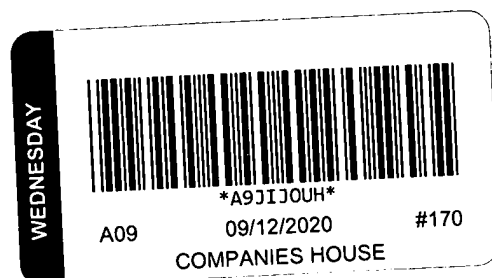


Company Registration No. 08135633 (England and Wales)

LATCHMERE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



LATCHMERE ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditor's report on the financial statements	19 - 20
Statement of financial activities including income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements including accounting policies	24 - 44

LATCHMERE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Lisa Stone
Pam Tatlow
Stephen Pritchard
Sarah McCarthy
Justin Jacobs

Trustees

Stephen Pritchard (Resigned 16 July 2020)
Justin Jacobs (Vice Chair of Trustees and Chair of School Improvement and Standards Committee)
Bethlyn Killey (Resigned 3 March 2020)
Sarah McCarthy (Chair of Trustees)
Julie Ritchie (Accounting Officer) (Resigned 31 October 2020)
Lisa Stone (Resigned 1 September 2019)
Raghu Venkatesam (Chair of Finance and Resources Committee)
Madeline Maguire (Chair of Nelson School Local Advisory Board)
Clare Reeve Curatola
Chris Burnell (Resigned 20 May 2020)
Lucy Lewis (Chair of Governors Latchmere School) (Appointed 30 September 2019)
Jennifer Singer (Appointed 4 March 2020)
Nicholas Murphy
Anna Steels (Accounting Officer) (Appointed 1 November 2020)

Senior management team

- Executive Head Teacher and CEO
- Executive Head Teacher and CEO
- Head of Latchmere School
- Head of Latchmere School
- Head of Nelson School
- Head of Nelson School
- Deputy Head - Latchmere
- Deputy Head - Latchmere
- Deputy Head - Nelson
- Inclusion Leader
- Early Years Leader
- Business Manager and CFO

Julie Ritchie (Until 31 October 2020)
Anna Steels (From 1 November 2020)
David Welsh (From 1 September 2020 until 31 October 2020)
Anna Steels (From 1 November 2020)
Anna Steels (Until 31 October 2020)
Sian Ward (From 1 November 2020)
Carolyn Coles
Matthew Lewis
Sian Ward (Until 31 October 2020)
Lisa Maxted
Elaine Booth
Marianne Isbell

Company secretary

Alexandra Warburton

Company registration number

08135633 (England and Wales)

Principal and registered office

Latchmere Road
Kingston upon Thames
Surrey
KT2 5TT

Academies operated

Latchmere School
Nelson Primary School

Location

Kingston upon Thames
Twickenham

Head Teacher

Anna Steels
Sian Ward

LATCHMERE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

RSM UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

Bankers

Royal Bank of Scotland
5 Church Street
Sheffield
S1 1HF

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT

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

The Academy Trust operates two primary academies: Latchmere School in the Royal Borough of Kingston, serving a catchment area in North Kingston and Nelson Primary School in the London Borough of Richmond, serving a catchment area in Whitton and Twickenham. Nelson Primary School joined Latchmere Academy Trust on 1 September 2017; transferring from The Waldegrave Trust.

Latchmere School has a pupil capacity of 948 and had a roll of 918 in the school census of 5 October 2020. Nelson Primary School has a pupil capacity of 446 and had a roll of 376 in the school census on 5 October 2020. Nelson's Pupil Admission Number (PAN) was 60 during the year. Latchmere's Pupil Admission Number (PAN) was 120 during the year.

Pupils will be admitted without reference to aptitude or ability. We have a non-discriminatory policy in relation to children with special educational needs.

If more applications are received than there are places, the following criteria will be used to decide which children can be offered places, in priority order, places will be offered:

1. To looked after children;
2. To children who have a sibling living at the same address who is attending the school at the time of admission;
3. In cases of exceptional family, social or medical need which make Latchmere or Nelson the most suitable school for the child;
4. To children of staff directly employed by Latchmere or Nelson school for two years or more;
5. To children whose home is nearest to the school.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Latchmere Academy Trust (the Academy Trust or the charitable company) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Latchmere Academy Trust are also the directors of the charitable company for the purposes of the Companies Act 2006 and charities legislation.

Details of the Trustees who served during the year, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect its Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides unlimited cover.

Principal activities

The principal activity of the Academy Trust is to offer free education to children in the local community through a broad and balanced curriculum. The Charitable Company was incorporated on 9 July 2012.

Method of recruitment and appointment or election of Trustees

The standard term of office for Trustees is four years.

The Trustees have set up procedures that will enable regular reviews of the mix of skills, through the skills matrix, available to the Board of Trustees. New Trustees will then be sought to add to the skills base.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

New Trustees receive induction packs and meet with the Chair of Trustees and Executive Head Teacher to discuss the role of Trustees and the requirements of the Academy Trust.

During the year under review the Trustees held six full Board of Trustees meetings and five Trustees' Finance and Resources committee meetings. In addition six meetings of the Local Advisory Board (LAB) at Nelson Primary School, and four meetings of the Local Governing Body (LGB) at Latchmere School were held.

The training and induction provided for new Trustees is dependent on their experience. Where necessary the Academy will provide training on legal, educational and financial matters. All new Trustees are given a tour of the Academy Trust Schools. All Trustees are required to undertake one relevant Governor training course a year for their CPD.

Copies of policies, procedures, minutes, accounts, budget plans and other documents are made available to Trustees. All Trustees are subject to DBS checks and informed about safeguarding procedures. All Trustees are expected to undertake Level 1 safeguarding training.

Organisational structure

The Charitable Company's organisational structure consists of two levels: The Trustees and the Executive who are the Leadership Team.

The Trustees' primary role is to approve the strategic direction and objectives of the Academy Trust and consisted of three committees in the year ended 31 August 2020:

- Finance and Resources;
- School Improvement and Standards; and
- Nominations.

Additionally, each school has its own Governors who form at Nelson a LAB, and at Latchmere a LGB.

