

Company registration number 08135633 (England and Wales)

LATCHMERE ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

LATCHMERE ACADEMY TRUST

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LATCHMERE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Lisa Stone
Pam Tatlow
Stephen Pritchard
Sarah McCarthy
Justin Jacobs

Trustees

Sarah McCarthy (Chair of Trustees to 31 August 2022)
Raghu Venkatesam (Vice Chair of Trustees and Chair of curriculum and standards committee to 31 August 2022). (Chair of Trustees from 1 September 2022)
Clare Reeve Curatola (Chair of finance and resources committee) (Resigned 14 July 2022)
Lucy Lewis (Resigned 14 July 2022)
Jennifer Singer
Nicholas Murphy (Chair of finance and resources committee from 14 July 2022)
Anna Steels (Accounting Officer)
Natasha Bhardwaj (Appointed 24 February 2022)
Tom Brook (Appointed 13 July 2022)
Alexander Pygram (Vice chair of finance and resources committee) (Appointed 24 February 2022)

Senior management team

- Executive headteacher and CEO	Anna Steels
- Head of Latchmere School	Anna Steels
- Head of Nelson School	Sian Ward
- Deputy Head - Latchmere	Carolyn Coles
- Deputy Head - Latchmere	Matthew Lewis (resigned 30 April 2022)
- Assistant Head - Nelson	Hayley Lewis
- Early Years leader	Elaine Booth
- Business manager and CFO	Marianne Isbell

Company secretary

Clare Blake

Company registration number

08135633 (England and Wales)

Principal and registered office

Latchmere School
Latchmere Road
Kingstone upon Thames
Surrey
KT2 5TT

Academies operated

Latchmere School
Nelson Primary School

Location

Kingston upon Thames
Twickenham

Executive Head Teacher

Anna Steels
Sian Ward

Independent auditor

RSM UK Audit LLP
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

LATCHMERE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Internal scrutiny auditor	Kreston Reeves LLP Montague Place Quayside Chatham Maritime Chatham ME4 4QU
Bankers	Royal Bank of Scotland 5 Church Street Sheffield S1 1HF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a Directors' report and strategic report under company law.

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

Latchmere School has a pupil capacity of 918 and had a roll of 849 in the school census of 6 October 2022. Nelson Primary School has a pupil capacity of 390 and had a roll of 286 in the school census on 6 October 2022. Nelson's Pupil Admission Number (PAN) was 60 during the year. Latchmere's Pupil Admission Number (PAN) was 120 during the year.

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Trustees' indemnities

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

Principal activities

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

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

The standard term of office for Trustees is four years.

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

New Trustees are recruited working with external governor recruitment services such as Academy Ambassadors and Governors For Schools. Trustees have also leveraged their virtual networks through apps such as LinkedIn. Candidates are invited to submit a covering letter detailing why they would like to become a Trustee and their relevant skills and capabilities, alongside their CV. An informal discussion takes place between the potential candidate and the Chair of Trustees to provide details of the Trust, the role of a Trustee, the commitment and capacity needed. An interview is then conducted by a panel comprising of Trustees and Members. Successful candidates are then nominated to the next Trust Board for appointment, this decision will then be submitted to the Members for ratification. Members can also appoint Trustees. All appointments are subject to two references, a Disclosure and Barring Services (DBS) check and a conflicts of interest submission.

Policies and procedures adopted for the induction and training of Trustees

New Trustees receive induction packs and meet with the Chair of Trustees and Executive Head Teacher to discuss the role of Trustees and the requirements of the Academy Trust. The induction process is supported by the Trust's Governance Professional. New Trustees also undertake the Introduction to Governance training course provided by our external supplier of governance support. In addition they receive the National Governance Association (NGA) 'Welcome to Governance Handbook' and can access all the resources and training support of the NGA.

The training and induction provided for new Trustees is dependent on their experience. Where necessary the Academy will provide training on legal, educational and financial matters. All new Trustees are given a tour of the Academy Trust Schools. All Trustees are required to undertake one relevant Governor training course a year for their CPD. During the year under review the Trustees held an annual inter-Trust training day for Governors and Trustees to receive training on curriculum related content and special educational needs.

Copies of policies, procedures, minutes, accounts, budget plans and other documents are made available to Trustees via an online platform. Trustees with accessibility issues are provided with all documents via email. All Trustees are subject to DBS checks and informed about safeguarding procedures. All Trustees are expected to undertake Level 1 safeguarding training.

During the year under review the Trustees held six full Board of Trustees meetings and six Trustees' Finance and Resources committee meetings. In addition six meetings of the Local Committee (LC) at Nelson Primary School, and six meetings of the Local Committee (LC) at Latchmere School were held.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

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

The Trustees' primary role is to approve the strategic direction and objectives of the Academy Trust and consisted of two committees in the year ended 31 August 2022:

- Finance and Resources, including Risk and Audit; and
- Curriculum and Standards

Additionally, each school has its own Governors who form a Local Committee.

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

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

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

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

The Trustees delegate the strategic and operational management of the Trust to the Executive Headteacher (EHT).

The EHT is responsible for the leadership and management of the central executive team and the heads of school report to the Trust Board and its committees. The EHT delegates the day-to-day management of the Trust's schools to a Head of School, line managing them in accordance with the Trust's appraisal and performance management policies.

In our current structure the EHT is also the Head of School for Latchmere School.

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

No employees were officials of any relevant trade unions in the year ended 31 August 2022. Therefore, none of their time was spent on union activities.

