

**LANDAU FORTE CHARITABLE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

**YEAR ENDED
31 AUGUST 2020**

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

FINANCIAL STATEMENTS

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LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

REFERENCE AND ADMINISTRATION INFORMATION

Members/Directors

M R Landau (President and Chairman)	(M) (D)
O Polizzi, CBE (Deputy Chairman)	(M) (D)
The Honourable Sir Rocco Forte	(M) (D)
A Polizzi	(M) (D)
S Shooter	(M) (D)
T M Bell	(D)
K Doble	(D)
J Kirkland, OBE	(D)
T R Ousley	(D)
D Shore	(D)
S Caplan (appointed 9 April 2020)	(D)
B Turnbull (appointed 18 September 2019)	(D)
P Cox (appointed 18 September 2019)	(D)
S Findlay-Cobb	(D)

M Davies (resigned as Director 12 September 2019)
D Mcalpine (resigned as Director 11 July 2019)

Key

(M) Member of the company
(D) Director/Trustee of the Company

Chief Executive Officer and Accounting Officer S Findlay-Cobb

Director of Operations, CFO and Company Secretary A C M Eggleston

Principal: A Brannick
Landau Forte College Derby
Landau Forte Teaching School
Landau Forte SCITT

Principal Landau Forte Academy Amington A Deen

Interim Principal:
Landau Forte Academy Tamworth Sixth Form M Rowe (Appointed 13 July 2020)
Landau Forte Academy QEMS

Interim Principal Landau Forte Academy Moorhead R McNeil (Appointed 29 June 2020)

Principal of Landau Forte Academy Greenacres L Bridge

Status Landau Forte Charitable Trust is an exempt charity and a company limited by guarantee

Company number 02387916

Auditor KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Registered Office Landau Forte College
Fox Street, Derby, DE1 2LF

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

DIRECTORS' REPORT

The Directors are pleased to present their Annual Report together with the audited financial statements for the year ended 31 August 2020.

Structure, Governance and Management

Constitution

Landau Forte Charitable Trust (the Trust) is a charitable company limited by guarantee (no. 02387916) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Landau Forte Charitable Trust are also the Directors of the charitable company for the purposes of company law.

The Principal Sponsors of the Trust are the Landau Charitable Foundation and the Honourable Sir Rocco Forte. The Principal Sponsors may appoint up to 6 members of the Trust in addition to the elected Chairman of Directors. The Trust may also include the Secretary of State for Education on behalf of the Department for Education (or their appointed representative) and such additional trustees as the trustees may agree unanimously in writing. The minimum number of members allowed is three.

The number of trustees of the Trust shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. To carry out the business of the Trust the Members have appointed a Board of Directors. The company has the following categories of Directors: Principal Sponsor Directors; Academy Directors; and the provision for one Parent Director for every 10 Academies.

The Articles of the Trust require the Trust to appoint committees or advisory bodies which may be known as Local Governing Bodies to provide advice to the company in relation to the functioning of its academies. Any Local Governing Body (LGB) for each Academy shall as a minimum include the Principal, the Chief Executive of the Company, one elected parent/carer of a student at the Academy and such other Governors as the Directors of the Trust decide. The Chairman of the Local Boards of Governors shall be appointed by the Principal Sponsors of the Trust.

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

In September 2019 the Chairman of Trust Mike Davis retired and was replaced by one of the founding members for an interim period to ensure that appropriate oversight was maintained whilst the Trust identifies a permanent replacement.

Members Liability

Each member of the Trust undertakes to contribute to the assets of the Trust 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.

Subsidiary Trading Companies

The Trust owns 100% of the issued share capital of LF Enterprises Limited, Landau Forte Enterprises Tamworth Limited, Landau Forte Enterprises Tamworth Sixth Form Limited, and Landau Forte Enterprises QEMS Limited, all companies incorporated in England. All profits from these subsidiaries are transferred by gift aid to the Trust. Further details of the profit for the year and the assets and liabilities of each subsidiary are given in note 14 of the financial statements.

