655,235		625,346	
Short term deposits		3,815,751		3,794,674	
Cash at bank and in hand		<u>2,698,590</u>		<u>2,412,210</u>	
		7,172,024		6,843,988	
Creditors: amounts falling due within one year	16	(1,837,889)		(1,367,450)	
Net current assets			5,334,135		5,476,538
Total assets less current liabilities			41,327,684		42,008,761
Pension scheme liability	21		(5,612,000)		(4,048,000)
Total net assets			35,715,684		37,960,761
Funds of the Trust:					
Restricted funds	17				
. General restricted funds			2,794,553		3,114,970
. Pension reserve			(5,612,000)		(4,048,000)
			(2,817,447)		(933,030)
. Fixed assets fund			<u>35,997,373</u>		<u>36,533,541</u>
Total restricted funds			33,179,926		35,600,511
Unrestricted funds					
. General fund			<u>2,535,758</u>		<u>2,360,250</u>
Total funds			35,715,684		37,960,761

The financial statements on pages 28 to 53 were approved by the Trustees, authorised for issue on 28 November 2019 and signed on their behalf by:

 28.11.19
 (Chair of Trustees) (ANNA STANNARD)

The Arbib Education Trust
 Company Registration number 05358533 (England and Wales)

Statement of cash flows Year ended 31 August 2019

		2019 £	2018 £
Net cash flow from operating activities			
Net cash provided by operating activities	A	964,474	681,492
Cash flows used in investing activities	B	(657,017)	(212,920)
Change in cash and cash equivalents in the year		307,457	468,572
Cash and cash equivalents at 1 September 2018		6,206,884	5,738,312
Cash and cash equivalents at 31 August 2019	C	6,514,341	6,206,884

A Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (As per the statement of financial activities)	(1,353,077)	(1,289,843)
Adjusted for:		
Amortisation (note 12)	2,528	8,479
Depreciation (note 13)	1,301,906	1,342,628
Capital grants from DfE and other capital income	(80,674)	(52,599)
Loss on sale of tangible fixed assets	638	14,783
Interest receivable (note 4)	(28,707)	(20,065)
Defined benefit pension scheme cost less contributions payable (note 21)	567,000	631,000
Defined benefit pension scheme finance cost (note 21)	105,000	113,000
Decrease in stocks	9,310	14,158
(Increase) decrease in debtors	(29,887)	754,400
Increase (decrease) in creditors	470,437	(834,449)
Net cash provided by operating activities	964,474	681,492

B Cash flows used in investing activities

	2019 £	2018 £
Interest received (note 4)	28,707	20,065
Proceeds from sale of tangible fixed assets	300	—
Purchase of tangible fixed assets (note 13)	(766,698)	(285,584)
Capital grants from DfE/ESFA and Local Authority	80,674	52,599
Net cash used in investing activities	(657,017)	(212,920)

C Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	2,698,590	2,412,210
Short term deposits	3,815,751	3,794,674
Total cash and cash equivalents	6,514,341	6,206,884

Principal accounting policies 31 August 2019

Statement of 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.

Basis of preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Arbib Education Trust meets the definition of a public benefit entity under FRS 102.

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.

Income

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

Grants

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

Principal accounting policies 31 August 2019

Income (continued)

Grants (continued)

The 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 period 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 assets fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

Donations

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

Other income

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

Expenditure

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

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of other trading activities.

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Principal accounting policies 31 August 2019

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- ◆ Purchased computer software 33.33% per annum

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation except to the extent that certain assets are not in use in the period, in which case depreciation is not charged in that period.

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic lives. The related grants are credited to a restricted fixed assets fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities, so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- ◆ Leasehold buildings 2% on a straight line basis
- ◆ Assets under construction not depreciated
- ◆ Temporary buildings length of use
- ◆ Computer equipment and software 33.3% on a straight line basis
- ◆ Fixtures, fittings, equipment and motor vehicles 20% on a straight line basis

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.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Short term deposits

Accounts and instruments that have a maturity of more than three months from the date of acquisition.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 basis are as follows:

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

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 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stock

Unsold uniforms stocks are valued at the lower of cost and net realisable value.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 (deficit) 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 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.

Fund accounting

The unrestricted general fund represents those monies that are freely available for application towards achieving any charitable purpose that falls within the Trust's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability; and
- ◆ Estimating the useful economic life of intangible and tangible fixed assets for the purposes of calculating amortisation and depreciation.