Related parties, connected charities and co-operation with other organisations

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

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

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

Objectives, strategies and activities

The main objectives of the Charitable Company are summarised below:

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

Public benefit

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

STRATEGIC REPORT

Achievements and performance

Attendance

In the last 12 months we have moved from year group closures and cancelling the Christmas fairs because of the number of COVID cases, to living with COVID.

Despite the impact of COVID, the attendance of pupils across the MAT was 94%, above the national average of 92.8%. However, this is significantly below pre COVID attendance and this continues to have a negative impact on outcomes, especially the most disadvantaged as seen nationally, despite high quality remote learning in place for absent children.

The MAT took part in School Led Tutoring and Nelson School also engaged with the National Tutoring Programme. This has helped significantly reduce pupils gaps in learning. However, the overall Reading, Writing and Maths outcome at Nelson is below national average.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The table below shows the expected outcomes for schools within the MAT for 2021-2022 following the checking exercise. This is compared to local and national outcomes from 2019, the last time SATs results were published and only comparable data available.

	Kingston 19	Richmond 19	National 19	Latchmere 22	Nelson 22
EYFSP Good Level of Development	76	81	72	76	59
Phonics Expected Standard	84	87	82	75	76
Year 2 Phonics expected catch up				89	90
KS1 Expected or Above RWM	69	73	65	61	52
KS1 Expected or Above Reading	80	83	75	73	58
KS1 Expected or Above Writing	73	76	69	62.5	52
KS1 Expected or Above Maths	80	82	76	75	58
KS1 Expected or Above Science	87	91	82	83	58
KS1 Greater Depth RWM	16	19	11	10	
KS1 Greater Depth Reading	31	39	25	25	2
KS1 Greater Depth Writing	19	23	15	14	0
KS1 Greater Depth Maths	28	34	22	25	0
KS2 Expected or Above RWM	69	80	65	72	55
KS2 Expected or Above Reading	78	87	73	81	67
KS2 Expected or Above Writing	81	88	78	81	68
KS2 Expected or Above Maths	83	90	79	85.6	71
KS2 Expected or Above GPS	84	91	78	83	76
KS2 Expected or Above Science	87	92	83	93	82
KS2 High Standard RWM	15	21	11	15	4
KS2 High Standard Reading	35	45	27	44	18
KS2 Greater Depth Writing	24	28	20	16	8
KS2 High Standard Maths	37	47	27	46	12
KS2 High Standard GPS	46	56	36	53	18

The MAT introduced a new phonics programme in 2021. This had a positive impact on outcomes at Nelson in Year 1 and significantly closed gaps identified in Year 1 at Latchmere. Both schools also saw an improvement in outcomes for Year 2 retakes. The new programme has had a positive impact on closing gaps in knowledge.

Key Stage 1 outcomes were below 2019 achievement because of the interruption of formative years due to COVID lockdown and absence learning. However, the initial gaps identified have been significantly reduced and outcomes have moved closer to 2019 expected outcomes.

Ofsted inspection outcomes

OFSTED Grades	Overall Grade	Quality of Education	Behaviour and Attitudes	Personal Development	Leadership & Management	Early Years
Latchmere Jan 2019	Good	Good	Outstanding	Outstanding	Good	Good
Nelson Nov 2019	RI	RI	Good	Good	RI	Good

Nelson received a remote Monitoring visit in November 2020. Ofsted's visits to schools during the autumn term were not inspections and they did not give a graded judgement.

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Contextual data

	2020-2021	2021-2022
FSM	13%	13.4%
Ever 6	13.6%	13.9%
SEND EHCP	2.2%	2.3%
SEND other	10.6%	12.5%
EAL	29.2%	33.5%

Numbers on Roll

The areas where both schools are located have experienced a reduction in applications over the last few years due to a smaller number of children at primary age. This is having a significant impact on the number of pupils on roll. The MAT currently has 1135 places filled out of 1308. These available spaces are having a significant impact on the GAG funding the MAT receives. The MAT has addressed this by restructuring Nelson Primary School and making staff redundancies. A consultation to vary the Pupil Admission Number (PAN) for 2023-2024 at Nelson School has just been completed. The MAT will be applying to the ESFA to reduce the PAN at Nelson. This will help the MAT ensure future classes are full, giving optimum funding and increased financial efficiency.

Financial review

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the 12 months ended 31 August 2022 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants from Kingston and Richmond Local Authorities to support pupils who have an Education and Health Care Plan (EHCP) with associated funding allocation, and also for pupils aged 3 to 4 years attending the Nursery classes. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" such grants are shown as restricted income.

During the year ended 31 August 2022, financial expenditure of £8,316,348 (2021: £8,098,569) was covered in part by recurrent grant funding from the DfE and other grant income. The Academy Trust generates alternative income streams to support its expenditure not covered by recurrent grant income. This school generated income had suffered during the coronavirus lock downs and restrictions of the previous two years.

All pupils have been able to attend school uninterrupted for the whole of the 2021-22 academic year, albeit with some initial restrictions, and our alternative income streams have recovered somewhat with school life returning to more normal activity levels.

We have continued to experience higher than usual levels of pupil and staff absence due to Covid. The cost of covering staff absence has been partially mitigated through the extension of the Statutory Sick Pay (SSP) claims scheme to March 2022.

