

LARWOOD ACADEMY TRUST

(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S Barr (resigned 14 July 2022) Mrs J Baker Mr P Myers Mr D Login (appointed 14 July 2022)
Trustees	Mrs S Barr, Chair of Trustees (resigned 14 July 2022) Mr S Trimble, Accounting Officer (resigned 30 April 2022) Mrs L Williams Mrs J Baker, Vice Chair of Trustees (resigned 10 September 2022) Mr P Myers (resigned 14 July 2022) Mr K Abrahams Mr D Login Mrs J Sharp Mr P Smith (appointed 1 September 2021, resigned 14 July 2022) Mr P Van Der Merwe (appointed 1 September 2021, resigned 14 July 2022) Mr S Marchant (appointed 1 October 2022) Mr M Slater, Accounting Officer (appointed 23 September 2022) Miss R Squires (appointed 1 October 2022)
Company registered number	10359418
Company name	Larwood Academy Trust
Principal and registered office	Larwood Drive Stevenage Hertfordshire SG1 5BZ
Company Secretary	Ms C Cosson
Accounting Officer	Mr M Slater
Senior Management Team	Mr S Trimble, Accounting Officer, CEO (resigned 30/04/22) Mr M Slater, Accounting Officer, CEO (from 08/09/22) Ms C Cosson, Trust Finance Manager Mr P Van Der Merwe, Head Teacher, Larwood School Acting Accounting Officer (from 01/05/2022 to 07/09/2022) Mrs B Osobu, Assistant Head Teacher, Larwood School Mrs E Williams, Assistant Head Teacher, Larwood School Mr I Reid, Premises Manager, Larwood School Mr P Smith, Head Teacher, Brandles School Mr I Reid, Deputy Head Teacher, Brandles School Ms N Wilsher, Deputy Head Teacher, Brandles School

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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

Bankers Lloyds Bank PLC
3 Town Square
Stevenage
SG1 1BG

LARWOOD ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Larwood Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates as a two school multi-academy trust, comprising a special needs primary school and a special needs secondary school. Larwood School serves a catchment area in Stevenage, East and North Hertfordshire, with the capacity for 90 primary age pupils. Brandles School is based in Baldock, serving the same catchment area in Hertfordshire, with a capacity for 70 secondary age pupils. Both have recently completed capital projects to increase pupil numbers during this current year 2021/22 and 2022/23. Our plan is to continue this growth.

Structure, Governance and Management

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

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

The operation of The Trust and employment of staff are the responsibility of the Trustees. The Trust retains control of school budgets and finances, and monitors these through its Finance and Resources Committee (FRC).

Details of the Trustees who served throughout the period are included in the 'Reference and Administrative Details' section.

Members' Liability

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

Trustees and Officers' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

In accordance with the AoA, Members may appoint by ordinary resolution, up to eight Trustees. Any election of Parent Trustees will be held by secret ballot. Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees (BoT). The AoA make provision for a minimum of three Trustees with no maximum specified.

The BoT is currently made up of five Trustees appointed by Members, two Parent Trustees and the Trust's CEO.

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Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

The governance of the Trust is defined in the Memorandum and AoA together with the Funding Agreement with the Department for Education (DfE).

The day-to-day running of operational matters is conducted by our CEO, through the Trust's centralised Executive Leadership Team (ELT), and through to the individual school Senior Leadership Teams (SLTs), which are led by the Headteachers. The CEO is the Accounting Officer (AO). The Trust Finance Manager oversees and directs all matters connected to finance.

Therefore, the Trust structure consists of the following layers:

- Board of Trustees
- Audit and Risk Committee (ARC)
- Standards Committee (SC)
- ELT
- SLTs.

The BoT meets on at least six occasions per year and its three committees meet at least three times per year with FRC meeting more regularly.

The BoT is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting the Trust's annual strategic development plan, receiving school improvement plans and budget, monitoring the Trust using those plans and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Trustees within the committees are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects and monitoring performance against those plans, budget and authorised capital limits.

The ELT coordinates the processes of converting strategic intention and direction into implementation. This is done through the individual school improvement plans. The ELT also maintains control and monitoring of central processes of safeguarding, finance, administration, estates, accounting and IT.

The SLTs control safeguarding and education in each school at an executive level implementing policies and reporting through the committee structure. The SLTs are responsible for the day-to-day operation of each school, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include the CEO and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. Excluding the CEO, all Trustees are non-salaried, with expenses being reimbursed via the established authorisation procedure.

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The BoT has adopted a pay and appraisal policy to provide clear framework for the management of pay and appraisal for all staff employed in the Trust. This is reviewed by the FRC and approved by the BoT.

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

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

When recruiting a new member of staff, Trustees, ELT and SLTs will consider a range of factors when setting the appropriate salary level, including:

- The nature of the post
- The level of qualifications, skills and experience required
- Market conditions
- The wider school context
- Any specific restrictions set out in the STPCD.

Trade union facility time

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

Related Parties and other Connected Charities and Organisations

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

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

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

- AD Bly Construction
- Baldock Horticultural Society
- Jubilee Court Care Home, Stevenage
- Karate Club, Baldock
- Lovell
- Redeemed Christian Church of God
- Stevenage Borough Council
- The Butterfly Room
- The Shepherd Group
- Thurley Dance School.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools specially organised to make special educational provision for students with special educational needs:

- Larwood School, a special school for primary aged children with social, emotional and mental health related difficulties
- Brandles School, a secondary school offering equivalent provision for children with similar difficulties, currently exclusively for boys.