Notes to the financial statements 31 August 2019

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2019 Total funds £
The Annabel Arbib Foundation – donations	73,877	-	73,877
Other donations	147	37,986	38,133
Capital Grants			
ESFA The Langley Academy Primary construction grant	-	37,679	37,679
ESFA Devolved Formula Capital grant	-	42,995	42,995
	<u>74,024</u>	<u>118,660</u>	<u>192,684</u>

	Unrestricted funds £	Restricted funds £	2018 Total funds £
The Annabel Arbib Foundation – donations	204,262	—	204,262
Other donations	1,940	—	1,940
Capital Grants			
ESFA The Langley Academy Primary construction grant	—	10,836	10,836
ESFA Devolved Formula Capital grant	—	41,763	41,763
	<u>206,202</u>	<u>52,599</u>	<u>258,801</u>

2 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019 Total funds £
ESFA revenue grants			
General Annual Grant	-	10,291,028	10,291,028
Other ESFA grants	-	874,495	874,495
	<u>-</u>	<u>11,165,523</u>	<u>11,165,523</u>
Other government grants			
Slough Borough Council grants	-	559,511	559,511
	<u>-</u>	<u>559,511</u>	<u>559,511</u>
Other income from the Trust's educational operations			
	-	362,472	362,472
	<u>-</u>	<u>12,087,506</u>	<u>12,087,506</u>

Notes to the financial statements 31 August 2019

2 Funding for the Trust's educational operations (continued)

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<i>ESFA revenue grants</i>			
General Annual Grant	—	10,079,889	10,079,889
Other ESFA grants	—	742,492	742,492
	—	10,822,381	10,822,381
<i>Other government grants</i>			
Slough Borough Council grants	—	576,715	576,715
	—	576,715	576,715
<i>Other income from the Trust's educational operations</i>			
	—	246,759	246,759
	—	11,645,855	11,645,855

3 Other trading activities

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Hire of facilities	73,880	-	73,880	86,518
Rental income	2,760	-	2,760	4,415
Restaurant income	-	15,451	15,451	15,849
Profit (loss) on disposal of assets	(638)	-	(638)	(14,783)
Other self-generated income	-	17,750	17,750	52,881
	76,002	33,201	109,203	144,880

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<i>Hire of facilities</i>	86,518	—	86,518
<i>Rental income</i>	4,415	—	4,415
<i>Restaurant income</i>	—	15,849	15,849
<i>(Loss) profit on disposal of assets</i>	(14,783)	—	(14,783)
<i>Other self-generated income</i>	—	52,881	52,881
	76,150	68,730	144,880

4 Investment income

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Bank interest receivable	28,707	-	28,707	20,065

Notes to the financial statements 31 August 2019

4 Investment income (continued)

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<i>Bank interest receivable</i>	20,065	—	20,065

5 Expenditure

	Staff costs (note 8) £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other costs £		
Expenditure on raising funds					
. Direct costs	-	-	8,323	8,323	28,221
. Support costs	-	-	17,636	17,636	35,741
	-	-	25,959	25,959	63,962
Trust's educational operations (note 6)					
. Direct costs	7,768,859	-	1,263,445	9,032,304	8,684,081
. Support costs	2,031,579	2,032,976	648,359	4,712,914	4,611,401
	9,800,438	2,032,976	1,937,763	13,771,177	13,359,444

	2019 £	2018 £
Net income (expenditure) for the year includes:		
Depreciation	1,301,906	1,342,628
Gain (loss) on disposal of fixed assets	(638)	(14,783)
Amortisation of intangible fixed assets	2,528	8,479
Fees payable to auditor for		
. Audit (current year)	20,050	19,450
. Audit (prior years)	2,600	300
. Other services	11,065	720

Included within expenditure are gifts made by the Trust of £320 (2018 – £401).