We received Covid Recovery and School Led Tutoring funding from the ESFA totalling £27,631 (2021: £99,440), these funds being used to provide individual and small group interventions for Pupil Premium Grant (PPG) pupils. We have continued to participate in the national free school meals voucher scheme, distributing vouchers from both the DfE and the Local Authority to qualifying families during the school holidays. We have also continued to assist many non-eligible families who have suffered hardship during the pandemic, by providing food bank vouchers and also due to the continuing generosity of our parents, who have donated a further £1,100 during the year, on top of the £4,500 donated last year, to help others.

The deficit excluding transfers for the year ended 31 August 2022 was £67,034 (2021: £41,816) (excluding restricted fixed asset funds and excluding the LGPS pension liability movement).

At 31 August 2022 the carry forward funds, excluding restricted fixed assets fund and pension obligations was £670,454 (2021: £746,287).

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

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

Principal risks and uncertainties

A strategic risk register outlining low, medium and high-risk factors has been drawn up by the Trustees. The risk register identifies the key strategic (not operational) risks, the likelihood of these occurring, their potential impact on the Academy Trust and the actions taken to reduce and mitigate risks. The Trust's Scheme of Delegation sets out the roles and responsibilities of the different committees in respect of risk management. In addition, the Trust has determined that the risk register will be formally reviewed on an annual basis but risk will be discussed and reported up to the Trust Board throughout the year. Key risks identified this year, include:

- Decreasing pupil numbers;
- Maintaining and improving educational standards;
- Estates - premises, facilities and equipment;
- Effective governance and legal risks; and
- Financial control and management.

From a financial risk perspective, as the Academy Trust has one main funding source, the DfE, there is a reliance on the funding remaining at a level to cover the financial requirements of the Academy Trust. This is outside the control of the Academy Trust.

Reducing rolls at Nelson Primary School have been addressed this year through a staff restructuring exercise to address costs and increase efficiency. We are seeing a developing trend in the locality of both of our schools where the demand for primary school places is reducing year on year. Due to the direct relationship between pupil numbers and government funding this is a priority area for attention and a risk that Trustees are continuing to monitor closely.

Although notionally now 'post-pandemic', we continue to experience the disruption and cost of Covid related absences. The current financial crisis together with the volatile political and economic situation in the UK puts further pressure on our budgets, with large increases in energy and other running costs, higher than anticipated salary costs, and uncertainty over future government funding.

In a normal year the Academy Trust will continue to develop and build its other income streams, including wraparound childcare clubs and the letting of its facilities. As outlined above two years of coronavirus pandemic and associated restrictions and school closure has made this difficult. The ability of the Trust to generate other income continues to be a risk that the Trustees are monitoring.

Over previous years successful bids for grants from the ESFA Condition Improvement Fund (CIF) have provided funds for essential repairs and refurbishments of the Academy Trust's facilities, enabling the conservation of the Academy Trust's educational funding. Over the past 5 years CIF grants have enabled the refurbishment of roofs, security and safeguarding improvements, extension of SEN accommodation, refurbishment of children's toilets, a classroom extension and improved fire safety measures. However, given the age and condition of certain assets, and the scope of anticipated projects, the ability to fund required repairs and refurbishment remains a risk that the Trust is monitoring and aiming to further mitigate as funding through CIF awards is not guaranteed.

The Academy Trust does not carry out any fundraising activities itself but benefits from the fundraising endeavours of the Latchmere School Parents Association (LSPA), the Latchmere Learning Fund and the Nelson Primary School Parent Teacher Association (PTA) whose energy and commitment are greatly valued. All three bodies contribute substantial funds each year for targeted projects. The Trust's reliance on the efforts of the parent and carer community is a risk and over the past two years coronavirus restrictions have impacted normal fundraising activities. This year has seen the return of a schedule of community and fundraising activities, with funds being provided for additional phonics resources, IT equipment and improvements to the outside environment and the Latchmere swimming pool.

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

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

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

Reserves policy

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

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

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

Reserves are split between:

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

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

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

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

The total value of the academy's net current assets at 31 August 2022 were £304,681 (2021: £312,148). Designated reserves included the unspent amounts dedicated grants for Early Years, as well as Covid Recovery Funding. The unrestricted reserves remaining at 31 August 2022 amounted to £293,927 (2021: £259,317) representing approximately 4.1% (2021: 3.7%) of budget. Restricted general funds held at 31 August 2022 totalled £376,527 (2021: £486,970) excluding the pension reserve deficit of £1,028,000 (2021: £4,801,000). Restricted fixed asset funds as at 31 August 2022 amounted to £22,642,262 (2021: £22,851,396).

Investment policy

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

LATCHMERE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

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

2022/23 SDP priorities

Latchmere

- Development Focus 1: To raise standards and outcomes in writing.
- Development Focus 2: To embed the phonics teaching approach from Wandle Teaching School Hub (WTSH) (continued from 2021).
- Development Focus 3: To improve outcomes for disadvantaged pupils, including those with Special Educational Needs and disabilities (SEND) and pupils receiving the Pupil Premium Grant (PPG) (continued from 2021).
- Development Focus 4: To ensure a monitoring cycle is in place for Subject Leaders (continued from 2021).
- Development Focus 5: To ensure all stakeholders have a firm understanding of what constitutes bullying and any bullying incidents identified by or raised to the school are dealt with effectively (continued from 2021).
- Development focus 6: To develop a consistent approach to teaching and Learning across the school.
- Development Focus 7: To introduce the new data system, Insight.