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Year Ended 31 August 2020

DIRECTORS' REPORT

Arrangements for Setting Pay and Remuneration of Key Management Personnel

FRS102 identifies key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of a reporting entity, directly or indirectly, including any Director. Landau Forte Charitable Trust considers this to be the Trustees, Chief Executive, Director of Operations, Academy Principals, Academy Heads of School, and Academy Vice Principals.

Trustees of Landau Forte Charitable Trust receive no remuneration for their role as a Trustee.

Key Management Personnel have their pay and remuneration set by the Trust's Remuneration Committee that meets as a minimum once a year and consists of the Chairman of the Trust and three other Trustees. Pay and remuneration are set considering individual performance during the previous year against individual performance criteria and considers market rates along with affordability for the Trust. Pay and remuneration is set in line with the Trust's pay policy.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, it must include information included in Schedule 2 of the Regulations.

Relevant Union Officials:

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

Percentage of Time Spent on Facility Time:

Percentage of time	Number of employees
0%	0
1% - 50%	2
51% - 99%	-
100%	-

Percentage of Pay Bill Spent on Facility Time:

Provide the cost of facility time	£678
Provide the total pay bill	£17,675,000
Provide the percentage of the total pay bill spend on facility time	0.004%

Paid Trade Union Activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

DIRECTORS' REPORT

Objectives and Activities

Landau Forte Charitable Trust was founded upon delivering a consistent and exceptional quality of learning experience for all pupils with the intention that they would progress to become responsible citizens able to contribute positively to society. Our vision remains always to put young people first in the hope of raising their performance, aspirations and ambition thereby strengthening local communities, generating self-belief, self-esteem and self-confidence through practical steps:

- Providing an exciting learning environment where young people feel safe, happy and valued. We will meet the educational and social needs of all our young people, regardless of ability, ethnic background or disability
- Assisting our young people to become confident, creative and questioning individuals who are strong leaders and equally effective team players
- Ensuring our staff are an inspirational, dedicated and well supported team who provide an exceptional teaching experience for our young people
- Investing in the high quality professional development of all our staff
- Promoting high standards of achievement and attainment – our young people will be academically well qualified with a breadth of experience that has maximised all their talents and aptitudes
- Giving our young people access to a challenging, broad and balanced curriculum, including regular and frequent opportunities to participate in high quality extracurricular enrichment experiences
- Managing resources effectively and efficiently, ensuring value for money
- Building trusting and informed relationship with parents/ carers and the local community through working in a true partnership

As an established, yet still developing Multi Academy Trust (MAT) it is imperative that we develop and grow a sustainable, effective and efficient organisation. This plan recognises three pillars for our development over the next three years: improvement in academic standards, organisational growth, and an effective operating model.

During 2019/20 the Trust has pursued its strategic vision, making significant changes to operations with a view to delivering a more effective and efficient model. Creating a position of strength has enabled us to support the Trust's Academies and to implement further improvements, which has been particularly significant during the COVID-19 pandemic.

There are four components of the School improvement strategy going forward and these are:

- Increasing the capacity for School Improvement
- Encouraging excellent teaching
- Providing First class support
- Delivering Strong and focussed Governance

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

DIRECTORS' REPORT

Principal Activity

The principal activity is to operate the Trust's Academies consisting of:

Name	Date Opened	Age Range	Pupil Admission Number (PAN)
Landau Forte College Derby (LFCD)	Sept 1992	11-18	1,125
Landau Forte Academy Amington (LFATA)	Sept 2010	11-16	960
Landau Forte Academy Tamworth Sixth Form (LFATSF)	Sept 2011	16-18	840
Landau Forte Academy QEMS (LFATQ)	Sept 2011	11-16	860
Landau Forte Academy Moorhead (LFADM)	Sept 2012	4-11	280
Landau Forte Academy Greenacres (LFATG)	Sept 2013	4-11	420

Landau Forte College Derby (LFCD) was formerly the 14th City Technology College established in the UK and became an Academy for up to 1,125 students in September 2006.