6 Trust's educational operations

	2019 Total funds £	2018 Total funds £
Direct costs	9,032,304	8,684,081
Support costs	4,712,914	4,611,401
	13,745,218	13,295,482

	2019 Total funds £	2018 Total funds £
Analysis of direct costs		
Teaching and educational support staff costs	7,410,815	7,174,048
Teaching and educational support agency costs	358,043	361,068
Technology costs	138,887	94,340
Educational supplies	548,184	455,900
Examination fees	132,653	115,380
Staff development	81,732	76,785
Educational consultancy	269,540	275,963
Other direct costs	92,450	130,597
Total direct costs	9,032,304	8,684,081

	2019 Total funds £	2018 Total funds £
Analysis of support costs		
Support staff costs	1,425,927	1,337,167
FRS102 staff pension cost adjustment	567,000	631,000
FRS102 interest on pension cost	105,000	113,000
Support staff agency costs	26,645	34,047
Bank interest and charges	4,518	3,786
Catering	291,691	268,473
Cleaning	53,319	57,612
Depreciation and amortisation	1,304,434	1,351,107
Energy	208,142	182,692
Governance costs	45,925	39,379
Insurance	52,848	51,954
Maintenance	262,796	222,402
Occupancy costs	67,006	76,400
Other supplies and services	133,707	97,141
Recruitment and support	31,291	14,767
Rent and rates	84,430	85,853
Technology costs	48,235	44,621
Total support costs	4,712,914	4,611,401

Notes to the financial statements 31 August 2019

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2018 between restricted and unrestricted funds:

		Unrestricted funds	Restricted funds		2018
	Notes	£	Fixed assets £	General funds £	Total funds £
Income from:					
Donations and capital grants	1	206,202	52,599	—	258,801
Charitable activities					
· Funding for the Trust's educational operations	2	—	—	11,645,855	11,645,855
Other trading activities	3	76,150	—	68,730	144,880
Investments	4	20,065	—	—	20,065
Total income		302,417	52,599	11,714,585	12,069,601
Expenditure on:					
Raising funds		—	—	63,962	63,962
Charitable activities:					
· Trust's educational operations		3,400	1,351,107	11,940,975	13,295,482
Total expenditure	5	3,400	1,351,107	12,004,937	13,359,444
Net income (expenditure) before transfers		299,017	(1,298,508)	(290,352)	(1,289,843)
Transfers between funds	17	—	201,863	(201,863)	—
Net income (expenditure) for the year		299,017	(1,096,645)	(492,215)	(1,289,843)
Other recognised gains					
· Actuarial gains on defined benefit pension scheme	21	—	—	1,091,000	1,091,000
Net movement in funds		299,017	(1,096,645)	598,785	(198,843)
Total funds brought forward at 1 September 2017		2,061,233	37,630,186	(1,531,815)	38,159,604
Total funds carried forward at 31 August 2018		2,360,250	36,533,541	(933,030)	37,960,761

Notes to the financial statements 31 August 2019

8 Staff

(a) Staff costs

Staff costs comprise:

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Wages and salaries	-	7,082,722	7,082,722	6,864,324
Social security costs	-	689,569	689,569	668,825
Other pension costs	-	1,076,459	1,076,459	996,491
FRS 102 pension adjustment	-	567,000	567,000	631,000
	-	9,415,750	9,415,750	9,160,640
Agency staff costs	-	384,688	384,688	395,115
Staff restructuring costs	-	-	-	-
Total staff costs	-	9,800,438	9,800,438	9,555,755

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2019 expressed as full-time equivalents and by headcount was as follows:

Number of employees	2019 FTE	2019 Headcount	2018 FTE	2018 Headcount
Teaching staff	99	97	100	100
Teaching support	60	101	62	110
Management and administration	38	54	36	48
Other support	30	58	33	53
Total staff costs	227	310	231	311

(c) Higher paid staff

The number of employees who earned a salary of £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2019 Number	2018 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	-	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1

All eight (2018 – all seven) of the above employees earning £60,000 per annum or more participated in the Pension Schemes. During the year ended 31 August 2019 employer's pension contributions for these staff amounted to £83,092 (2018 – £92,184).

8 Staff (continued)

(d) Key management personnel

The key management personnel of the Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £535,151 (2018 – £520,315).

9 Central services

Trust Central has provided the following services to other academies within the Trust during the year:

- Human resources support
- Finance department support
- Legal services
- Educational support services
- Clerking services
- Strategic management support

The Trust Central charges for these services at a flat percentage of GAG income (6%).