Nelson

- Development Focus 1: To raise standards and outcomes in writing.
- Development Focus 2: To embed the phonics teaching approach from Wandle Teaching School Hub (WTSH) and develop a consistent approach to reading at KS2 (continued from 2021).
- Development Focus 3: To ensure the best possible teaching and support for disadvantaged pupils and ensure there is demonstrative impact of the Pupil Premium strategy (continued from 2021).
- Development Focus 4: To improve the well-being of staff and children (development of Well-being lead / Review staff workload by completing the DfE workload review) (continued from 2021).
- Development Focus 5: To ensure a monitoring cycle is in place for Subject Leaders (continued from 2021).
- Development focus 6: To develop a consistent approach to teaching and Learning across the school.
- Development Focus 7: To introduce the new data system, Insight.

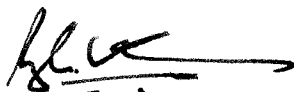
AUDITOR

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

Statement as to disclosure of information to auditors

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 07 December 2022 and signed on its behalf by:



Raghu Venkatesam
Chair of Trustees

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Trustees have delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management, and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between the Academy Trust and the Secretary of State for Education. The Executive Head Teacher is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and the Statement of Trustees' Responsibilities. The Board of Trustees has formally met (in person or remotely) six times during the year.

In addition to the formal, minuted Board meetings the Trustees met frequently during the year to discuss key focus areas Trustees and Governors take on 'Link' roles for key areas of focus and undertake monitoring and oversight meetings throughout the year. Current 'Link' roles include PPG, SEND, Safeguarding, Estates and Health & Safety and Wellbeing. Governors also undertake oversight visits on each area of the Schools' Development Plans through the year and report any risks identified to the appropriate Trust committee.

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

Trustees	Meetings attended	Out of possible
Sarah McCarthy (Chair of Trustees to 31 August 2022)	5	6
Raghu Venkatesam (Chair of Trustees)	6	6
Clare Reeve Curatola (Chair of finance and resources committee) (Resigned 14 July 2022)	4	6
Lucy Lewis (Resigned 14 July 2022)	4	6
Jennifer Singer	5	6
Nicholas Murphy (Chair of finance and resources committee from 14 July 2022)	4	6
Anna Steels (Accounting Officer)	6	6
Natasha Bhardwaj (Appointed 24 February 2022)	3	3
Tom Brook (Appointed 13 July 2022)	0	0
Alexander Pygram (Vice chair of finance and resources committee) (Appointed 24 February 2022)	3	3

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

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

Latchmere Academy Trust has completed its fifth year with two schools, after the inclusion of Nelson Primary School into the Multi Academy Trust (MAT) in September 2017. The Trust experienced a change in senior leadership last year and our new Executive Head has been in post since September 2021.

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

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

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

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

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

Trustees	Meetings attended	Out of possible
Sarah McCarthy (Chair of Trustees to 31 August 2022)	6	6
Clare Reeve Curatola (Chair of finance and resources committee) (Resigned 14 July 2022)	6	6
Jennifer Singer	4	6
Nicholas Murphy (Chair of finance and resources committee from 14 July 2022)	6	6
Anna Steels (Accounting Officer)	5	6
Natasha Bhardwaj (Appointed 24 February 2022)	2	4
Alexander Pygram (Vice chair of finance and resources committee) (Appointed 24 February 2022)	4	4

Review of value for money

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

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

- Seeking quotes for goods and services;
- Ensuring reputable suppliers are used; and
- Ensuring only essential items have been purchased.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

LATCHMERE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 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 Board of Trustees.

The risk and control framework

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

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

Pursuant to the ESFA requirements outlined in the Academy Trust Handbook 2021, and a competitive procurement process, the Trustees appointed Kreston Reeves to provide internal audit and scrutiny services in February 2021. This year, Kreston Reeves were instructed to undertake three audits: (1) pupil data (November 2021); (2) core financial procedures, (March 2022) (3) Safeguarding (July/August 2022). Kreston Reeves reported to the Board (via the Risk and Audit Committee), in writing and by attendance at Committee meetings.

Managing conflicts of interest

The MAT has a policy and procedure to deal with conflicts of interest. Conflicts of interest responsibilities are outlined in the Trust's Code of Conduct that each trustee and governor signs annually. Additionally, all trustees, governors and senior staff members are required to complete a declaration of interests form annually. This enables the maintenance of an up-to-date and complete register of interests which is shared with the Executive Headteacher and Chief Financial Officer, ensuring they are aware of any supplier / company where a conflict could arise. This enables the executive team to use the information on the register in the day-to-day management and governance of the academy trust.

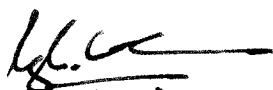
Review of effectiveness

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

- The work of the internal scrutiny auditor;
- The financial management and governance self-process of the school resource management self-assessment tool;
- The work of the external auditor; and
- The work of the management team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 07 December 2022 and signed on its behalf by:



Raghu Venkatesam
Chair of Trustees



Anna Steels
Accounting Officer

LATCHMERE ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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



Anna Steels
Accounting Officer

07 December 2022

LATCHMERE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

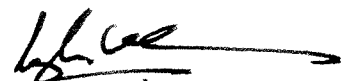
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 07 December 2022 and signed on its behalf by:



Raghu Venkatesam
Chair of Trustees

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

Opinion

We have audited the financial statements of Latchmere Academy Trust (the "charitable company") for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 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 charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable company'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction . We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