Current Year Strategic Development Priorities

During the year the Trust has worked towards the following strategic development priorities:

- Ensuring that most of our learners made outstanding progress when compared to starting points and context. Progress takes account of:
 - a. Engagement with education
 - b. Attendance at class
 - c. Behavioural improvement
 - d. Social interaction
 - e. Mental wellbeing
 - f. Support systems
 - g. Academic attainment.
- Providing wellbeing support (during and post-pandemic) that is life changing:
 - a. Secured mental health support within schools
 - b. Introduced a food bank for staff and student families
 - c. Provided access to therapeutic interventions via Butterfly Rooms.

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- Sustaining growth:
 - a. Larwood School had 90 pupils against a forecast of 86 and plans to grow to 101 in 2022/23 with a pre-depreciation surplus of £619,188.
 - b. Brandles School had 63 pupils against a forecast of 60 and plans to grow to 70 in 2022/23 with a pre-depreciation surplus of £257,851.
 - c. The overall Trust surplus was £877,039.

- Enabling staff to develop an adaptable mindset:
 - a. Qualified two new early career teachers and five higher level teaching assistants
 - b. Qualified one to National Award in SEN (special education needs) Coordination
 - c. Developed extended SLTs and education, health and care plan (EHCP) review team
 - d. Developed new strategies for in and outreach provision
 - e. Promoted key senior and middle leaders in both schools to substantive roles
 - f. Enabled a small number of staff to grow, move on and spread the Larwood way.

- Innovating our curriculum, through continually refreshing and rethinking our ways:
 - a. Successfully launched the Essentials recovery curriculum
 - b. Focused on numeracy and literacy interventions
 - c. Adapted curriculum approaches to best support individual children.

Our overall success in fulfilling our aims and priorities was measured by:

- a. Student engagement feedback, with key themes being a focus on rewards for positive attitudes
- b. Carer and parent participation in our mutual successes
- c. Pupils transiting to secondary school
- d. Students engaging with work and further education
- e. Students opting for main school provision
- f. Self-evaluations
- g. Trustee monitoring visits
- h. School Improvement Partner feedback
- i. Ofsted reports.

Public Benefit

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

Strategic Report

Achievements and Performance

We have been working over the last few years to establish an all through (currently 5-16, and then eventually leading to 16-18) educational pathway for social, emotional and mental health (SEMH) children in the North Hertfordshire area. Our feedback informs us that our provision is characterised by quality experiences, and a creative, engaging and personalised curriculum. This makes it different to the experiences of pupils prior to arriving with us. In addition, we also run an outreach programme in mainstream schools across Stevenage. This strives to make positive changes to local children in these schools with SEN.

Common to the national educational eco-system, we have an increasing demand to support pupils diagnosed with autism. We are continually appraising our autism strategy. Our aim remains to achieve the National Autism Accreditation at Brandles School by 2024.

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Our day-to-day provision has grown to become comprised of:

- Larwood School (primary) day provision for 90 SEMH pupils (many with additional needs), including the Space Hub for 16 pupils, that caters for SEMH pupils with autism.
- Brandles School (secondary) day provision for up to 70 pupils with SEMH and a range of additional needs, following future additional classroom capital investment project in 2021/22.

Alongside safeguarding, behaviour expectations and development are central to the Trust excellence, which are achieved through continued safeguarding training for staff, consistent coaching support and bespoke pupil focused risk assessments and anxiety mapping that leads to gentle interventions.

We have invested in capital projects for both schools:

- Refurbishment of the boys' and girls' toilets at Larwood School, continued restructuring of the Space Hub area, including the installation of a new playground and conversion of a former residential unit into Trust office space
- Two new classrooms built at Brandles School, funded by Hertfordshire County Council and conversion of old garage into a workshop
- Upgrades to CCTV systems at both schools, thus improving security and safety of the pupils and school buildings.

Our governance has been enhanced following a review by consolidating training and knowledge sharing across the BoT, which includes the advantage of centre developed policies. In preparation for further expansion, the ARC will provide the BoT and ELT with a further stimulus for ongoing and continuous improvement in both direction and control of the Trust.

Our staff and their wellbeing are priorities. We now provide access to trained therapists and counsellors through the Medicash health support package and through our close relationship with Butterfly Rooms. The support systems within each school are aided by the sense of care shown by staff for each other.

Our succession planning, including the sharing of best practice, has enabled to promote both Headteachers from within our staff ranks. This also enabled the Trust to focus resources on recruiting a new CEO, to focus on integrating new partners and developing further educational excellence, operational capacity and increased pupil numbers.

Going Concern

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

Financial Review

Due to the accounting rules for the local government pension scheme, the principal source of funding for the Trust is the general annual grant (GAG) and other grants that it receives from the ESFA and local authority. For the year ended 31 August 2022, the Trust received in total £4,509,449 of GAG and local authority funding (excluding capital funding). A high percentage of this income was spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year, the Trust spent £3,899,851 on general running costs (excluding capital) and transferred £48,746 to support capital projects on our various sites. The Trust brought forward £422,206 of restricted and £343,981 of unrestricted funding from 2020/21. Excluding restricted fixed asset and pension funds, the carry forward for 2021/22 is £494,339 restricted and £382,700 unrestricted funds.