The committees monitor progress towards the objectives set in the School Development Plan (SDP), the risks identified through the risk register, and feed back to the full Board of Trustees which meets at least four times a year. Decisions are taken at meetings of the full Board of Trustees in consideration of reports and recommendations from Trustees' committees.

Members of staff, in addition to the Executive Head Teacher and the Head of School at Nelson, attend committee, LAB and LGB meetings to present reports in their areas of responsibility, for example curriculum development and special educational needs.

The Trustees have agreed a scheme of delegation which sets out a statement of internal control, and responsibilities.

Trustees are responsible for setting general policy, adopting an annual plan and budget and are involved in major decisions including capital expenditure and senior staff appointments.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have delegated significant authority and responsibility in the day-to-day running of the Academy Trust to the Executive Head Teacher and Senior Leadership Team (SLT). The pay and remuneration of members of the SLT and Executive Head Teacher is determined in accordance with the Academy Trust's Performance Appraisal and Pay policies, which reflect the requirements of the School Teachers' Pay and Conditions Document (STPCD).

Trade union facility time

No employees were officials of any relevant trade unions in the year ended 31 August 2020. Therefore, none of their time was spent on union activities.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations

Latchmere Teaching School Alliance

Latchmere is a designated National Teaching School, working with strategic partners to provide high-quality training and development through the Latchmere Teaching School Alliance (LTSA).

Activities during 2019-20 have included initial teacher training through management of the School Direct programme, provision of induction training and certification for newly qualified teachers (NQTs) and hosting other training courses.

The LTSA receives grant funding from the National College for Teaching and Leadership (NCTL) for core activities and for School Direct trainees, it also generates its own income streams from the NQT programme and hosted training courses.

The finances of the LTSA are managed in parallel to the Academy Trust budget, with funding, income and associated expenditure being accounted for separately. These are included in our financial statements and treated as ring-fenced restricted funds.

The North Kingston Children's Centre

The North Kingston Children's Centre was closed by the Royal Borough of Kingston Local Authority on 31 March 2020. The Academy Trust discontinued all support services from this date. The building (adjacent to the Latchmere School site) is currently unoccupied, and under the control of the Local Authority's Asset Management department.

There are no other related parties which either control or significantly influence the decisions and operations of the Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objectives and activities of the Charitable Company are the operation of the Academies known as Latchmere School and Nelson Primary School to provide a differentiated, free education for its pupils by providing a broad and balanced curriculum.

Objectives, strategies and activities

The main objectives of the charitable company are summarised below:

- To provide outstanding teaching and learning;
- To care for the individual. The structures and ethos of the schools ensure care for the individual;
- To provide a fit place to learn. The Academy Trust aims to provide inspirational and well-run schools;
- To provide aspirational leadership;
- To provide an enriched curriculum whilst complying with statutory requirements;
- To provide value for money;
- To conduct the Academy Trust's business in accordance with the highest standards of integrity and probity; and
- To foster partnerships within the local community and the wider community.

Public benefit

In setting our objectives and planning our activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit. In this respect, the Trustees consider that the Charitable Company's aims are demonstrably to the public benefit.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Included in the table below are Nelson and Latchmere's Teacher Assessments (TA). Targets will be set following Autumn Term Assessment 2020. 2018 and 2019 have been left in the table for comparison.

2020 - % Achieving (Provisional)	Latchmere 2018	Latchmere 2019	Latchmere TA 2020	Nelson 2018	Nelson 2019	Nelson TA 2020
EYFSP Good Level of Development	73	76	73-75	62	59	55-65
Phonics Expected Standard	92	86	72-82	77	72	72-74
KS1 Expected or Above RWM	74	69	67-73	62	69	63-65
KS1 Expected or Above Reading	86	83	76-85	71	75	67-70
KS1 Expected or Above Writing	78	72	70-75	64	69	65-67
KS1 Expected or Above Maths	84	88	80-87	71	77	68-70
KS1 Expected or Above Science	94	93	87-93	69	80	75-80
KS1 Greater Depth RWM	23	19	18-22	8	8	6-9
KS1 Greater Depth Reading	46	34	34-35	24	25	23-26
KS1 Greater Depth Writing	34	22	22-30	11	12	9-12
KS1 Greater Depth Maths	28	32	35-41	24	21	9-12
KS2 Expected or Above RWM	80	73	85	74	61	69
KS2 Expected or Above Reading	91	82	90	84	76	83
KS2 Expected or Above Writing	88	89	88	78	78	73
KS2 Expected or Above Maths	85	88	92	85	71	72
KS2 Expected or Above GPS	87	88	91	87	83	70
KS2 Expected or Above Science	96	96	94	83	92	90
KS2 High Standard RWM	21	30	33		12	8
KS2 High Standard Reading	50	48	55	24	28	17
KS2 Greater Depth Writing	30	34	37	16	19	9
KS2 High Standard Maths	44	51	48	24	32	13
KS2 High Standard GPS	54	54	43	26	40	20

- Ranges have been given for all other year groups based on a TA judgement for Spring term assessment. The top of the range would have been achieved by consistent teaching. The bottom of the range would be achieved if no further teaching had taken place following lockdown on 23 March. All children will fall within the range. All children were given the opportunity to return to school in the Summer term.
- All assessments will be secured by Autumn term assessment 2020.
- Targets will be set for 2021 following the Autumn Term 2020 assessments.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the 12 months ended 31 August 2020 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants from Kingston and Richmond Local Authorities to support pupils who have a Statement of Educational Need (SEN) with associated funding allocation. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" such grants are shown as restricted income.

During the year ended 31 August 2020, financial expenditure of £8,126,812 (2019: £8,062,656) was covered in part by recurrent grant funding from the DfE and other grant income. The Academy Trust is entrepreneurial in nature and has generated, and will aim to actively continue to generate alternative income streams to support its expenditure not covered by recurrent grant income.

The Coronavirus pandemic has affected these alternative income streams, the majority of which depend on "business as usual" with the normal population of children at school.