The actual amounts charged during the year were as follows:

	2019 £	2018 £
The Langley Academy	373,740	-
The Langley Heritage Primary (Parlaunt Park Primary Academy)	146,940	149,395
The Langley Academy Primary	89,146	69,110
	609,826	218,505

10 Trustees' remuneration and expenses

The Executive Principal only receives remuneration in respect of the services he provides in undertaking his role as employee of the Trust and not in respect of his services as a Trustee. No Trustee received any payments from the Trust in respect of their role as Trustee. The value of the Trustee's remuneration and other benefits in his capacity as an employee falls within the following band:

	2019 £	2018 £
Mr Rhodri Bryant – Executive Principal and Trustee		
• Remuneration	140,000 – 145,000	140,000 - 145,000
• Employer's pension contributions	15,000 – 20,000	20,000 - 25,000

During the year ended 31 August 2019 £284 travel and subsistence expenses were reimbursed to Trustees (2018 – £nil). In addition, The Arbib Education Trust spent £919 (2018 – £1,204) worth of expenses on behalf of the Trustees for training courses attended.

Notes to the financial statements 31 August 2019

11 Trustees' and officers' insurance

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

12 Intangible fixed assets

	Computer software £	Total funds £
Cost		
At 1 September 2018 and 31 August 2019	36,969	36,969
Amortisation		
At 1 September 2018	33,199	33,199
Charge for year	2,528	2,528
At 31 August 2019	35,727	35,727
Net book value		
At 31 August 2019	1,242	1,242
At 31 August 2018	3,770	3,770

Notes to the financial statements 31 August 2019

13 Tangible fixed assets

	Leasehold buildings £	Asset Under Construction £	Fixtures, fittings, and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2018	43,096,465	3,040	2,005,780	77,482	1,917,053	47,099,820
Additions	—	599,903	27,443	—	139,351	766,697
Disposals	—	—	(60,706)	(11,191)	—	(71,897)
At 31 August 2019	43,096,465	602,943	1,972,517	66,291	2,056,404	47,794,620
Depreciation						
At 1 September 2018	7,173,659	—	1,644,246	53,856	1,699,605	10,571,366
Charge for year	1,035,163	—	112,171	8,935	145,638	1,301,907
Disposals	—	—	(59,768)	(11,192)	—	(70,960)
At 31 August 2019	8,208,822	—	1,696,649	51,599	1,845,243	11,802,313
Net book values						
At 31 August 2019	34,887,643	602,943	275,868	14,692	211,161	35,992,307
At 31 August 2018	35,922,806	3,040	361,534	23,626	217,447	36,528,453

The land on which The Langley Academy (primary and secondary) and The Langley Heritage Primary (Parlaunt Park Primary Academy) are sited, is leased from Slough Borough Council at a peppercorn rent (if demanded) over a term of 999 years from 25 September 2008 and 125 years from 1 September 2015 respectively. No value has been placed on this land in the financial statements due to the restrictive covenants on the assets.

14 Stock

	2019 £	2018 £
Uniforms	2,448	11,758

15 Debtors

	2019 £	2018 £
Trade debtors	11,995	39,360
VAT recoverable	231,810	120,082
Prepayments and accrued income	411,430	465,904
	655,235	625,346

Notes to the financial statements 31 August 2019

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	823,543	518,643
Taxation and social security	161,789	157,065
Other creditors	189,475	187,824
Accruals and deferred income	663,082	503,918
	1,837,889	1,367,450

Creditors above include the following deferred income balance:

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	237,177	712,095
Resources deferred in the year	337,221	218,426
Amounts released in the year	(68,654)	(693,344)
Deferred income at 31 August 2019	505,744	237,177

At the balance sheet date, the Trust was holding funds receivable in advance for rates, SEND, Educational Services, Early Years, Universal Infant Free School Meals, pupil premium and three grants related to museum learning.

17 Funds

The income funds of the Trust comprise the following:

	At 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	3,104,154	10,291,028	(9,921,270)	(687,592)	2,786,320
Pupil premium	—	492,845	(492,845)	-	-
Other ESFA funds	3,702	381,650	(381,649)	-	3,703
Local Authority other funds	7,114	559,511	(562,095)	-	4,530
Other restricted funds	—	433,659	(433,659)	-	-
	3,114,970	12,158,693	(11,791,518)	(687,592)	2,794,553
Pension reserve	(4,048,000)	-	(672,000)	(892,000)	(5,612,000)
	(933,030)	12,158,693	(12,463,518)	(1,579,593)	(2,817,447)
Restricted fixed assets funds					
Private sector capital sponsorship	1,317	-	-	-	1,317
DfE/ESFA capital grants	—	42,995	-	(40,487)	2,508
Capital expenditure from GAG	36,532,224	37,679	(1,304,434)	728,079	35,993,548
	36,533,541	80,674	(1,304,434)	687,592	35,997,373
Total restricted funds	35,600,511	12,239,367	(13,767,952)	(892,000)	33,179,926
Unrestricted funds	2,360,250	178,733	(3,225)	-	2,535,758
Total funds	37,960,761	12,418,100	(13,771,177)	(892,000)	35,715,684