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Under FRS102, the Trust is recognising a significant pension fund deficit of £581,000. This does not mean that an immediate liability for this amount crystallises, and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Key factors that are likely to affect the Trust's financial performance going forward are referenced in the 'Plans for Future Periods' section.

Reserves Policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £382,700. This has been built up from a mixture of locally raised income and balances transferred from previous years' prudent financial control. This is being held to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2022 was £877,039.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,262,373. A proportion (13.4%) of this cash is Condition Improvement Fund (CIF) funding. The Trustees monitor cash flow via the FRC and attempt to hold a minimum of £260,000 to cover short term cash flow variances (equates to one month's total payroll costs).

Investment Policy

The most recent accounting, investing and tendering policy was approved by the BoT in November 2021 and is due for review in November 2023.

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

Principal Risks and Uncertainties

The Trust maintains a central risk register identifying, categorising and allocating risks as strategic (addressed to the BoT), management (delegated to the ELT) and operational (delegated to the SLTs). The BoT also look at financial, compliance and hazard risks as distinct categories.

Risk exposures are described, assessed and mitigation actions taken. This register is approved by the BoT and monitored by each of its committees. ARC reviews risks against its internal scrutiny plans and reports to the BoT.

The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each ARC meeting. The principal risks facing the Trust are outlined below; those facing the school at an operational level are addressed by their systems and by internal financial and other controls.

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

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FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

- Funding – the Trust has considerable reliance on continued Government funds through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms
- Governance and/or management – the Trustees continue to review and ensure that appropriate measures are in place to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc
- Reputational – the Trustees closely monitor each school's educational character and continuous improvement and review student progress and outcomes in order to maintain the highest educational outcomes and attract applicants in sufficient numbers
- Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline
- Staffing – the Trust is reliant on the quality of its staff and the Trustees monitor and review policies, procedures, recruitment and performance management, to ensure continued development as well as clear succession planning
- Fraud and mismanagement of funds – The Trust has appointed Price Bailey and Herts for Learning to carry out independent and external audits on financial systems and records as required by the Academy Trust Handbook and all finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors therefore risk is low
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability in the necessary circumstances the main risk to the Trust is an annual cash flow funding of part of the deficit which the Trustees take into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management throughout the year by improving processes and ensuring staff awareness.

Fundraising

The Trust does not work with external professional fundraisers or companies who carry out fundraising on its behalf. Fundraising undertaken during the year was mainly through external donations received from local organisations, as our normal fundraising activities were curtailed due to COVID-19 restrictions.

Plans for Future Periods

As we move forward as a Trust, having established a strong financial, operational and curriculum foundation, both the Trustees and ELT are confident in our ability to establish consistent procedures, best practise sharing and continued pupil places growth.

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Educational excellence is constantly at the forefront of the Trust's ambition. In the next three years the Trust intends to:

- Further develop middle leadership
- Centralise EHCPs to form the basis of all that we do
- Enrol more staff on teacher training courses
- Further develop our reading and writing programmes
- Widen our subject expert knowledge.

Grow the number of pupils served by the Trust by:

- Expanding current facilities
- Providing for secondary girls and introducing mixed post-16 provision
- Accepting requests from other schools to join the Trust family.

Sustaining the Trust through a financial costs and revenue model that generates £1,000 per pupil surplus towards future investment. We are currently at £660.

Provide centralised services that are consistent with Trust objectives and add 15% more value to each school, through, economies of scale (cost reduction) and economies of scope (access to more services).

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

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold funds on behalf of third parties.

Employees and Disabled Persons Employee Involvement

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

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

Equal Opportunities Policy

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

Disabled Persons

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

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Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report was approved by the Board of Trustees, on
20 Dec 2022 and signed on its behalf by:

DTLogin

D Login (Dec 20, 2022, 11:22am)

Mr D Login
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that (LAT) 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 Department for Education (DfE)'s Governance Handbook and competency framework for governance.

The BoT has delegated the day-to-day responsibility to the (CEO), as Accounting Officer (AO), 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 LAT and the Secretary of State for Education. They are also responsible for reporting to the BoT 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 BoT has formally met six times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr	6	6
Mr S Trimble	4	4
Mrs L Williams	4	6
Mrs J Baker	6	6
Mr P Myers	5	6
Mr K Abrahams	4	6
Mr D Login	6	6
Mrs J Sharp	5	6
Mr P Smith	5	6
Mr P Van Der Merwe	6	6
Mr S Marchant	0	0
Mr M Slater	0	0
Miss R Squires	0	0

Review of year

Mr S Trimble the CEO and Accounting Officer resigned from 30 April 2022. His long term replacement Mr M Slater commenced the role from 23 September 2022. Mr P Van Der Merwe was Acting Accounting Officer in the meantime.

The year has been one of change for the Trust, and with the help of the National Governance Association (NGA) we have conducted a governance review, in line with the DfE's best practice. The Trustees have now reaffirmed their strategic vision, which will continue to be appraised and shaped, by taking account of stakeholder views. This is especially important as we seek to invite more schools and academies to join our family.