From March 2020, all lettings of the schools' facilities ceased, school meals provision was pared back with significantly reduction in parent payments, wraparound care clubs did not operate during the lockdown and the restricted service from June to the end of term ran on a break-even basis. The lost income over this six months of reduced activity was partly mitigated by reductions in associated costs, for example lower premises staff overtime for lettings cover, lower costs of food and catering consumables. Both schools were able to claim under the Job Retention Scheme for furloughed catering and wraparound care staff, helping to further mitigate lost income. Overall, across both schools, the net impact due to Covid 19 on school generated income was a reduction of approximately £66,500.

The deficit excluding transfers for the year ended 31 August 2020 was £72,320 (2019: deficit of £60,435) (excluding fixed asset funds and excluding the LGPS pension liability movement).

At 31 August 2020 the carry forward funds, excluding fixed assets and pension obligations was £788,103 (2019: £892,903).

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The Academy Trust finance and risk policies are run with rigour. The committee structure ensures all decisions are debated appropriately.

Principal risks and uncertainties

A risk register outlining low, medium and high-risk factors has been drawn up by the Trustees. The risk register identifies the key risks, the likelihood of these occurring, their potential impact on the Academy Trust and the actions taken to reduce and mitigate risks. Different aspects of the risk register are owned by the different committees and are discussed and reported on:

- Education Risk – School Improvement and Standards committee;
- Staff risk – Finance and Resources committee;
- Land and Property risks - Finance and Resources committee; and
- Governance and Legal risks - Full Board of Trustees.

As the Academy Trust has one main funding source, the DfE, there is a reliance on the funding remaining at a level to cover the financial requirements of the Academy Trust. This is outside the control of the Academy Trust, although we are optimistic about Government plans for education funding, including the provision of Coronavirus catch up funds for schools.

In a normal year the Academy Trust will continue to develop and build its other income streams, including the servicing of programmes provided through the LTSA, wraparound childcare clubs and the letting of its facilities. In the second half of the year ended 31 August 2020 these endeavours were halted due to the impact of Coronavirus and the national lockdown, followed by restricted opening of the schools for the remainder of the year.

Successful bids for grants from the ESFA Condition Improvement Fund (CIF) have provided funds for essential repairs and refurbishments of the Academy Trust's facilities, enabling the conservation of the Academy Trust's educational funding. Over the past 5 years CIF grants have enabled the refurbishment of roofs, security and safeguarding improvements, extension of SEN accommodation, refurbishment of children's toilets, a classroom extension and improved fire safety measures.

The Academy Trust does not carry out any fundraising activities itself. Parent representatives at both schools organise weekly cake sales for their classes, the proceeds of which are donated to the respective class to buy additional resources for pupils. Cake sales ceased mid year due to Coronavirus; we are hopeful that they will resume in the 2020-21 academic year.

The Academy Trust also benefits from the fundraising endeavours of the Latchmere School Parents Association (LSPA), the Latchmere Learning Fund and the Nelson Primary School Parent Teacher Association (PTA) whose energy and commitment are greatly valued. The LSPA finances the regular upkeep of the Latchmere swimming pool, and all three bodies contribute substantial funds each year for targeted projects. In the year ended 31 August 2020 LSPA Learning Fund and PTA donations have helped us to set up a School Radio Station, purchase further reading scheme books at Latchmere, and carry out extensive playground refurbishments at Nelson. Coronavirus has interrupted normal summer fundraising activities, meaning that in 2020-21 there is likely to be less money available for school projects.

The Coronavirus pandemic has introduced an unforeseen risk that has impacted the normal running of the schools and the Academy finances during the 2019-20 financial year. With the full opening of schools in September 2020 we are hopeful that "business as usual" will be restored over the forthcoming year, but are mindful that there may be set-backs that will require close monitoring and appropriate action to minimise the impact of these.

Financial sustainability for the Academy Trust means ensuring the longevity of the organisation by being able to mobilise resources that support its strategic plans, managing core costs within its means, embracing initiatives and opportunities to innovate and secure new income streams. In this context, Trust expansion presents opportunities to strengthen sustainability, but also creates potential risk. The Academy Trust's approach is to move at a sensible pace with proper due diligence; employing robust governance, management and monitoring processes to ensure that identified risks are minimised.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Academy Trust's reserves policy is informed by an analysis of the budgetary process (current year budget and 3-year projection), the strategic and operational plans (SDP) and the risk management process. This includes forecasts for levels of income and expenditure in future years on the basis of planned activity, analysis of future development needs and opportunities that could not be met out of annual income, and assessment of the financial implications of mitigating future uncertainties.

In determining an appropriate level of reserves consideration is given to:

- The risk of unforeseen emergency or other unexpected need for funds;
- Covering unforeseen day to day operational costs, for example employing temporary cover staff;
- Any uncertainty, turbulence or expected reduction in funding arrangements or income streams; and
- Planned commitments, or designations, that cannot be met by future income alone.

Reserves are split between:

- Free reserves, where use is not formally identified (contingency); and
- Designated reserves, where surplus funds are being held or built up for specific future expenditure.

There is no absolute level of free reserves that the Academy Trust should hold but generally these are maintained at no less than 1% and ideally around 5% of budgeted expenditure.

The amount allocated to designated reserves will be project dependent and will include the following:

- Planned / committed property developments;
- Property maintenance not covered by annual funding;
- Planned replacement of high value fixed assets; and
- Development of ICT infrastructure.

The total value of the academy's net current assets at 31 August 2020 were £422,421. Designated reserves included the Teaching School balance of £4,754. The unrestricted reserves remaining at 31 August 2020 amounted to £296,379 representing approximately 3.9% of budget.

Investment policy

The Academy Trust has no investments other than bank deposits. The Academy Trust manages its funds carefully and routinely places spare funds on deposit.

Going concern

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

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The SDP outlines the priorities for the coming year for both schools with objective 1 of the SDP the same for both schools as linked to standards. Further objectives differ to meet the individual needs of the schools:

2020/21 SDP priorities

Latchmere

- Teachers to embed non-negotiables for Spelling and Grammar (SPaG) which were initiated last year but not embedded;
- To respond to national changes in the curriculum the school has devised a curriculum that has been acknowledged by Ofsted as being ambitious, sequenced and logical. To underpin the curriculum, the staff need to know their subject story and curriculum map well. This will strengthen subject leaders as well as class teachers' knowledge; and
- Leaders to sharpen their analysis of the impact of the different strategies and actions taken to improve the outcomes of disadvantaged pupils – to continue from last year as lockdown interrupted data collection and analysis.