13 December 2022

LATCHMERE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT


FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	55,624	-	233,789	289,413	43,541
Charitable activities:						
- Funding for educational operations	4	320,465	6,419,161	-	6,739,626	6,714,042
- Teaching school	4	-	-	-	-	126,650
Other trading activities	5	294,930	-	-	294,930	183,622
Investments	6	412	-	-	412	99
Total		671,431	6,419,161	233,789	7,324,381	7,067,954
Expenditure on:						
Raising funds	7	138,728	-	-	138,728	22,519
Charitable activities:						
- Educational operations	8	498,093	7,227,805	451,722	8,177,620	7,918,087
- Teaching school	8	-	-	-	-	157,963
Total	7	636,821	7,227,805	451,722	8,316,348	8,098,569
Net income/(expenditure)		34,610	(808,644)	(217,933)	(991,967)	(1,030,615)
Transfers between funds	17	-	(8,799)	8,799	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit obligations	22	-	4,480,000	-	4,480,000	(614,000)
Net movement in funds		34,610	3,662,557	(209,134)	3,488,033	(1,644,615)
Reconciliation of funds						
Total funds brought forward		259,317	(4,314,030)	22,851,396	18,796,683	20,441,298
Total funds carried forward		293,927	(651,473)	22,642,262	22,284,716	18,796,683

LATCHMERE ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		23,008,035		23,285,535
Current assets					
Debtors	14	278,241		79,335	
Cash at bank and in hand		422,615		545,365	
			700,856		624,700
Current liabilities					
Creditors: amounts falling due within one year	15	(396,175)		(312,552)	
Net current assets			304,681		312,148
Net assets excluding pension liability			23,312,716		23,597,683
Defined benefit pension scheme liability	22		(1,028,000)		(4,801,000)
Total net assets			22,284,716		18,796,683
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds			22,642,262		22,851,396
- Restricted income funds			376,527		486,970
- Pension reserve			(1,028,000)		(4,801,000)
Total restricted funds			21,990,789		18,537,366
Unrestricted income funds	17		293,927		259,317
Total funds			22,284,716		18,796,683

The financial statements on pages 20 to 46 were approved by the Board of Trustees and authorised for issue on 07 December 2022 and are signed on their behalf by:



Raghu Venkatesam
Chair of Trustees

LATCHMERE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	19		19,070		(47,300)
Cash flows from investing activities					
Dividends, interest and rents from investments		412		99	
Capital grants from DfE Group		50,202		22,821	
Capital funding received from sponsors and others		26,388		7,481	
Purchase of tangible fixed assets		(218,822)		(128,599)	
Net cash used in investing activities			(141,820)		(98,198)
Net decrease in cash and cash equivalents in the reporting period			(122,750)		(145,498)
Cash and cash equivalents at beginning of the year			545,365		690,863
Cash and cash equivalents at end of the year			422,615		545,365

LATCHMERE ACADEMY TRUST

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

1 Accounting policies

General information

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

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

Basis of preparation

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

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

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

Going concern

The Trustees have set a balanced budget for 2022-23 and 2023-2024. The budget takes account of the current financial crisis experienced by the United Kingdom, including the rising cost of energy, goods and services. The current offers for staff pay awards are also reflected in the budget.

While we are seeing an improving picture with the continuing coronavirus situation, projections on all income lines that were affected in 2020-21 remain low as the pandemic presented a situation with unknown outcomes, and challenges in managing the Schools.

The budget is subject to monthly monitoring enabling us to take timely action as and when required. Both Schools and the Academy Trust overall have small reserves and cash balances that can be drawn on should it be necessary to cover any unexpected additional costs.

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

Income

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

Grants

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

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

Interest receivable

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

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

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

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

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

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

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

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

Liabilities

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

Financial instruments

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

Financial assets and liabilities

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

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

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

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

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies (Continued)

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

Fund accounting

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

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

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

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

Termination benefits are recognised immediately as an expense when the Academy Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	207,401	207,401	22,821
Other donations	55,624	26,388	82,012	20,720
	<u>55,624</u>	<u>233,789</u>	<u>289,413</u>	<u>43,541</u>

The income from donations and capital grants was £289,413 (2021: £43,541) of which £55,624 was unrestricted (2021: £13,239) and £233,789 was restricted fixed assets (2021: £30,302).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Funding for academy trust's educational operations				
DfE/ESFA grants				
General annual grant (GAG)	-	5,322,928	5,322,928	5,099,690
Other DfE/ESFA grants:				
- Universal infant free school meals	-	174,658	174,658	187,177
- Pupil premium	-	184,980	184,980	179,801
- PE & Sports	-	42,710	42,710	42,940
- Teachers pay	-	4,317	4,317	68,711
- Teachers pension	-	12,196	12,196	194,130
- Others	-	104,902	104,902	75,555
	-	5,846,691	5,846,691	5,848,004
Other government grants				
Local authority grants	-	544,839	544,839	542,949
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium	-	27,631	27,631	99,440
COVID-19 additional funding (non-DfE / ESFA)				
Coronavirus job retention scheme grant	-	-	-	15,639
Other non-DFE / ESFA COVID-19 funding	7,245	-	7,245	16,156
	7,245	-	7,245	31,795
Other income from the academy trust's educational operations	313,220	-	313,220	191,854
	320,465	6,419,161	6,739,626	6,714,042
Teaching school				
Teaching school income	-	-	-	126,650

The income from funding for charitable activities was £6,739,626 (2021: £6,840,692) of which £320,465 was unrestricted (2021: £223,649) and £6,419,161 was restricted (2021: £6,617,043).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the Academy Trust's charitable activities (Continued)

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received of is shown above under COVID-19 additional funding.

The funding received for coronavirus exceptional support covers £34,876 (2021: £131,235) of catch up premium, furlough income under the Coronavirus Job Retention Scheme and statutory sick pay costs. These costs are included in notes 7 and 8 below as appropriate.