Within the period covered by the financial statements all Academies were operational.

LFCD and LFATSF provide a strong A Level curriculum enabling progression for students attending LFCD and LFATSF. At 11-16 level, all of our Academies have a clear focus on core subjects. The curriculum is enriched through inclusion of Arts, Humanities, Physical Education and Sport with a strong emphasis on preparing students for higher education and future employment.

In developing our primary children and preparing them for the challenges and progression into secondary education our primary curriculum has a strong foundation in Mathematics & Numeracy, Literacy, Reading, Writing, Speaking & Listening. Curriculum balance is achieved through Science, the Creative and Performing Arts, Design & Make, Humanities, and Physical Education. All our children are from the very outset encouraged and taught how to develop effective learning habits, develop their skills of leadership, problem solving, team working and how to accept personal responsibility.

Aims and Objectives

During the Year under review the Trust has built on the practical steps taken during previous academic years and in consequence the vision for the Trust has been strengthened. Thorough reviews of each school have resulted in constructive feedback which has contributed to specific plans at Academy level to ensure improvement which is an ongoing process.

All activities within the Trust during 2019/20 were in line with the four key areas of the strategy:

- Increasing the capacity for School Improvement
- Excellent teaching
- First class support
- Strong and focussed

Performance of the Trust against the plans set last year shows that many of the objectives have been achieved. Updates against these areas are provided below:

1. A clear strategic plan is in place and has been discussed fully with Trustees, actions have already been taken in line with this plan and progress will be monitored throughout the year.
2. Whilst LFADM has not yet been removed from Special Measures, the Trust is pleased with the progress that has been made as a result of the Interim Principal being put in place and the strategies that have been adopted are showing rapid and sustainable impact.
3. Significant progress has been made across the Trust towards higher standards of education. In particular, new principals have quickly addressed areas of underperformance and are embedding higher expectations throughout the Tamworth secondary academies. The impact of these actions is already being seen at some levels.
4. Academies have operated effectively during this year, with procedures fully in place and any expenditure outside of budget has been agreed. The budget performance of academies this year has been positive despite the challenging circumstances, which has been achieved as a result of very careful management,

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Year Ended 31 August 2020

- more consistent control measures and improved reporting.
5. Although the Trust has not secured any additional Academies during the period 2019/20 we will continue seek suitable opportunities, while our present focus remains on rapid improvement on the existing Trust academies.
 6. Capital expenditure during this year has been maintained in accordance with strict budgets in line with approved plans which have been fully discussed and approved with Trustees to ensure best value and adherence to our strategic approach. These plans have continued despite the COVID-19 pandemic although some of the works have been delayed due to lockdown restrictions.

Plans for Future Periods

The Trust's strategic activities for the year 2020/21 will be directly linked to the following areas:

1. Every pupil makes accelerated progress
2. Develop our STEAM (Science, Technology, Engineering, the Arts and Mathematics) curriculum to raise aspiration through relevant learning pathways.
3. Strengthen the capacity of the Trust to provide effective intervention for Trust academies facing challenge
4. Establish Trust growth through the expansion of Trust academies
5. Continue to develop all centrally provided services in support of all Trust activities
6. Build on the culture within the organisation and finalise a people strategy to ensure that the Trust reputation as an employer is strengthened and therefore the Trust is able to recruit and retain the highest quality of staff
7. Build on the capital strategy to inspire learning through investment in classroom environments and technology to support learning.

These are detailed within the Trust strategy and are reported on regularly. The Executive leaders within the Trust are involved in all elements of these activities to ensure strategic alignment.