Nelson

- Teachers to embed non-negotiables for SPAG which were initiated last year but not embedded;
- To respond to national changes in the curriculum the school has devised a curriculum that has been acknowledged by Ofsted as being ambitious, sequenced and logical. To underpin the curriculum, the staff need to know their subject story and curriculum map well. This will strengthen subject leaders as well as class teachers' knowledge;
- To develop a school culture of Building Learning Power – to continue from 2019/20 SDP; and
- To improve the outcome for maths by 3% across the school by measuring pupil groups against pupil's previous attainments.

The Academy Trust's budget for 2020-21 assumes that both schools will open as normal for pupils in September 2020 and remain open, albeit with lower activity levels in many school generated income streams. Coronavirus restrictions are expected to continue during the winter months at least, and virus control measures mean that the schools will remain closed to the majority of external users. The demand for school meals is expected to return to near normal levels, and for wraparound care clubs to resume but at lower than normal levels as many parents continue to work from home. Budget projections for the year take this situation into account.

There is no expectation of any donations in the forthcoming year from the schools' parent bodies as normal fundraising activities were curtailed from March 2020. These funds are used to buy the 'nice to have' enrichment resources and activities and are not relied upon to cover any of the cost of mainstream educational provision, this will therefore not impact on the normal functioning of the schools.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed as auditor of the charitable company under section 487(2) of the Companies Act 2006.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 02 December 2020 and signed on its behalf by:



Sarah McCarthy
Chair of Trustees

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Latchmere Academy Trust and the Secretary of State for Education. The Accounting Officer 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 (in person or remotely) six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Stephen Pritchard (Resigned 16 July 2020)	4	6
Justin Jacobs (Vice Chair of Trustees and Chair of School Improvement and Standards Committee)	5	6
Bethlyn Killey (Resigned 3 March 2020)	2	2
Sarah McCarthy (Chair of Trustees)	6	6
Julie Ritchie (Accounting Officer) (Resigned 31 October 2020)	6	6
Lisa Stone (Resigned 1 September 2019)	0	0
Raghu Venkatesam (Chair of Finance and Resources Committee)	5	6
Madeline Maguire (Chair of Nelson School Local Advisory Board)	5	6
Clare Reeve Curatola	6	6
Chris Burnell (Resigned 20 May 2020)	2	5
Lucy Lewis (Chair of Governors Latchmere School) (Appointed 30 September 2019)	5	6
Jennifer Singer (Appointed 4 March 2020)	4	4
Nicholas Murphy	5	6
Anna Steels (Accounting Officer) (Appointed 1 November 2020)	0	0

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Board of Trustees works closely with the Executive Head and the Senior Leadership Team in the following 3 areas:

- Strategic Leadership for the Trust and the schools;
- Financial Oversight, to ensure the financial health and longevity of the Trust; and
- Improving educational outcomes for all pupils in our schools.

Latchmere Academy Trust has completed its third year with two schools, after the inclusion of Nelson Primary School into the Multi Academy Trust (MAT) in September 2017. Further development of the Trust governance structure has taken place with the extension of the School Improvement & Standards Committee to include Local Governors and the addition of a Nominations Committee to oversee the appointment of new Trustees.

The Board has also appointed a lead Safeguarding Trustee to ensure all aspects of keeping children safe in education are at the forefront of the Board's discussions. In addition, other lead Trustees have been appointed to give greater focus to our strategic development priorities.

During the year, the Board has continued to develop its working practices in line with the legislative and regulatory responsibilities and has endeavoured to close any knowledge gaps through participating in CPD, and seeking out opportunities for face-to-face training where possible. In addition, in 2019-20 all Trustees have undertaken Level 1 Safeguarding training.

The provision of education performance data at committee level has been reviewed and a new standard agreed to improve the analysis of progress measures for different pupil groups. The Trustees' Report produced for each Board meeting has enabled the Trustees to have like-for-like information for both schools in the Trust. This process is working well and will continue to be reviewed as the needs of the Board evolve.

As the Trust develops, the focus continues to be on the following:

1. Separation of Members and Trustees, specifically by accelerating the search for additional Members who can add value to the Trust based on their skills & experience. This search has now concluded.
2. Rebalancing the governing boards of Latchmere School and Nelson Primary School based on the skills assessment undertaken, by adding new Governors to close identified gaps.
3. Ensuring all Trustees and Governors have the right skills and knowledge to perform effectively.
4. Establishing a clear understanding of the separation of responsibilities between the Trust and school governing bodies.

The Trust Board has undertaken a self-evaluation of its governance practices during the year. In the year ahead the Trust Board has agreed to commission an external review of its effectiveness.

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

The Finance and Resources Committee is a sub-committee of the Board of Trustees.

Its purpose is to oversee the Academy Trust's financial affairs and to report to the Board of Trustees. It regularly reviews financial policies and procedures, to monitor and review income and expenditure ensuring compliance with the overall financial plan for the Academy Trust. The chair of the Finance and Resources Committee summarises the management accounts and presents these to the Full Board of Trustees. The Committee also recommends the acceptance/non-acceptance of the Academy Trust's budget at the start of the financial year.

The Finance and Resources Committee has formally met five times (in person or remotely) during the year.

Attendance during the year at meetings of the Committee was as follows:

Trustees	Meetings attended	Out of possible
Sarah McCarthy (Chair of Trustees)	5	5
Julie Ritchie (Accounting Officer) (Resigned 31 October 2020)	5	5
Raghu Venkatesam (Chair of Finance and Resources Committee)	5	5
Clare Reeve Curatola	5	5
Chris Burnell (Resigned 20 May 2020)	0	4
Jennifer Singer (Appointed 4 March 2020)	2	2
Anna Steels (Accounting Officer) (Appointed 1 November 2020)	0	0

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year within the limits of the Coronavirus pandemic and to the extent that it was possible and practical, by:

- Rigorous tracking of pupil progress and achievement to ensure interventions and support are targeted to realise best outcomes;
- Ensuring all pupil premium pupils achieved the expected progress in reading, writing and mathematics;
- Providing creative curriculum and extra curriculum activities to provide pupils with the opportunity to develop both academically and emotionally;
- Retaining and adding to an inspirational staff team;
- Ensuring pupil attainment and progress remain high; and
- Improving attendance.