The Academy Trust received £27,631 (2021: £99,440), including £9,729 (2021: £70,640) for Latchmere School and £17,903 (2021: £28,800) for Nelson School, of funding for catch-up premium during the year. The costs incurred in respect of funding received during the year and carried forward from last year was £68,464 (£27,631 plus £40,832 brought forward) (2021: £58,608).

The Academy Trust furloughed some of its catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £nil (2021: £15,639), including £nil (2021: £12,931) for Latchmere School and £nil (2021: £2,708) for Nelson School, relates to staff costs in respect of no (2021: 5) staff, which are included within note 9 below as appropriate.

The Academy Trust also received statutory sick pay rebates for employees who were absent due to coronavirus for a maximum of 2 weeks. The funding received was £7,245 (2021: £16,156), including £5,145 (2021: £10,855) for Latchmere School and £2,100 (2021: £5,301) for Nelson School.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	10,086	-	10,086	1,815
Catering income	154,081	-	154,081	132,356
Teaching school	-	-	-	26,559
Other income	130,763	-	130,763	22,892
	<u>294,930</u>	<u>-</u>	<u>294,930</u>	<u>183,622</u>

The income from other trading activities was £294,930 (2021: £183,622) of which £294,930 was unrestricted (2021: £157,063) and £nil was restricted (2021: £26,559).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Interest from short term deposits	412	-	412	99
	<u>412</u>	<u>-</u>	<u>412</u>	<u>99</u>

The income from funding for investment income was £412 (2021: £99) of which £412 was unrestricted (2021: £99).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	138,728	138,728	22,519
Academy's educational operations					
- Direct costs	4,686,223	-	317,083	5,003,306	4,977,588
- Allocated support costs	1,816,109	904,185	454,020	3,174,314	2,940,499
Teaching school					
- Direct costs	-	-	-	-	147,963
- Allocated support costs	-	-	-	-	10,000
	<u>6,502,332</u>	<u>904,185</u>	<u>909,831</u>	<u>8,316,348</u>	<u>8,098,569</u>

The expenditure on raising funds was £138,728 (2021: £22,519) of which £138,728 was unrestricted (2021: £22,519).

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	496,322	517,941
Net interest on defined benefit pension liability	83,000	63,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	21,250	19,400
- Other services	6,140	5,500
- Tax compliance	1,400	-
- Other audit services	7,365	4,350
	<u>71,155</u>	<u>39,250</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	25,144	4,978,162	5,003,306	4,977,588
Teaching school	-	-	-	147,963
Support costs				
Educational operations	472,949	2,701,365	3,174,314	2,940,499
Teaching school	-	-	-	10,000
	<u>498,093</u>	<u>7,679,527</u>	<u>8,177,620</u>	<u>8,076,050</u>

The expenditure on charitable activities was £8,177,620 (2021: £8,076,050) of which £498,093 was unrestricted (2021: £408,593), £7,227,805 was restricted (2021: £7,179,356) and £451,722 was restricted fixed assets (2021: £488,101).

	2022 £	2021 £
Analysis of support costs		
Support staff costs	1,818,926	1,660,436
Depreciation	496,322	517,941
Technology costs	6,962	5,054
Premises costs	407,863	392,729
Legal costs	9,431	9,998
Other support costs	390,658	333,511
Governance costs	44,152	30,830
	<u>3,174,314</u>	<u>2,950,499</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff (Continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	2	2
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £651,290 (2021: £641,157).

10 Central services

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

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

The Academy Trust charges out these services based on the size of each school in relation to the whole. In the year ended 31 August 2022 this was Latchmere 2/3 and Nelson 1/3.

The amounts charged during the year were as follows:

Nelson Primary School £41,000.

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

The amounts charged during the year were as follows:

	2022 £	2021 £
Latchmere School	-	-
Nelson Primary School	41,000	99,500
	<u> </u>	<u> </u>
	<u>41,000</u>	<u>99,500</u>

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees' remuneration and expenses

Three Trustees and Governors (2021: four) have been paid remuneration or have received other benefits from an employment with the Academy Trust. The Executive Head Teacher and other staff Trustees and Governors only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees or Governors.

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

In the prior year, the value of the Executive Head Teacher, Mrs Ritchie's remuneration was £6,292 up to 31 October 2020. The Executive Head Teacher was accruing retirement benefits under the Teachers' Pension Scheme and contributions paid up to 31 October 2020 amounted to £1,490.

The value of the current Executive Head Teacher, Mrs Steels' remuneration was £89,406 (2021: £72,762 from 1 November 2020). The Executive Head Teacher is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid amounted to £21,171 (2021: £17,230 from 1 November 2020).

The value of two (2021: two) staff Governors' remuneration was £129,512 (2021: £126,194) in the year. The staff Governors are accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £30,668 (2021: £29,883).

During the year ended 31 August 2022, administrative expenses totalling £132 (2021: £nil) were reimbursed to one Trustee (2021: none).