Notes to the financial statements 31 August 2019

17 Funds (continued)

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

General Annual Grant (GAG)

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 2019.

Pupil premium

Pupil premium is additional funding provided to the Trust to raise the attainment of disadvantaged students of all abilities to close the gap between them and their peers.

Other ESFA funds

This grant relates to funding in respect of school lunches, year 7 catch up grant, PE teachers grant income as well as income from the National College of Teaching and Leadership (NCTL), a body of the ESFA.

Other grants

These grants relate to the Trust's development and operational activities from Slough Borough Council and other government grants.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme (note 21).

Fixed assets fund

These grants relate to funding to carry out works of a capital nature.

Transfers between funds

The majority of the transfers relate to fixed assets purchased from the General Annual Grant and other ESFA grants and the consolidation of restricted fixed assets funds.

Analysis of academies by cost

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) £	2019 Total £	2018 Total £
Trust Central	302,105	845,169	7,747	226,619	1,381,639	-
The Langley Academy	4,435,233	781,638	567,277	806,825	6,590,973	7,651,023
The Langley Academy Primary	1,170,049	188,598	125,909	303,316	1,787,872	1,537,762
The Langley Heritage Primary	1,861,472	218,061	249,444	377,281	2,706,258	2,819,551
	<u>7,768,859</u>	<u>2,033,466</u>	<u>950,377</u>	<u>1,714,041</u>	<u>12,466,742</u>	<u>12,008,336</u>

Notes to the financial statements 31 August 2019

17 Funds (continued)

Analysis of academies by cost (continued)

Analysis of academies by fund

Fund balances as at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Trust Central	(59,183)	998,945
The Langley Heritage Primary (Parlaunt Park Primary Academy)	1,206,822	998,945
The Langley Academy	3,866,730	4,407,794
The Langley Academy Primary	315,942	68,481
Total before fixed assets and pension reserve	5,330,311	5,475,220
Restricted fixed assets fund	35,997,373	36,533,541
Pension reserve	(5,612,000)	(4,048,000)
Total	35,715,684	37,960,761

Comparative information

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

	At 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	2,844,882	10,079,889	(9,618,754)	(201,863)	3,104,154
Pupil premium	—	482,465	(482,465)	—	—
Other ESFA funds	3,702	260,027	(260,027)	—	3,702
Local Authority other funds	14,601	576,714	(584,201)	—	7,114
Other restricted funds	—	315,490	(315,490)	—	—
	2,863,185	11,714,585	(11,260,937)	(201,863)	3,114,970
Pension reserve	(4,395,000)	—	(744,000)	1,091,000	(4,048,000)
	(1,531,815)	11,714,585	(12,004,937)	889,137	(933,030)
Restricted fixed assets funds					
Private sector capital sponsorship	17,655	—	—	(16,338)	1,317
DfE/ESFA capital grants	—	41,763	—	(41,763)	—
Capital expenditure from GAG	37,612,531	10,836	(1,351,107)	259,964	36,532,224
	37,630,186	52,599	(1,351,107)	201,863	36,533,541
Total restricted funds	36,098,371	11,767,184	(13,356,044)	1,091,000	35,600,511
Unrestricted funds	2,061,233	302,417	(3,400)	—	2,360,250
Total funds	38,159,604	12,069,601	(13,359,444)	1,091,000	37,960,761

Notes to the financial statements 31 August 2019

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Assets £	2019 Total funds £
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	1,242	1,242
Tangible fixed assets	-	-	35,992,307	35,992,307
Current assets	2,535,758	4,632,442	3,824	7,172,024
Creditors: amounts falling due within one year	-	(1,837,889)	-	(1,837,889)
Pension scheme liability	-	(5,612,000)	-	(5,612,000)
Total net assets	2,535,758	(2,817,447)	35,997,373	35,715,684

19 Related party transactions

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 transactions will take place with organisations in which a member of the Board of 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 procurement procedures.