Additionally, in this exceptional year, while the schools remained closed during lockdown, and during the partial re-opening:

- Ensuring a safe caring and welcoming environment for the children of key workers and vulnerable families; and
- Ensuring the provision of quality home learning materials and remote access to learning for children not at school.

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Latchmere Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees requested RSM Risk Assurance Services LLP carry out a supplementary programme of work. This work is carried out as agreed with the Trustees. The last review was carried out in March 2020. The final report was provided on 8 April 2020, with no material control issues arising.

In line with the requirements of the revised FRC Ethical Standard for auditors, the Trust is mindful that this is the final year that our external auditors RSM may undertake such a supplementary programme of work also. The Trust will secure the services of an alternative firm for the 2020-21 internal scrutiny work.

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

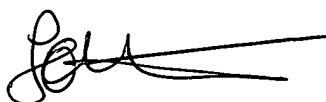
Review of effectiveness

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

- The supplementary programme of work;
- The work of the external auditor; and
- The work of the management team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications as the result of their review of the system of internal control by the Finance and Resources Committee. A plan to check for any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 02 December 2020 and signed on its behalf by:



Sarah McCarthy
Chair of Trustees



Anna Steels
Accounting Officer

LATCHMERE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Anna Steels
Accounting Officer

02 December 2020

LATCHMERE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 02 December 2020 and signed on its behalf by:



Sarah McCarthy
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATCHMERE ACADEMY TRUST

Opinion

We have audited the financial statements of Latchmere Academy Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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 and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATCHMERE ACADEMY TRUST (CONTINUED)

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 and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who act as Trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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: <http://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.

RSM UK Audit LLP

Sarah Mason FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

8 December 2020

LATCHMERE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	40,618	-	95,115	135,733	330,346
Charitable activities:						
- Funding for educational operations	4	323,249	6,288,844	-	6,612,093	6,494,458
- Funding for teaching school	24	-	135,200	-	135,200	180,509
Other trading activities	5	225,195	38,489	-	263,684	388,495
Investments	6	2,062	-	-	2,062	2,974
Total		591,124	6,462,533	95,115	7,148,772	7,396,782
Expenditure on:						
Raising funds	7	99,743	-	-	99,743	184,056
Charitable activities:						
- Educational operations	8	638,903	6,709,955	487,835	7,836,693	7,668,795
- Teaching school		-	190,376	-	190,376	209,805
Total	7	738,646	6,900,331	487,835	8,126,812	8,062,656
Net expenditure		(147,522)	(437,798)	(392,720)	(978,040)	(665,874)
Transfers between funds	17	-	(32,480)	32,480	-	-
Other recognised gains/(losses)						
Remeasurement of net defined benefit obligations	22	-	(153,000)	-	(153,000)	(788,000)
Net movement in funds		(147,522)	(623,278)	(360,240)	(1,131,040)	(1,453,874)
Reconciliation of funds						
Total funds brought forward		443,901	(2,540,998)	23,669,435	21,572,338	23,026,212
Total funds carried forward		296,379	(3,164,276)	23,309,195	20,441,298	21,572,338

LATCHMERE ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	23,674,877		24,067,902	
Current assets					
Debtors	14	64,427		219,128	
Cash at bank and in hand		690,863		747,602	
		755,290		966,730	
Current liabilities					
Creditors: amounts falling due within one year	15	(332,869)		(472,294)	
Net current assets		422,421		494,436	
Net assets excluding pension liability		24,097,298		24,562,338	
Defined benefit pension scheme liability	22	(3,656,000)		(2,990,000)	
Total net assets		20,441,298		21,572,338	
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds		23,309,195		23,669,435	
- Restricted income funds		491,724		449,002	
- Pension reserve		(3,656,000)		(2,990,000)	
Total restricted funds		20,144,919		21,128,437	
Unrestricted income funds	17	296,379		443,901	
Total funds		20,441,298		21,572,338	

The financial statements on pages 21 to 44 were approved by the Board of Trustees and authorised for issue on 02 December 2020 and are signed on their behalf by:



Sarah McCarthy
Chair of Trustees

LATCHMERE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	19		(27,842)		(162,849)
Cash flows from investing activities					
Dividends, interest and rents from investments		2,062		2,974	
Capital grants from DfE Group		23,095		208,267	
Capital funding received from sponsors and others		72,020		45,407	
Purchase of tangible fixed assets		(126,074)		(231,111)	
Net cash (used in)/provided by investing activities			(28,897)		25,537
Net decrease in cash and cash equivalents in the reporting period			(56,739)		(137,312)
Cash and cash equivalents at beginning of the year			747,602		884,914
Cash and cash equivalents at end of the year			690,863		747,602

LATCHMERE ACADEMY TRUST

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

1 Accounting policies

General information

Latchmere Academy Trust is a private charitable company, limited by guarantee, incorporated and registered in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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 Academy Trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern.

The Trustees have set a balanced budget for 2020-21 and 2021-22 which takes account of the continuing Coronavirus situation, having reduced our projections on all income lines that have been affected in 2019-20. The pandemic presents a developing situation with unknown outcomes, and challenges in managing the Schools. The budget is subject to monthly monitoring enabling us to take timely action as and when required. Both Schools and the Academy Trust overall have reserves and cash balances that can be drawn on should it be necessary to cover any unexpected additional costs or larger falls in income than have been budgeted.

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

Income

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

Grants

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period 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 asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Interest receivable

Interest receivable is included in the statement of financial activities on a receivable basis, and is stated inclusive of related tax credits.

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 are allocated on the portion of the asset's use.

Expenditure on raising funds

The Academy Trust raises funds from parents' voluntary contributions to support a programme of curriculum enhancement for all pupils. This includes trips and visits as well as in-school workshops that support the curriculum.