The Trustees set an 18-month rolling strategic plan, which is underpinned by managing a strategic risk register. These risks are mitigated by ensuring accountability through schemes of delegation, terms of reference, segregation of duties and performance management, delivered from the BoT, through the Audit and Risk Committee (ARC), and through our Finance and Resources Committee (FRC) and Standards Committee (SC).

Our strategic objectives are cascaded through the Trust's Executive Leadership Team (ELT), led by the CEO, and operationally through individual schools and their local Senior Leadership Teams (SLTs).

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

In line with our educational philosophy and pledges to learners, the Trust is always seeking to progress, refresh its thinking and build strong, co-operative relationships. The BoT is pleased that former Trustees continue to serve as members and plan to help further grow and support the Trust's governance structures.

Conflicts of interest:

The Trust manages conflicts of interest by maintaining an up-to-date and complete register of interests.

Governance reviews

The Trust made best use of this period of change to transition into a multi-academy trust (MAT) focused on centralising bureaucracy and freeing up Headteachers and their teams to deliver our pledges to learners, to:

- Ensure they make progress in every area of their development
- Provide a curriculum that meets their needs alongside their development
- Treat them respectfully and build strong relationships with them
- Provide them a safe and secure environment in which to relax, enjoy and learn
- Support their challenges, as they learn from mistakes and succeed in their own way
- Refresh and rethink all aspects of their school life.

The BoT is delighted to welcome two parents as Trustees with skills in project and health and safety risk management that are complementary to our current Trustees. This will help us to keep improving the oversight of our Trust through the work of our committees.

Committees

Audit and Risk Committee (ARC)

The ARC aims to not just meet the requirements of the Education and Skills Funding Agency (ESFA) but exceed them and to create a basis of healthy challenge to the BoT and its committees, ELT and SLTs.

ARC is an advisory only committee, which supports trustee oversight by independently, objectively, and sceptically scrutinising the direction and control of the Trust and its environment, through the processes of risk management, strategic development, management control, operational execution and internal audit.

The key issues during the year were:

- Cashflow forecasting and reporting
- Governance review as outlined in the 'Review of year' section
- Distributing leadership and control throughout the Trust.

Finance and Resources Committee (FRC)

The FRC works symbiotically with the CEO and ELT to ensure the smooth operation of the Trust and its schools.

The FRC is responsible for ensuring the Trust delivers its responsibilities to and operates in compliance with the DfE, ESFA, Financial Value Standards (FVS) and any other relevant standards/groups referenced in the DfE's Academy Trust Handbook.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Barr	4	6
Mr S Trimble	4	4
Mrs J Baker	5	6
Mr D Login	1	2
Mr P Van Der Merwe	6	6
Mrs J Sharp	3	6
Mr P Smith	6	6

The key issues during the year were:

- Allocating funds and overseeing planned improvements to school infrastructure
- Keeping and planning funding during pandemic and post pandemic inflation
- Increasing the numbers of pupils, with a view to achieving at least a £1,000 surplus per pupil, as well as applying for more grants outside of the normal.

Standards Committee (SC)

The SC has been and is established as a strategic choice by the BoT to emphasise our commitment to our vision, “for every child to experience an outstanding education whilst at LAT ensuring that they make progress in every area of their development” and core values:

- Never stop learning, engender love learning for all in our ever-changing society
- Creativity, innovation, dynamism and flexibility in our curriculum and our staff
- Respectful, strong relationships between all
- Valuing all members of the LAT community
- Relationships of trust with expectations of improved behaviour and subject progression
- Collaborative relationships with stakeholders.

The SC ensures that safeguarding is the priority in each School and that standards of behaviour, including risk management, from staff, Trustees and volunteers and all adults interfacing with the school surpass our high expectations. Both safeguarding and behaviour standards enable the Trust to support our Headteachers and define, model and create pupil behaviour that delivers outstanding education.

The SC ensures that our curriculum, teaching, learning and engagement are characterised by children having quality experiences, through a creative, engaging and personalised curriculum, which is underpinned by providing a range of support systems and processes that are exceptional and innovative.

The key issues during the year were:

- Sustaining pupil numbers at 153 allowing for further growth to 171 in 2022/23
- Improving pupil attendance at Brandles School from 82.5 to 84.3%
- Improving pupil successes; all but one student achieving at least one qualification, on average students achieving six recognised qualifications and every student (100%) achieving an offer for post-16 education/training
- Improving safeguarding reporting.

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As (AO), our CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. In doing so, our CAO holds the Trust's standards objectives to account, and is supported by the FRC, whilst being challenged by the ARC.

Each of the individuals fulfilling this role have understood and communicated that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Each CAO has considered how the Trust's use of its resources has provided good value for money during each academic year, and has reported to the BoT where value for money can be improved, including the use of benchmarking data where appropriate. The CAOs have delivered improved value for money during the year by:

- Aligning the Trust's resources and risks to identify quality improvements
- Centralised some functions
- Re-investing in outsourced services.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been improving in the Trust in the year to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The BoT has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the ARC.

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Trust has instructed that a risk culture should be embedded into its work.

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

- Setting targets to measure financial and other performance
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the BoT
- Regular reviews by the SC of pupil attainment from curriculum investment
- Regular reviews by the FRC of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks.