Transactions with related parties were as follows:

	2019 £	2018 £
Income:		
Contributions from The Annabel Arbib Foundation	73,877	204,262

Mrs Annabel Nicoll and Sir Martyn Arbib are Members of The Arbib Education Trust and are also Trustees of the registered charity The Annabel Arbib Foundation (Registration number 296358). Mrs Annabel Nicoll was a Trustee of the Arbib Education Trust throughout the years ended 31 August 2018 and 2019.

The Friends of Parlaunt Park and TLAP – Community in Action are parent associations for The Langley Heritage Primary (Parlaunt Park Primary Academy) and The Langley Academy Primary respectively. The Trust has no control over these organisations.

No payments were made by the Trust or any of its constituent parts to related parties.

The Academy Trust did not enter into any further related party transactions in the year.

20 Capital commitments

	2019 £	2018 £
ICT Equipment – contracted for New 6 th Form Building	-	21,890
	2,075,097	-

The Trust is committed to building a new sixth form centre and refurbishing the current block at an estimated total cost of £2.67m.

21 Pension and similar obligations

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 Royal County of Berkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £140,330 were payable to the schemes at 31 August 2019 (2018 – £126,974) 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. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Trust has set out above the information available on the plan and the implications for the Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £674,620 (2018 – £644,970).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was [£555,159(2018 – £496,002), of which employer's contributions totalled [£405,337 (2018 – £353,672) and employees' contributions totalled [£149,822 (2018 – £142,330). The agreed contribution rates for employers are shown in the table below, and are between 5.5% and 12.5% for employees depending on salary.

	From 1 April 2018	From 1 April 2019
The Langley Academy	13.7%	15.2%
The Langley Academy Primary	18.6%	19.6%
Parlaunt Park Primary Academy	18.6%	19.6%

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

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.7%	3.8%
Rate of increase for pensions in payment / inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.9%	2.6%
Inflation assumption (CPI)	2.2%	2.3%
Commutation of pensions to lump sums	50%	50%

Notes to the financial statements 31 August 2019

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2019 (years)	At 31 August 2018 (years)
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

	At 31 August 2019 £	At 31 August 2018 £
Sensitivity analysis – movement in net pension liability from a change in actuarial assumptions		
Discount rate +0.1%	(298,000)	(234,000)
Discount rate -0.1%	307,000	240,000
Mortality assumption – 1 year increase	398,000	295,000
Mortality assumption – 1 year decrease	(385,000)	(285,000)
CPI rate +0.1%	30,000	25,000
CPI rate -0.1%	(29,000)	(25,000)

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	2,768,000	1,986,000
Corporate bonds	722,000	636,000
Property	628,000	580,000
Cash and other liquid assets	390,000	627,000
Target return portfolio	238,000	172,000
Commodities	31,000	80,000
Infrastructure	486,000	284,000
Longevity insurance	(289,000)	(128,000)
Total market value of assets	4,974,000	4,237,000
Present value of obligations	(10,586,000)	(8,285,000)
Net liability	(5,612,000)	(4,048,000)

The actuarial return on scheme assets was £280,000 (2018 – £166,000).

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2019 £	2018 £
At 1 September 2018	8,285,000	8,031,000
Current service cost	860,000	976,000
Interest cost	219,000	210,000
Employee contributions	142,000	142,000
Actuarial gain	1,615,000	(1,025,000)
Change in demographic assumptions	(561,000)	-
Liabilities extinguished on settlement	(50,000)	-
Past service costs, including curtailments	128,000	-
Benefits paid	(52,000)	(49,000)
At 31 August 2019	10,586,000	8,285,000

Changes in the fair value of the Trust's share of scheme assets:	2019 £	2018 £
At 1 September 2018	4,237,000	3,636,000
Interest income	114,000	97,000
Actuarial (loss) gain	162,000	66,000
Employer contributions	400,000	345,000
Employee contributions	142,000	142,000
Benefits paid	(52,000)	(49,000)
Settlement prices	(29,000)	-
At 31 August 2019	4,974,000	4,237,000

22 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.

23 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2019 the Trust received £22,474 (2018 – £21,749) and disbursed £10,050 (2018 – £21,749) from the fund.