Charitable activities

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold land and buildings	Land - 125 years / Buildings - 25-50 years
Computer equipment	3 - 5 years
Fixtures, fittings and equipment	3 - 10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The full amount of annual depreciation is applied in the year of acquisition and no depreciation is applied in the year of disposal.

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.

Liabilities

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

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	23,095	23,095	208,267
Other donations	40,618	72,020	112,638	122,079
	<u>40,618</u>	<u>95,115</u>	<u>135,733</u>	<u>330,346</u>

The income from donations and capital grants was £135,733 (2019: £330,346) of which £40,618 was unrestricted (2019: £76,672) and £95,115 was restricted fixed assets (2019: £253,674).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,954,405	4,954,405	4,924,878
Other DfE group grants	-	761,917	761,917	520,218
	-	5,716,322	5,716,322	5,445,096
Other government grants				
Local authority grants	-	572,522	572,522	602,396
Exceptional government funding				
Coronavirus job retention scheme grant	33,694	-	33,694	-
Other Coronavirus funding	4,187	-	4,187	-
	37,881	-	37,881	-
Teaching school	-	135,200	135,200	180,509
Other income	285,368	-	285,368	446,966
	285,368	135,200	420,568	627,475
	323,249	6,424,044	6,747,293	6,674,967

The income from funding for educational operations was £6,747,293 (2019: £6,674,967) of which £323,249 was unrestricted (2019: £446,966) and £6,424,044 was restricted (2019: £6,228,001).

The Academy Trust was eligible to claim additional funding in year from government support schemes in response to COVID-19. The funding received of £37,881 is shown above under "Exceptional government funding".

The Academy Trust furloughed a number of catering staff and casual wraparound care workers under the government's Coronavirus job retention scheme. The funding received of £27,440 for Latchmere School and £6,254 for Nelson School relates to staff costs in respect of 18 staff, which are included within note 9 as appropriate.

The Academy Trust also received statutory sick pay rebates for employees who were absent due to COVID-19 for a maximum of 2 weeks. The funding received was £2,473 for Latchmere School and £1,714 for Nelson School.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	22,350	-	22,350	26,448
Catering income	120,705	-	120,705	169,160
Teaching school	-	38,489	38,489	43,905
Other income	82,140	-	82,140	148,982
	<u>225,195</u>	<u>38,489</u>	<u>263,684</u>	<u>388,495</u>

The income from other trading activities was £263,684 (2019: £388,495) of which £225,195 was unrestricted (2019: £344,590) and £38,489 was restricted (2019: £43,905).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Interest from short term deposits	<u>2,062</u>	<u>-</u>	<u>2,062</u>	<u>2,974</u>

The income from funding for investment income was £2,062 (2019: £2,974) of which £2,062 was unrestricted (2019: £2,974).

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	99,743	99,743	184,056
Academy's educational operations					
- Direct costs	4,632,295	-	260,419	4,892,714	4,720,798
- Allocated support costs	1,645,174	872,168	426,637	2,943,979	2,947,997
Teaching school					
- Direct costs	56,066	-	104,310	160,376	189,805
- Allocated support costs	-	-	30,000	30,000	20,000
Total expenditure	<u>6,333,535</u>	<u>872,168</u>	<u>921,109</u>	<u>8,126,812</u>	<u>8,062,656</u>

The expenditure on raising funds was £99,743 (2019: £184,056) of which £99,743 was unrestricted (2019: £184,056).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2020 £	2019 £
Depreciation of tangible fixed assets	519,099	546,388
Net interest on defined benefit pension liability	56,000	52,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	18,250	17,500
- Other services	5,350	5,050
- Internal audit services	2,500	2,500
- Other audit services	4,050	5,500

Included within expenditure are the following transactions:

	2020 £
Ex-gratia payments - total	1,000

A one-off ex-gratia payment of £1,000 was made in August 2020. This was a non pensionable payment to the office manager for their contribution to maintaining provision during and following COVID-19. No other ex-gratia payments were made during the year ended 31 August 2020.

The legal authority sought to make ex-gratia payments followed the Academies Financial Handbook 2019, being delegated authority or approval from the Education and Skills Funding Agency.

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	89,793	4,802,921	4,892,714	4,720,798
Teaching school	-	160,376	160,376	189,805
Support costs				
Educational operations	549,110	2,394,869	2,943,979	2,947,997
Teaching school	-	30,000	30,000	20,000
	<u>638,903</u>	<u>7,388,166</u>	<u>8,027,069</u>	<u>7,878,600</u>

The expenditure on charitable activities was £8,027,069 (2019: £7,878,600) of which £638,903 was unrestricted (2019: £704,004), £6,900,331 was restricted (2019: £6,661,483) and £487,835 was restricted fixed assets (2019: £513,113).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities (Continued)

	Teaching school £	Educational operations £	Total 2020 £	Total 2019 £
Analysis of support costs				
Support staff costs	-	1,645,174	1,645,174	1,487,085
Depreciation	-	519,099	519,099	546,388
Technology costs	-	47,159	47,159	49,668
Premises costs	-	353,069	353,069	355,677
Legal costs	-	7,263	7,263	7,116
Other support costs	30,000	343,632	373,632	495,549
Governance costs	-	28,583	28,583	26,514
	<u>30,000</u>	<u>2,943,979</u>	<u>2,973,979</u>	<u>2,967,997</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,425,121	4,441,432
Social security costs	391,642	395,218
Pension costs	1,439,681	1,106,886
Staff costs - employees	<u>6,256,444</u>	<u>5,943,536</u>
Agency staff costs	72,301	30,900
	<u>6,328,745</u>	<u>5,974,436</u>
Staff development and other staff costs	28,114	36,607
Total staff expenditure	<u>6,356,859</u>	<u>6,011,043</u>

Staff numbers

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

Educational operations	2020 Number	2019 Number
Teachers	75	78
Administration and support	124	136
Management	2	2
	<u>201</u>	<u>216</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff (Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel compensation

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £747,149 (2019: £672,425).

10 Central services

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

- human resources;
- financial services;
- educational support services.

The Academy Trust charges for these services on the following basis:

- 5% of GAG;
- other bases as arising.