Public Benefit

The Directors confirm that they have given due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Trust provides public benefit through the education of children between the ages of 4 and 19 in the Derby and Tamworth areas. The Trust is substantially Government funded and does not charge fees. The Academies are part of the national network of Academies and operate as part of the Landau Forte Charitable Trust the MAT (Multi Academy Trust). The provision of high quality of education improves social mobility through increased knowledge, skills and aspirations. The skills and knowledge learned will prepare students for their future employment which will in turn generate wider public benefit. In addition to government funding any surplus funds are reinvested in the development of the Academy estates and facilities to improve further the educational experience of all students.

As well as the students of our academies, the Trust also provides direct benefit to the wider community through the provision of high quality facilities for use by community groups including, theatre, sports pitches, all weather pitches, fitness equipment, sports halls, and a swimming pool. The Academies also run various community events throughout the year.

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Year Ended 31 August 2020

Directors Report

Achievements and Performance

Strategic activities and achievements:

Strategic activities and achievements of the Trust during the year included:

LFCD has achieved outstanding results across all subject areas. In particular PP students have achieved a higher level at LFCD than non-disadvantaged nationally and the Progress 8 score for LFCD was +0.71 which is an improvement against last year's position of +0.67. The average grade at A-Level was a B+, with an increase in A*-A grades.

At LFATG despite SATs not taking place, data analysis shows that grades have reached expected levels in the 70's, in line with previous years and therefore the number of children making expected progress in reading, writing and maths continues to be above average. There was however a reduction in greater depth achievement which will be an area of focus during 2020/21.

At LFATA attainment has slightly improved, progress 8 was estimated at -0.3, which is an improvement from the previous year. Key work needs to take place with SEN and disadvantaged students.

At LFATSF A-Level results have showed a slight improvement in A and A* and in overall average grades. PP/bursary students have also made expected progress and in addition to this results for SEN students at A-Level have improved by 0.3 of a grade. Disadvantaged students enrolled on vocational courses have made expected progress. Destinations for Year 13 students have been positive with half of the year group applying and being accepted into University and many going into employment or apprenticeships.

At LFATQ GCSE results have shown a slight improvement in English, Maths and Science with a big improvement in French due to numbers.

Results at LFADM have seen significant improvement with 49% of pupils at KS2 and 64% at KS1 meeting the expected standard in reading, writing and maths. In addition to this, the Phonics results have increased significantly to 72%. The aspirations for the academy are focussed on achieving an Ofsted rating of Good with a future expectation of achieving an Outstanding grading.

Maintaining the drive for continuous improvement:

Across the Trust key areas of focus have been identified for this year and extensive training has taken place during the August 2020 INSET period. Whilst all schools saw improvement in attainment during 2019/20 gaps have been analysed and planning has taken place to ensure that all academy targets are supporting students to achieve the best outcomes during 2020/21.

In addition the Trust has worked extensively throughout the period of the pandemic on remote learning and supporting students who are learning at home, with innovative catch up plans to the extent that blended learning is becoming an essential part of the core delivery to reduce any loss of learning.

Increase numbers of roll within the Trust's existing Academies:

LFATA, LFCD and LFATG have seen improved student numbers during 2019/20, although numbers at LFATSF/Q and LFADM have dipped. At LFATSF/Q this is likely to improve significantly during 2020/21 following changes in practise and approach. At LFADM improved relationships with parents and improved quality of teaching has led to an increase in numbers and this should continue to improve during the current year.

Ensuring all Academies operate within agreed delegated budgets:

The Trust achieved a financial surplus during the 2019/20 academic year. In line with the Budget modified by reason of the pandemic.

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Investment in Academy Facilities:

Funding from the Governments Capital Improvement Fund (CIF) has been allocated to the Trust and projects identified for 2019/20 have been organised and confirmed within the grant funding amount.