Internal scrutiny/audit

The Board of Trustees has decided to buy-in an internal audit service from Herts For Learning

Appoint a trustee to carry out, and instruct others to carry out, a programme of internal checks and to establish the Trust's risk management approach, with a view to evolving and centralising to match the Trust's growth potential and aspirations.

These options have been chosen because:

The Trust is growing and needs to focus on the excellence of approach and can use the varied skills of its volunteers and Trustees as part of its value for money obligations.

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

- Governance
- Procurement
- Probity of the second and first lines of defence.

At each BoT meeting, the ARC reports on the work of the internal auditors. Given that a healthy risk culture is embedded into the Trust systems, the FRC and SC, as part of the operation of the systems of control, also discharge aspects of the BoT's risk and financial responsibilities.

On a termly basis the ARC prepares a summary report to the committee outlining the areas reviewed, key findings, recommendation, and conclusions to help the committee consider actions and assess the next 12 months' plans.

The Internal Auditor has partially delivered a schedule of work as planned and the following issues have arisen from their work including:

- Governance improvements required as the Trust grew from being a maintained school to an academy trust in 2017, then to a MAT
- Controls becoming less centralised on key personalities
- Strategic and financial reporting to the BoT becoming focused of the Trust's growth opportunities.

s ARC have not been able to fully deliver to their terms of reference (which will be reviewed in January 2023) they have not been able to obtain absolute assurance on the suitability of the system of internal control. A report of recommendations has been submitted and is being reviewed.

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As AO, the (CEO) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditors and Trust Finance Manager
- Scrutiny of the Trust's committee structure
- The work of the ELT who have responsibility for the development and maintenance of the internal control framework
- the work of the external auditor of the financial statements

The AO has been advised of the implications of the result of their review of the system of internal control by the ARC and actions to address weaknesses and ensure continuous improvement of the system will be implemented.

20 Dec 2022

Approved by the Board of Trustees on

and signed on their behalf by:

DTLogin

Mr D Login
D Login (Dec 20, 2022, 11:22am)
Chair of Trustees

M Slater

Mr M Slater
M Slater (Dec 20, 2022, 11:24am)
Accounting Officer

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Larwood Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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.



M Slater (Dec 20, 2022, 11:24am)

Mr M Slater

Accounting Officer

Date: 20 Dec 2022

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

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

DTLogin

Mr D Login
(Signed on 20, 2022, 11:22am)
Chair of Trustees

Date: 20 Dec 2022

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Larwood Academy Trust (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

Use of our Report

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



Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 22 December 2022

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Larwood Academy Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Larwood Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Price Bailey LLP

Date: 22 December 2022

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	2	-	8,736	1,644,166	1,652,902	104,318
Other trading activities		89,806	5,070	-	94,876	66,299
Investments	5	108	-	-	108	83
Charitable activities		-	3,955,729	-	3,955,729	3,798,105
Total income		<u>89,914</u>	<u>3,969,535</u>	<u>1,644,166</u>	<u>5,703,615</u>	<u>3,968,805</u>
Expenditure on:						
Charitable activities		51,195	4,254,656	324,410	4,630,261	4,257,801
Total expenditure		<u>51,195</u>	<u>4,254,656</u>	<u>324,410</u>	<u>4,630,261</u>	<u>4,257,801</u>
Net income/ (expenditure)		38,719	(285,121)	1,319,756	1,073,354	(288,996)
Transfers between funds	17	-	(48,746)	48,746	-	-
Net movement in funds before other recognised gains/(losses)		<u>38,719</u>	<u>(333,867)</u>	<u>1,368,502</u>	<u>1,073,354</u>	<u>(288,996)</u>
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	2,523,000	-	2,523,000	(671,000)
Net movement in funds		<u>38,719</u>	<u>2,189,133</u>	<u>1,368,502</u>	<u>3,596,354</u>	<u>(959,996)</u>
Reconciliation of funds:						
Total funds brought forward		343,981	(2,275,794)	11,564,521	9,632,708	10,592,704
Net movement in funds		38,719	2,189,133	1,368,502	3,596,354	(959,996)
Total funds carried forward		<u>382,700</u>	<u>(86,661)</u>	<u>12,933,023</u>	<u>13,229,062</u>	<u>9,632,708</u>

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

The notes on pages 30 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	12,011,162	11,526,464
Current assets			
Debtors	14	1,774,405	187,833
Cash at bank and in hand		1,262,976	886,589
		3,037,381	1,074,422
Creditors: amounts falling due within one year	15	(1,025,949)	(270,178)
Net current assets		2,011,432	804,244
Creditors: amounts falling due after more than one year	16	(212,532)	-
Net assets excluding pension liability		13,810,062	12,330,708
Defined benefit pension scheme liability	23	(581,000)	(2,698,000)
Total net assets		13,229,062	9,632,708
 Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	12,933,023	11,564,521
Restricted income funds	17	494,339	422,206
		13,427,362	11,986,727
Restricted funds excluding pension liability			
Pension reserve	17	(581,000)	(2,698,000)
Total restricted funds		12,846,362	9,288,727
Unrestricted income funds	17	382,700	343,981
Total funds		13,229,062	9,632,708

The financial statements on pages 27 to 53 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