The amounts charged during the year were as follows:

	2020 £	2019 £
Latchmere School	-	-
Nelson Primary School	99,500	99,500
	<u>99,500</u>	<u>99,500</u>

Latchmere School bears the cost of central service staffing and resources, all of which are located at Latchmere. The charge to Nelson Primary School offsets this; no separate charge is made to Latchmere School.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Trustees' remuneration and expenses

Four Trustees (2019: four) have been paid remuneration or have received other benefits from an employment with the Academy Trust. The Executive Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

The value of the Executive Head Teacher, Mrs Ritchie's remuneration was £133,197 (2019: £127,913) in the year. The Executive Head Teacher is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £31,541 (2019: £21,080).

The value of three (2019: three) staff Trustees' remuneration was £181,471 (2019: £169,423) in the year. The staff Trustees are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £42,972 (2019: £27,920).

During the year ended 31 August 2020, expenses relating to gifts to staff and meeting refreshments totalling £112 (2019: £248) were reimbursed to one Trustee (2019: four).

12 Trustees and officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust 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 membership.

13 Tangible fixed assets

	Long leasehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	25,573,015	429,168	376,175	26,378,358
Additions	58,454	33,275	34,345	126,074
At 31 August 2020	25,631,469	462,443	410,520	26,504,432
Depreciation				
At 1 September 2019	1,739,484	335,457	235,515	2,310,456
Charge for the year	411,902	63,194	44,003	519,099
At 31 August 2020	2,151,386	398,651	279,518	2,829,555
Net book value				
At 31 August 2020	23,480,083	63,792	131,002	23,674,877
At 31 August 2019	23,833,531	93,711	140,660	24,067,902

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

	2020 £	2019 £
Other debtors	6,711	63,886
Prepayments and accrued income	57,716	155,242
	<u>64,427</u>	<u>219,128</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	93,914	99,553
Other creditors	-	400
Accruals and deferred income (see note 16)	238,955	372,341
	<u>332,869</u>	<u>472,294</u>

16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>168,843</u>	<u>221,774</u>
Deferred income at 1 September 2019	221,774	163,419
Released from previous years	(221,774)	(163,419)
Resources deferred in the year	<u>168,843</u>	<u>221,774</u>
Deferred income at 31 August 2020	<u>168,843</u>	<u>221,774</u>

At the balance sheet date the Academy Trust was holding funds received in advance for rates funding and UIFSM income for the year to 31 March 2021, money collected for school meals and wrap around care costs for the autumn term.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	222,967	4,954,405	(4,855,616)	-	321,756
Other DfE / ESFA grants	184,483	761,917	(769,191)	(32,480)	144,729
Other government grants	-	572,522	(572,148)	-	374
Teaching school	21,441	173,689	(190,376)	-	4,754
Other restricted funds	20,111	-	-	-	20,111
Pension reserve	(2,990,000)	-	(513,000)	(153,000)	(3,656,000)
	<u>(2,540,998)</u>	<u>6,462,533</u>	<u>(6,900,331)</u>	<u>(185,480)</u>	<u>(3,164,276)</u>
Restricted fixed asset funds					
Inherited on conversion	19,240,605	-	(290,767)	-	18,949,838
DfE group capital grants	2,200,283	23,095	(95,511)	32,480	2,160,347
Capital expenditure from GAG	74,416	-	(6,892)	-	67,524
Local authority	1,937,829	15,649	(52,583)	-	1,900,895
Other restricted fixed asset fund	216,302	56,371	(42,082)	-	230,591
	<u>23,669,435</u>	<u>95,115</u>	<u>(487,835)</u>	<u>32,480</u>	<u>23,309,195</u>
Total restricted funds	<u>21,128,437</u>	<u>6,557,648</u>	<u>(7,388,166)</u>	<u>(153,000)</u>	<u>20,144,919</u>
Unrestricted funds					
General funds	<u>443,901</u>	<u>591,124</u>	<u>(738,646)</u>	<u>-</u>	<u>296,379</u>
Total funds	<u>21,572,338</u>	<u>7,148,772</u>	<u>(8,126,812)</u>	<u>(153,000)</u>	<u>20,441,298</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds (Continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the Academy Trust via the ESFA by the DfE. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

The other DfE/ESFA fund includes funding for Pupil Premium, the other government grants fund includes Local Authority funding for Special Educational Needs (SEN) and Early Years (for pupils in the Nursery classes) and the other restricted fund includes all similar income that is restricted for use within the Academy Trust's operations.

The other restricted funds represents all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant restricted expenditure is then also recorded through this fund.

The teaching school fund represents grant funding received from the National College for Teaching and Leadership (NCTL) for core activities and for School Direct trainees, in the Academy Trust's role as a designated National Teaching School. It also generates its own income streams from the NQT programme and hosted training courses. The relevant restricted expenditure is then also recorded through this fund.

The pension reserve represents the separately identifiable pension scheme deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy Trust upon conversion which represent the school sites including the freehold and long leasehold land and buildings and all material items of plant and machinery included therein. The remaining restricted fixed asset funds represent other fixed assets acquired with restricted funds. Depreciation charged on these assets is allocated to the relevant fund.

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds (Continued)

Funds prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	281,153	4,924,878	(4,983,064)	-	222,967
Other DfE / ESFA grants	184,483	520,218	(520,218)	-	184,483
Other government grants	-	602,396	(602,396)	-	-
Teaching school	6,832	224,414	(209,805)	-	21,441
Other restricted funds	20,111	-	-	-	20,111
Pension reserve	(1,856,000)	-	(346,000)	(788,000)	(2,990,000)
	<u>(1,363,421)</u>	<u>6,271,906</u>	<u>(6,661,483)</u>	<u>(788,000)</u>	<u>(2,540,998)</u>
Restricted fixed asset funds					
Transfer on conversion	19,567,454	-	(326,849)	-	19,240,605
DfE group capital grants	2,080,873	208,267	(88,857)	-	2,200,283
Capital expenditure from GAG	89,023	-	(14,607)	-	74,416
Local authority	1,982,376	2,419	(46,966)	-	1,937,829
Other restricted fixed asset fund	209,148	42,988	(35,834)	-	216,302
	<u>23,928,874</u>	<u>253,674</u>	<u>(513,113)</u>	<u>-</u>	<u>23,669,435</u>
Total restricted funds	<u>22,565,453</u>	<u>6,525,580</u>	<u>(7,174,596)</u>	<u>(788,000)</u>	<u>21,128,437</u>
Unrestricted funds					
General funds	<u>460,759</u>	<u>871,202</u>	<u>(888,060)</u>	<u>-</u>	<u>443,901</u>
Total funds	<u>23,026,212</u>	<u>7,396,782</u>	<u>(8,062,656)</u>	<u>(788,000)</u>	<u>21,572,338</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds (Continued)