Academy Performance 2019/20:

Primary Results

The combined results at Key Stage 2 are:

%	National		Derby City/ Staffordshire		LFADM		LFATG	
	Expected	Greater Depth	Expected	Greater Depth	Expected	Greater Depth	Expected	Greater Depth
2019/20	-	-	-	-	49	8	70	10
2018/19	64	10	60 / 65	8 / 9	27	0	66	12
2017/18	64	10	60 / 65	8 / 9	24	3	73	15

GCSE Results

Summer 2020 saw continued improvement in the results for LFCD. The Progress 8 results across the Trust are:

	LFCD	LFATA	LFATQ
2019/20	+0.71	-0.3	-0.1
2018/19	+0.63	-0.39	-0.46
2017/18	+ 0.53	- 0.33	- 0.33

National progress is always 0.00. A school's Progress 8 score is usually between -1 and +1. A score of +1 means that pupils in that school achieve one grade higher in each qualification than other similar pupils nationally. A score of -1 means they achieve one grade lower. The average Progress 8 score of all secondary schools nationally is 0.

The percentage of students achieving grade 5 or above in English and Maths are:

%	National	Derby City	Staffordshire	LFCD	LFATA	LFATQ
2019/20	-	-	-	64	29	32
2018/19	43	38	36.6	59	23	22
2017/18	39.9	38.0	37.7	59	23	23

2019/20 results are provisional these would normally be finalised in January 2021.

A Level Results

	LFCD	LFATSF	National
	Academic VA	Academic VA	
2019/20	+0.41	0.06	-
2018/19	+0.23	-0.4	0.0
2017/18	+ 0.29	- 0.10	0.0

2019/20 results are provisional, final results will be available in January 2021.

Risks and Challenges faced due to COVID-19

During 2019/20 the Trust has faced numerous challenges as part of the COVID-19 pandemic, not least the management of changing guidance, provision of Free School Meals and the need to adapt learning to ensure that education can be provided from both within the academy and at home. As a Trust LFCT Trustees, Members and the Executive Team have met frequently to review risks identified and adapt plans and strategies to ensure that these are in line with the evolving situation. Examples of this can be seen from the Emergency Trustee

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Meetings where attendees have discussed and challenged financial risks and pressures, legal obligations for furlough, health and safety and provision of PPE equipment. For the year 2020/21 the Trust has put in place robust home learning strategies and developed the long term ICT strategy to support these.

Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of a grant towards the normal running costs and capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 36 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2020-21 changes arising from the Covid-19 pandemic and projected student numbers for 2021-22, the trustees are of the opinion that, taking account of severe but plausible downsides, the trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fundraising

The Trust raises funds through its trading subsidiaries identified on page 2. Fundraising takes the form of the hiring of Trust premises during the year including sports facilities, theatre spaces, and classroom areas, on occasion these facilities will be supplemented with incidental services such as bar or catering services. All lets are covered by a Hire Agreement; the performance of these fundraising activities are overseen by the Trusts management personal with financial information provided to Trustees and Local Governing Bodies.

All costs of these activities are contained within the subsidiary Accounts.

The level of fundraising during the course of the year under review was subject to a negative impact as a result of the COVID-19 pandemic. The variances to this were reported regularly to Trustees and all activity resumed in line with guidance and COVID-secure practise.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

DIRECTORS' REPORT

Financial Review

Financial Report for the Year

Most of the Trust's annual income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received during the year ended 31 August 2020 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities. The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities statement of recommended practice (SORP 2019) such grants are shown in the Statement of Financial Activities as restricted income in a restricted capital fund. The restricted fixed asset fund balance is reduced by annual amortisation charges over the expected useful life of the assets concerned.

Of the net reduction in funds of £3,590,000, movements in fixed assets accounted for £2,318,000 whilst the pension reserve showed an increase of £1,659,000. The remaining movement takes into account capital grant funding and the movement in the Trust's revenue reserves.

In 2020, the Directors have been advised by the actuaries of both Local Government Pension Schemes that the provision to fund the non-academic employees' pensions is £12,769,000. Full information regarding this scheme is detailed at note 11. 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.