12 Trustees and officers' insurance

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Long leasehold land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	25,638,278	539,211	455,542	26,633,031
Additions	178,311	12,560	27,951	218,822
At 31 August 2022	25,816,589	551,771	483,493	26,851,853
Depreciation				
At 1 September 2021	2,564,709	453,650	329,137	3,347,496
Charge for the year	415,622	36,783	43,917	496,322
At 31 August 2022	2,980,331	490,433	373,054	3,843,818
Net book value				
At 31 August 2022	22,836,258	61,338	110,439	23,008,035
At 31 August 2021	23,073,569	85,561	126,405	23,285,535

14 Debtors

	2022	2021
	£	£
VAT recoverable	36,718	7,282
Prepayments and accrued income	241,523	72,053
	278,241	79,335

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	94,695	93,735
Accruals and deferred income (see note 16)	301,480	218,817
	396,175	312,552

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Deferred income	2022	2021
	£	£
Deferred income is included within:		
Creditors due within one year	130,897	155,647
	<u> </u>	<u> </u>
Deferred income at 1 September 2021	155,647	168,843
Released from previous years	(155,647)	(168,843)
Resources deferred in the year	130,897	155,647
	<u> </u>	<u> </u>
Deferred income at 31 August 2022	130,897	155,647
	<u> </u>	<u> </u>

At the balance sheet date the Academy Trust was holding funds received in advance for rates funding and UIFSM income for the year to 31 March 2023, money collected for school meals and wrap around care costs for the autumn term.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	321,756	5,322,928	(5,363,255)	(8,799)	272,630
Universal infant free school meals	-	174,658	(174,658)	-	-
Pupil premium	-	184,980	(184,980)	-	-
PE & Sports	-	42,710	(42,710)	-	-
Teachers pay	-	4,317	(4,317)	-	-
Teachers pension	-	12,196	(12,196)	-	-
Other grants	103,897	104,902	(104,902)	-	103,897
Catch-up premium	40,832	27,631	(68,463)	-	-
Other government grants	374	544,839	(545,213)	-	-
Other restricted funds	20,111	-	(20,111)	-	-
Pension reserve	(4,801,000)	-	(707,000)	4,480,000	(1,028,000)
	<u>(4,314,030)</u>	<u>6,419,161</u>	<u>(7,227,805)</u>	<u>4,471,201</u>	<u>(651,473)</u>
Restricted fixed asset funds					
Inherited on conversion	18,659,074	-	(284,004)	-	18,375,070
DfE group capital grants	2,086,439	207,401	(86,032)	-	2,207,808
Capital expenditure from GAG	60,632	-	(7,049)	8,799	62,382
Local authority	1,850,238	5,853	(48,270)	-	1,807,821
Other restricted fixed asset fund	195,013	20,535	(26,367)	-	189,181
	<u>22,851,396</u>	<u>233,789</u>	<u>(451,722)</u>	<u>8,799</u>	<u>22,642,262</u>
Total restricted funds	<u>18,537,366</u>	<u>6,652,950</u>	<u>(7,679,527)</u>	<u>4,480,000</u>	<u>21,990,789</u>
Unrestricted funds					
General funds	<u>259,317</u>	<u>671,431</u>	<u>(636,821)</u>	<u>-</u>	<u>293,927</u>
Total funds	<u>18,796,683</u>	<u>7,324,381</u>	<u>(8,316,348)</u>	<u>4,480,000</u>	<u>22,284,716</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds (Continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided to the Academy Trust via the ESFA by the DfE. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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

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

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

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

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds (Continued)

Funds prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	321,756	5,099,690	(5,099,690)	-	321,756
Universal infant free school meals	-	187,177	(187,177)	-	-
Pupil premium	-	179,801	(179,801)	-	-
PE & Sports	-	42,940	(42,940)	-	-
Teachers pay	-	68,711	(68,711)	-	-
Teachers pension	-	194,130	(194,130)	-	-
Other grants	144,729	75,555	(116,387)	-	103,897
Catch-up premium	-	99,440	(58,608)	-	40,832
Other government grants	374	542,949	(542,949)	-	374
Teaching school	4,754	153,209	(157,963)	-	-
Other restricted funds	20,111	-	-	-	20,111
Pension reserve	(3,656,000)	-	(531,000)	(614,000)	(4,801,000)
	<u>(3,164,276)</u>	<u>6,643,602</u>	<u>(7,179,356)</u>	<u>(614,000)</u>	<u>(4,314,030)</u>
Restricted fixed asset funds					
Inherited on conversion	18,949,838	-	(290,764)	-	18,659,074
DfE group capital grants	2,160,347	22,821	(96,729)	-	2,086,439
Capital expenditure from GAG	67,524	-	(6,892)	-	60,632
Local authority	1,900,895	-	(50,657)	-	1,850,238
Other restricted fixed asset fund	230,591	7,481	(43,059)	-	195,013
	<u>23,309,195</u>	<u>30,302</u>	<u>(488,101)</u>	<u>-</u>	<u>22,851,396</u>
Total restricted funds	<u>20,144,919</u>	<u>6,673,904</u>	<u>(7,667,457)</u>	<u>(614,000)</u>	<u>18,537,366</u>
Unrestricted funds					
General funds	296,379	394,050	(431,112)	-	259,317
	<u>296,379</u>	<u>394,050</u>	<u>(431,112)</u>	<u>-</u>	<u>259,317</u>
Total funds	<u>20,441,298</u>	<u>7,067,954</u>	<u>(8,098,569)</u>	<u>(614,000)</u>	<u>18,796,683</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds (Continued)