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Latchmere School	220,586	341,784
Nelson Primary School	567,517	551,119
Total before fixed assets funds and pension reserve	788,103	892,903
Restricted fixed asset funds	23,309,195	23,669,435
Pension reserve	(3,656,000)	(2,990,000)
Total funds	20,441,298	21,572,338

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Latchmere School	3,160,677	1,278,470	292,096	603,871	5,335,114	5,204,608
Nelson Primary School	1,527,684	390,028	96,468	258,419	2,272,599	2,311,660
	4,688,361	1,668,498	388,564	862,290	7,607,713	7,516,268

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	376,824	-	23,298,053	23,674,877
Current assets	18,611	725,094	11,585	755,290
Creditors falling due within one year	(99,056)	(233,370)	(443)	(332,869)
Defined benefit pension liability	-	(3,656,000)	-	(3,656,000)
Total net assets	296,379	(3,164,276)	23,309,195	20,441,298

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	392,854	-	23,675,048	24,067,902
Current assets	111,162	770,730	84,838	966,730
Creditors falling due within one year	(60,115)	(321,728)	(90,451)	(472,294)
Defined benefit pension liability	-	(2,990,000)	-	(2,990,000)
Total net assets	443,901	(2,540,998)	23,669,435	21,572,338

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(978,040)	(665,874)
Adjusted for:		
Capital grants from DfE and other capital income	(95,115)	(253,674)
Interest receivable	(2,062)	(2,974)
Defined benefit pension scheme costs less contributions payable	457,000	294,000
Defined benefit pension scheme finance cost	56,000	52,000
Depreciation of tangible fixed assets	519,099	546,388
Movements in working capital:		
Decrease/(increase) in debtors	154,701	(18,487)
(Decrease) in creditors	(139,425)	(114,228)
Net cash used in operating activities	(27,842)	(162,849)

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	747,602	(56,739)	690,863

21 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

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

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £622,419 (2019: £441,513).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.8% - 22.7% for employers and 5.5% - 12.5% for employees.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations (Continued)

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

Total contributions made	2020 £	2019 £
Employer's contributions	365,000	383,000
Employees' contributions	101,000	97,000
Total contributions	466,000	480,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary.

	2020 %	2019 %
Rate of increase in salaries	2.6-3.3	2.7-3.7
Rate of increase for pensions in payment/inflation	2.2-2.3	2.2-2.3
Discount rate for scheme liabilities	1.6-1.7	1.8-1.9
Inflation assumption (CPI)	2.2-2.3	2.2-2.3

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

	2020 Years	2019 Years
Retiring today		
- Males	21.7-21.8	21.6-23.4
- Females	23.9-24.4	23.8-24.8
Retiring in 20 years		
- Males	22.6-23.2	22.6-25.1
- Females	25.5-25.9	25.2-26.7

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

	2020 Fair value £	2019 Fair value £
Equities	3,291,960	3,100,600
Bonds	744,960	754,400
Cash	308,100	220,800
Multi-asset fund	80,190	106,000
Property	230,790	182,200
Total fair value of assets	4,656,000	4,364,000

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations (Continued)

The actual return on scheme assets was £(42,000) (2019: £312,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	822,000	630,000
Net interest cost	56,000	52,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	47,000
Total operating charge	<u>878,000</u>	<u>729,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	7,354,000
Current service cost	822,000
Interest cost	139,000
Employee contributions	101,000
Actuarial loss	28,000
Benefits paid	(132,000)
At 31 August 2020	<u>8,312,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2020 £
At 1 September 2019	4,364,000
Interest income	83,000
Return on plan assets (excluding net interest on the net defined pension liability)	(125,000)
Employer contributions	365,000
Employee contributions	101,000
Benefits paid	(132,000)
At 31 August 2020	<u>4,656,000</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Related party transactions

Owing to the nature of the Academy 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 related parties or connected parties are conducted in accordance with the requirements of the AFH. The Trust notifies the ESFA of all transactions made on or after 1 April 2019 and obtains their approval where required. The Trust's financial regulations and normal procurement procedures are in place at all times, unless otherwise stated.

The Academy Trust was responsible for running the North Kingston Children's Centre on behalf of the Royal Borough of Kingston local authority. During the period the Academy Trust received £8,600 (2019: £11,000) of funding from the council, and £nil (2019: £8,935) income generated by the Children's Centre activities, to run the Centre, which incurred costs of £9,000 (2019: £19,684). The Children's Centre was closed on 31 March 2020 and Academy Trust had no further involvement with the North Kingston Children Centre from this point onwards. Therefore, at the year end the Academy Trust held £nil (2019: £400) on behalf of the Royal Borough of Kingston. The income and expenditure incurred on this has been excluded from the Academy Trust's financial statements.

Key management personnel compensation disclosure is included in note 9.

24 Teaching school trading account

	2020		2019	
	£	£	£	£
Direct income				
External funding		135,200		180,509
Other income				
Fundraising and other trading activities		38,489		43,905
Total income		173,689		224,414
Direct costs				
Direct staff costs	56,066		50,525	
Other direct costs	104,310		139,280	
	<u>160,376</u>		<u>189,805</u>	
Other costs				
Other support costs	30,000		20,000	
	<u>30,000</u>		<u>20,000</u>	
Total expenditure		(190,376)		(209,805)
(Deficit)/surplus from all sources		(16,687)		14,609
Teaching school balances at 1 September 2019		21,441		6,832
Teaching school balances at 31 August 2020		<u>4,754</u>		<u>21,441</u>