DTLogin

D Login (Dec 20, 2022, 11:22am)

Mr D Login
Chair of Trustees

Date: 20 Dec 2022

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(956,863)	215,571
Cash flows from investing activities	20	1,333,250	(53,552)
Change in cash and cash equivalents in the year		376,387	162,019
Cash and cash equivalents at the beginning of the year		886,589	724,570
Cash and cash equivalents at the end of the year	21, 22	<u>1,262,976</u>	<u>886,589</u>

The notes on pages 30 to 53 form part of these financial statements

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

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

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

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

1.3 Fund accounting

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

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

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

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

LARWOOD ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

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

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

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

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

LARWOOD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

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

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

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Financial instruments

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

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

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

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

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1.14 Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Income from donations and capital grants

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	8,736	-	8,736	1,153
Capital grants	-	1,644,166	1,644,166	103,165
Total 2022	<u>8,736</u>	<u>1,644,166</u>	<u>1,652,902</u>	<u>104,318</u>
Total 2021	<u>1,153</u>	<u>103,165</u>	<u>104,318</u>	

In 2021, income from donations was £1,153, all of which was restricted.

In 2021, income from capital grants was £103,165, all of which was in relation to restricted fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Funding for the Trust's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of Education			
DfE/ESFA grants			
General Annual Grant (GAG)	1,400,000	1,400,000	1,400,000
Other DfE/ESFA grants			
Other DfE /ESFA grants	22,621	22,621	30,102
Pupil Premium	112,456	112,456	96,489
Teachers pay grant	105,286	105,286	44,437
Teachers pension grant	-	-	54,144
National tutoring	31,196	31,196	-
Recovery Premium	24,360	24,360	-
	<u>1,695,919</u>	<u>1,695,919</u>	<u>1,625,172</u>
Other Government grants			
Local Authority grants	2,259,810	2,259,810	2,123,903
	<u>2,259,810</u>	<u>2,259,810</u>	<u>2,123,903</u>
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	-	35,280
COVID Mass Testing	-	-	13,750
	<u>-</u>	<u>-</u>	<u>49,030</u>
	<u>3,955,729</u>	<u>3,955,729</u>	<u>3,798,105</u>
Total 2022	<u><u>3,955,729</u></u>	<u><u>3,955,729</u></u>	<u><u>3,798,105</u></u>
Total 2021	<u><u>3,798,105</u></u>	<u><u>3,798,105</u></u>	

In 2021, catering income was unrestricted and the remainder was all restricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Hire of facilities	25,381	-	25,381	15,748
Rental income	27,161	-	27,161	31,294
Other income	37,264	5,070	42,334	19,257
Total 2022	<u>89,806</u>	<u>5,070</u>	<u>94,876</u>	<u>66,299</u>
Total 2021	<u>66,299</u>	<u>-</u>	<u>66,299</u>	

In 2021, income from other trading activities was £66,299, all of which was unrestricted.

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	108	108	83
Total 2021	<u>83</u>	<u>83</u>	

In 2021, investment income was £83, all of which was unrestricted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Direct costs	3,090,975	-	125,027	3,216,002	2,893,471
Support costs	467,327	521,745	425,187	1,414,259	1,364,330
Total 2022	<u>3,558,302</u>	<u>521,745</u>	<u>550,214</u>	<u>4,630,261</u>	<u>4,257,801</u>
Total 2021	<u>3,278,183</u>	<u>463,747</u>	<u>515,871</u>	<u>4,257,801</u>	

In 2021, of total expenditure, £23,448 was from unrestricted funds, £3,857,627 was from restricted funds and £376,726 was from restricted fixed asset funds.

In 2021, direct costs consisted of £2,792,819 staff costs and £100,652 other costs.

In 2021, support costs consisted of £485,364 staff costs, £463,747 premises costs and £415,219 other costs.

7. Charitable activities

	2022 £	2021 £
Direct costs	3,216,002	2,893,471
Support costs	1,414,259	1,364,330
	<u>4,630,261</u>	<u>4,257,801</u>

	2022 £	2021 £
Analysis of support costs		
Support staff costs	467,327	485,364
Depreciation	324,410	347,783
Governance costs	58,827	49,668
Technology costs	31,762	32,881
Premises costs	197,335	115,964
Other support costs	333,767	332,551
Legal costs	831	119
	<u>1,414,259</u>	<u>1,364,330</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Operating lease rentals	15,757	12,978
Depreciation of tangible fixed assets	324,410	347,783
Fees paid to Auditors for:		
- audit	8,235	7,160
- other services	7,365	6,405
	345,767	371,626

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	2,383,016	2,307,866
Social security costs	223,834	197,603
Pension costs	831,591	673,095
	3,438,441	3,178,564
Agency staff costs	77,649	99,619
Staff restructuring costs	42,212	-
	3,558,302	3,278,183

b. Severance payments

The Trust paid 1 severance payments in the year (2021 - None), disclosed in the following bands:

	2022	2021
	No.	No.
£25,001 - £50,000	1	-
	1	-

c. Special staff severance payments

Severance payments are made up in their entirety of non-contractual payments totalling £42,212 (2021 - NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Teaching	24	26
Admin & Support	49	53
Management	8	6
	<u>81</u>	<u>85</u>

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

f. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £625,596 (2021 - £733,165).