Total funds analysis by academy

	2022	2021
	£	£
Fund balances at 31 August 2022 were allocated as follows:		
Latchmere School	344,166	423,532
Nelson Primary School	326,288	322,755
	<u>670,454</u>	<u>746,287</u>
Total before fixed assets fund and pension reserve	670,454	746,287
Restricted fixed asset fund	22,642,262	22,851,396
Pension reserve	(1,028,000)	(4,801,000)
	<u>22,284,716</u>	<u>18,796,683</u>
Total funds	<u><u>22,284,716</u></u>	<u><u>18,796,683</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
	£	£	£	£	£	£
Latchmere School	3,192,100	921,349	201,520	608,226	4,923,195	5,293,238
Nelson Primary School	1,505,650	273,577	104,036	306,568	2,189,831	2,287,390
	<u>4,697,750</u>	<u>1,194,926</u>	<u>305,556</u>	<u>914,794</u>	<u>7,113,026</u>	<u>7,580,628</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	398,453	-	22,609,582	23,008,035
Current assets	71,614	596,562	32,680	700,856
Current liabilities	(176,140)	(220,035)	-	(396,175)
Pension scheme liability	-	(1,028,000)	-	(1,028,000)
	<u>293,927</u>	<u>(651,473)</u>	<u>22,642,262</u>	<u>22,284,716</u>
Total net assets	<u><u>293,927</u></u>	<u><u>(651,473)</u></u>	<u><u>22,642,262</u></u>	<u><u>22,284,716</u></u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	443,053	-	22,842,482	23,285,535
Current assets	36,918	578,868	8,914	624,700
Current liabilities	(220,654)	(91,898)	-	(312,552)
Pension scheme liability	-	(4,801,000)	-	(4,801,000)
Total net assets	<u>259,317</u>	<u>(4,314,030)</u>	<u>22,851,396</u>	<u>18,796,683</u>

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

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(991,967)	(1,030,615)
Adjusted for:			
Capital grants from DfE and other capital income		(233,789)	(30,302)
Interest receivable	6	(412)	(99)
Pension costs less contributions payable	22	624,000	468,000
Pension scheme finance costs	22	83,000	63,000
Depreciation of tangible fixed assets		496,322	517,941
Movements in working capital:			
(Increase) in debtors		(41,707)	(14,908)
Increase/(decrease) in creditors		83,623	(20,317)
Net cash provided by/(used in) operating activities		<u>19,070</u>	<u>(47,300)</u>

20 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	545,365	(122,750)	422,615

21 Members' liability

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

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

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:

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £609,328 (2021: £628,183).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.9 - 23.7% for employers and 5.5% - 12.5% for employees.

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations (Continued)

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

Total contributions made	2022 £	2021 £
Employer's contributions	345,000	362,000
Employees' contributions	100,000	105,000
Total contributions	445,000	467,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2022 by a qualified independent actuary.

	2022 %	2021 %
Rate of increase in salaries	3.45-3.90	3.3-3.9
Rate of increase for pensions in payment/inflation	2.90-3.05	2.9
Discount rate for scheme liabilities	4.25	1.7
Inflation assumption (CPI)	2.90-3.05	2.9

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	21.0-21.7	21.6-21.9
- Females	23.5-24.1	24.3
Retiring in 20 years		
- Males	22.3-22.8	22.9-23.0
- Females	24.9-26.0	25.7-26.2

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

	2022 Fair value £	2021 Fair value £
Equities	3,543,000	4,134,000
Bonds	1,367,000	847,000
Cash	180,000	423,000
Multi-asset fund	73,000	113,000
Property	571,000	399,000
Total fair value of assets	5,734,000	5,916,000

The actual return on scheme assets was £(447,000) (2021: £947,000).

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

22 Pension and similar obligations (Continued)

Amount recognised in the statement of financial activities	2022	2021
	£	£
Current service cost	969,000	830,000
Net interest cost	83,000	63,000
	<u>1,052,000</u>	<u>893,000</u>
Total operating charge	<u>1,052,000</u>	<u>893,000</u>
Changes in the present value of defined benefit obligations		2022
		£
At 1 September 2021		10,717,000
Current service cost		969,000
Interest cost		182,000
Employee contributions		100,000
Actuarial (gain)/loss		(5,026,000)
Benefits paid		(180,000)
		<u>6,762,000</u>
At 31 August 2022		<u>6,762,000</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2022
		£
At 1 September 2021		5,916,000
Interest income		99,000
Return on plan assets (excluding net interest on the net defined pension liability)		(546,000)
Employer contributions		345,000
Employee contributions		100,000
Benefits paid		(180,000)
		<u>5,734,000</u>
At 31 August 2022		<u>5,734,000</u>

LATCHMERE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

23 Related party transactions

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

Tradewind Recruitment Limited - a company in which Mr N Murphy (a trustee) is a director of.

The Academy Trust previously used Tradewind Recruitment Limited to provide agency staff totalling £nil (2021: £13,343) during the year. No amounts were outstanding at 31 August 2022 (2021: £nil).

The Academy Trust had used the services of Tradewind Recruitment Limited for a number of years prior to Mr N Murphy becoming a Trustee. Mr Murphy was not personally involved in any of the transactions that were conducted with Tradewind Recruitment Limited.

As reported within the prior year Accounting Officer Statement and the regularity report, unfortunately the ESFA were not notified of the transaction in advance of the contract commencing nor were the transactions at cost.

Key management personnel compensation disclosure is included in note 9.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 16 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, to obtain limited assurance about whether the expenditure disbursed and income received by Latchmere Academy Trust during the period 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.

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

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of Latchmere Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Latchmere Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Latchmere Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Latchmere Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academy Trust Handbook 2021 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

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

Use of our report

This report is made solely to Latchmere Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 16 July 2021. Our work has been undertaken so that we might state to the Latchmere Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Latchmere Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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Dated: 13 December 2022