Included in this figure are employer national insurance contributions of £59,056 (2021 - £66,618) and employer pension contributions of £80,955 (2021 - £102,366).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Central services

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

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

The Trust charges for these services on the following basis:

In the previous year, the basis of central services was 3% of GAG. This was charged up until February 2021 before being halted in March 2021. The central services policy will be reviewed again in 2022/23.

The actual amounts charged during the year were as follows:

	2022 £	2021 £
Larwood School	-	26,996
Brandles School	-	20,929
Total	-	47,925

11. Trustees' remuneration and expenses

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

		2022 £	2021 £
Mr S Trimble, Accounting Officer (resigned 30 April 2022)	Remuneration	110,000 - 115,000	100,000 - 105,000
	Pension contributions paid	15,000 - 20,000	20,000 - 25,000
Mr P Smith (appointed 1 September 2021, resigned 14 July 2022)	Remuneration	70,000 - 75,000	
	Pension contributions paid	15,000 - 20,000	
Mr D Pearce (resigned 31 August 2021)	Remuneration		75,000 - 80,000
	Pension contributions paid		15,000 - 20,000
Mr P Van Der Merwe (appointed 1 September 2021, resigned 14 July 2022)	Remuneration	70,000 - 75,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2022, expenses relating to travel and general office costs totalling £289 were reimbursed or paid directly to 1 Trustee (2021 - £149 to 1 Trustee).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	4,960,169	7,453,794	104,729	167,377	12,686,069
Additions	572,613	187,320	17,627	36,279	813,839
Disposals	-	-	(481)	(8,728)	(9,209)
At 31 August 2022	<u>5,532,782</u>	<u>7,641,114</u>	<u>121,875</u>	<u>194,928</u>	<u>13,490,699</u>
Depreciation					
At 1 September 2021	816,693	169,239	85,193	88,480	1,159,605
Charge for the year	172,065	107,792	10,253	34,300	324,410
On disposals	-	-	(437)	(4,041)	(4,478)
At 31 August 2022	<u>988,758</u>	<u>277,031</u>	<u>95,009</u>	<u>118,739</u>	<u>1,479,537</u>
Net book value					
At 31 August 2022	<u><u>4,544,024</u></u>	<u><u>7,364,083</u></u>	<u><u>26,866</u></u>	<u><u>76,189</u></u>	<u><u>12,011,162</u></u>
At 31 August 2021	<u><u>4,143,476</u></u>	<u><u>7,284,555</u></u>	<u><u>19,536</u></u>	<u><u>78,897</u></u>	<u><u>11,526,464</u></u>

Included in the value of freehold property is land of £875,000 (2021 - £875,000) which is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	2,047	294
VAT recoverable	68,416	25,705
Prepayments and accrued income	1,703,942	161,834
	1,774,405	187,833
	1,774,405	187,833

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	322,250	90,717
Other taxation and social security	61,682	48,311
Other creditors	56,085	52,267
Accruals and deferred income	585,932	78,883
	1,025,949	270,178
	1,025,949	270,178

	2022 £	2021 £
Deferred income at 1 September 2021	(1,223)	-
Resources deferred during the year	100	848
Amounts released from previous periods	1,223	(2,071)
	100	(1,223)
	100	(1,223)

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	212,532	-
	212,532	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted	343,981	89,914	(51,195)	-	-	382,700
Restricted general funds						
General Annual Grant (GAG)	234,597	1,400,000	(1,429,878)	(48,746)	-	155,973
Other DfE/ESFA grants	33,735	183,463	(217,198)	-	-	-
Pupil Premium	34,301	112,456	(146,757)	-	-	-
SEN funding	10,611	2,020,125	(1,853,771)	-	-	176,965
Other Government grants	44,569	239,685	(191,902)	-	-	92,352
MAT conversion grant	63,614	-	-	-	-	63,614
Donations	779	13,806	(9,150)	-	-	5,435
Pension reserve	(2,698,000)	-	(406,000)	-	2,523,000	(581,000)
	<u>(2,275,794)</u>	<u>3,969,535</u>	<u>(4,254,656)</u>	<u>(48,746)</u>	<u>2,523,000</u>	<u>(86,661)</u>
Restricted fixed asset funds						
Fixed assets	11,526,464	4,100	(324,410)	805,008	-	12,011,162
DFC	-	15,392	-	(15,392)	-	-
Other ESFA capital grants	38,057	33,500	-	(33,325)	-	38,232
CIF funding	-	1,591,174	-	(707,545)	-	883,629
	<u>11,564,521</u>	<u>1,644,166</u>	<u>(324,410)</u>	<u>48,746</u>	<u>-</u>	<u>12,933,023</u>
Total Restricted funds	<u>9,288,727</u>	<u>5,613,701</u>	<u>(4,579,066)</u>	<u>-</u>	<u>2,523,000</u>	<u>12,846,362</u>
Total funds	<u><u>9,632,708</u></u>	<u><u>5,703,615</u></u>	<u><u>(4,630,261)</u></u>	<u><u>-</u></u>	<u><u>2,523,000</u></u>	<u><u>13,229,062</u></u>

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

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DFE/ESFA grants

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

Pupil Premium

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

SEN funding

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

Other Government grants

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

MAT conversion grant

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

Restricted donations

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

Devolved Formula Capital (DFC)

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

Restricted fixed asset funds

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

Pension reserve

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

Unrestricted funds

This represents income received that does not have restrictions.

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

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

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

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17. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Larwood School	619,188	653,204
Brandles School	257,851	112,983
	877,039	766,187
Total before fixed asset funds and pension reserve	877,039	766,187
Restricted fixed asset fund	12,933,023	11,564,521
Pension reserve	(581,000)	(2,698,000)
	13,229,062	9,632,708
Total	13,229,062	9,632,708

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Larwood School	1,681,154	288,988	22,393	400,577	2,393,112	2,261,334
Brandles School	1,148,821	81,339	24,269	252,310	1,506,739	1,648,684
MAT	261,000	97,000	-	48,000	406,000	-
	3,090,975	467,327	46,662	700,887	4,305,851	3,910,018
Trust	3,090,975	467,327	46,662	700,887	4,305,851	3,910,018

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	12,011,162	12,011,162
Current assets	672,983	1,230,005	1,134,393	3,037,381
Creditors due within one year	(290,283)	(735,666)	-	(1,025,949)
Creditors due in more than one year	-	-	(212,532)	(212,532)
Provisions for liabilities and charges	-	(581,000)	-	(581,000)
Total	<u>382,700</u>	<u>(86,661)</u>	<u>12,933,023</u>	<u>13,229,062</u>

Analysis of net assets between funds - prior year

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

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

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,073,354	(288,996)
Adjustments for:		
Depreciation	324,410	347,783
Capital grants from DfE	(1,640,066)	(14,784)
Interest receivable	(108)	(83)
LGPS adjustment	406,000	236,000
Increase in debtors	(1,586,572)	(117,897)
Increase in creditors	465,488	74,929
Loss on disposal of fixed assets	4,731	-
Donated assets	(4,100)	(21,381)
Net cash (used in)/provided by operating activities	<u>(956,863)</u>	<u>215,571</u>

20. Cash flows from investing activities

	2022 £	2021 £
Interest received	108	83
Purchase of tangible fixed assets	(519,456)	(68,419)
Capital grants from DfE Group	1,640,066	14,784
Capital funding received from sponsors and others	212,532	-
Net cash provided by/(used in) investing activities	<u>1,333,250</u>	<u>(53,552)</u>

21. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	<u>1,262,976</u>	<u>886,589</u>

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22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	886,589	376,387	1,262,976
Debt due after 1 year	-	(212,532)	(212,532)
	<u>886,589</u>	<u>163,855</u>	<u>1,050,444</u>

23. Pension commitments

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

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

Contributions amounting to £55,816 were payable to the schemes at 31 August 2022 (2021 - £51,880) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £179,379 (2021 - £185,608).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £277,000 (2021 - £256,000), of which employer's contributions totalled £219,000 (2021 - £202,000) and employees' contributions totalled £ 58,000 (2021 - £54,000). The agreed contribution rates for future years are 23 per cent for employers and 5.5 - 6.5 per cent for employees.

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

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.45	3.30
Rate of increase for pensions in payment/inflation	3.05	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	2022 Years	2021 Years
Retiring today		
Males	21.9	22.1
Females	24.4	24.5
Retiring in 20 years		
Males	22.9	23.2
Females	26.0	26.2

As at 31 August 2022, the Trust had a pension liability of £581,000 (2021 - £2,698,000). The sensitivity analysis detailed below would increase / (decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(78)	(139)
Discount rate -0.1%	78	139
Mortality assumption - 1 year increase	120	200
Mortality assumption - 1 year decrease	(120)	(200)
CPI rate +0.1%	69	100
CPI rate -0.1%	(69)	(100)

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23. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	1,205,000	1,221,000
Bonds	554,000	668,000
Property	361,000	253,000
Cash and other liquid assets	287,000	161,000
Total market value of assets	<u>2,407,000</u>	<u>2,303,000</u>

The actual return on scheme assets was £-156,000 (2021 - £254,000).

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

	2022 £	2021 £
Current service cost	577,000	(407,000)
Interest income	(40,000)	33,000
Interest cost	88,000	(64,000)
Total amount recognised in the Statement of Financial Activities	<u>625,000</u>	<u>(438,000)</u>

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

	2022 £	2021 £
At 1 September	5,001,000	3,598,000
Current service cost	577,000	407,000
Interest cost	88,000	64,000
Employee contributions	58,000	54,000
Actuarial (gains)/losses	(2,719,000)	892,000
Benefits paid	(17,000)	(14,000)
At 31 August	<u>2,988,000</u>	<u>5,001,000</u>

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23. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	2,303,000	1,807,000
Interest income	40,000	33,000
Actuarial (losses)/gains	(196,000)	221,000
Employer contributions	219,000	202,000
Employee contributions	58,000	54,000
Benefits paid	(17,000)	(14,000)
At 31 August	<u>2,407,000</u>	<u>2,303,000</u>

24. Operating lease commitments

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	12,647	16,059
Later than 1 year and not later than 5 years	18,402	31,124
	<u>31,049</u>	<u>47,183</u>

25. Members' liability

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

26. Related party transactions

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

There have been no related party transactions in the year, other than those with Key Management Personnel as detailed in note 10.