Investment Policy

The Directors seek to invest surplus funds in a manner designed to obtain the safest possible return and these are invested with reputable investors. Investments are made in line with the investment policy and the Trusts articles.

Reserves Policy

The Trust held fund balances at 31 August 2020 of £42,873,000 consisting of £30,762,000 of restricted funds and £12,111,000 of unrestricted funds, which includes the Trust's revaluation reserve of £11,420,000.

The policy of the Directors is to transfer recognised surpluses to reserves for investment in tangible fixed assets in ways designed to assist our tutorial staff to achieve increasing academic standards. The Trust has a number of designated and restricted funds, details of which can be found in notes 19-22 of the financial statements. The Trust has accumulated restricted capital cash and has detailed plans to spend these monies on future capital projects as part of an outline five year programme for each Academy that is produced in line with Academy objectives. The five year programmes form part of an overall Trust strategic plan to ensure capital spend is directed appropriately and in line with ESFA guidance.

Principal Risks and Uncertainties

The principal area of uncertainty for the Trust remains the level of future funding, particularly relating to its pre-16 students. Announcements regarding improvements for funding from 2020/21 have been made, however the final impact on the funds received remains to be seen.

The Trust's risk management framework specifically identifies and monitors the risks associated with funding levels. Short, medium and long term financial models are in place with detailed budgeting beginning in January each year. The risks identified by the Trust also include those associated with the uncertainties relating to COVID-19.

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Year Ended 31 August 2020

Streamline Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	6,568,003
Energy consumption break down (kWh) (optional):	
• gas	3,109,283
• electricity	3,420,738
• transport fuel	37,982
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	571.70
Owned transport – mini-buses	4.64
Total Scope 1	576.34
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	797.51
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	4.40
Total gross emissions in metric tonnes CO2e	1378.25
Intensity ratio Tonnes CO2e per pupil	0.36

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

No specific measures have been taken this year to improve energy efficiency. Energy usage was reduced due to closure of the schools from March 2020 due to COVID-19. More staff have been working at home, which has reduced mileage costs as more remote meetings have taken place. As an organisation we will look to continue to reduce mileage in this way by holding meetings virtually where appropriate.

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Year Ended 31 August 2020

DIRECTORS' REPORT

Provision of information to the auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the group and parent charitable company's auditor is unaware and;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Annual Report (incorporating the Directors' Report and Strategic Report) was approved by order of the Board of Directors and signed by order of the Board.



A C M Eggleston
Company Secretary

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT ON GOVERNANCE

Scope of Responsibility

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

The Directors have delegated the day-to-day responsibility to the Chief Executive, 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 Landau Forte Charitable Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance and Management

In the year ending 31 August 2020, all the Trustees were the Directors of the charitable company (hereafter referred to as Trust) for the purpose of the Companies Act 2006 (as well as other Directors elected to the Board) and Trustees for the purposes of the charity legislation. The Trustees and Directors who served during the year and who were in office at the date of the annual report are shown on page 1.

The Board of Directors are responsible for setting general policy with specific powers in accordance with the Scheme of Government delegated to the Chief Executive/Accounting Officer, Director of Operations, Local Boards of Governors and the Academy Principals or Heads. The executive of the Trust and of each Academy is held to account through the following framework:

1. The Board of Directors meets formally at least four times per year and receives reports from the Chief Executive and Director of Operations, the LF Executive group established in 2019/20 also meets at least three times a year with reports from all Executive leaders.
2. The Trust's Financial and General Purposes (F&GP) Committee receives monthly management accounts for all Academies, meets formally four times per year to monitor financial and general management performance, and inform decision making about the future direction of the organisation and capital expenditure.
3. The Trust's Audit Committee meets formally four times per year to monitor the Trust's risk management and control environment. As with the F&GP Committee, the Audit Committee reports directly to the Board of Directors.
4. Each of the Trust's Academies has its own Local Governing Body (LGB) with the Chair of these bodies appointed by the Board of Directors. These LGBs meet formally at least four times a year. Each LGB is responsible for adopting an annual development plan and annual budget, in line with the Trust's Scheme of Delegation, the latter also being agreed with the Board of Directors. The LGBs monitor the performance of their respective Academy by the use of monthly financial information along with four reports throughout the year from the Chief Executive, Academy Principal/Head and the Director of Operations.
5. The Landau Forte College Derby Governing Body also operates an Education Sub Committee which meets formally four times per year. This Committee is specifically focussed on the educational outcomes and the quality of teaching at the College.

As a result of COVID-19 Trust meetings were held virtually, which has had a positive impact and enabled Trustees and Governors to continue to provide challenge, monitor and stay informed. In addition to the standard meetings, emergency Trustee meetings were held virtually to discuss the challenges specifically related to COVID-19.

The Charitable Trust Executive consists of the Chief Executive and the Director of Operations. Each Academy also has a Principal/Head who, together with the Trust Executive team, is responsible for the overall executive leadership and management of the Trust's Academies and the implementation of policy as laid down by the Board of Directors. Each Academy has an internal Executive team and a broader Senior Leadership Team which

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

are responsible for all operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development and welfare.

STATEMENT ON GOVERNANCE

During the year the Board of Directors met formally 4 times. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
M R Landau (President and Chairman)	4	4
O Polizzi (Deputy Chairman)	2	4
The Honourable Sir Rocco Forte	2	4
A Polizzi	1	4
S Shooter	1	4
T M Bell	3	4
K Doble	4	4
J Kirkland	1	4
T R Ousley	3	4
D Shore	1	4
B Turnbull	3	4
P Cox	3	4
S Caplan (joined April 2020)	1	4

In addition to these the Trust Finance and General Purposes, and the Audit sub-Committees held a minimum of 4 meetings each. Attendance during the year at these meetings was as follows:

F&GP Committee Member	Meetings Attended	Out of a Possible
T R Ousley (Chairman)	4	4
T M Bell	3	4
K Doble	4	4
M Landau	4	4
G Rudd (resigned December 2019)	2	4
John Ward (joined first meeting December 2019)	2	4

Audit Committee Member	Meetings Attended	Out of a Possible
G Rudd (interim Chairman) resigned December 2019	2	3
K Doble	3	3
T R Ousley	3	3
T M Bell (Chaired 2 of the meetings as Interim)	2	3
John Ward	3	3

The Local Governing Bodies for the Academies each held 4 formal meetings. On an individual basis, a number of the Directors attended the Academies. Details of the attendance to these meetings can be found on the Academy websites.

The induction provided for new Directors and Local Governors depends on their existing experience, but may include meetings with the Chairman, Chief Executive, Academy Principals other Trustees, Directors or Governors and a tour of the Academies to meet staff and students supported by a documented induction pack of information and guidance.

On the 29 June 2020 the Trust held an Annual General Meeting for all Directors, Members, members of the LGBs and the Academy Executive Leadership Teams.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT ON GOVERNANCE

Review of Value for Money

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

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

- (i) Progressing with the re shaping of central services to ensure effective and efficient provision that has also delivered cost savings.
- (ii) Implemented supportive coaching across the academies to achieve highest expectations in the classroom
- (iii) Improving academic results across the Trust whilst reducing expenditure in key areas.
- (iv) Reduced use of supply staff across the Trust.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Directors have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT ON GOVERNANCE

The Risk and Control Framework

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

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

The Directors have appointed an Audit Committee to provide oversight of the Trust's financial control systems. The Audit Committee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems and controls. The Audit Committee reports to the Board of Directors on a quarterly basis.

As a result of the COVID-19 pandemic the Trust has identified risks due to changing guidance, support for families and additional provision. These risks have been discussed both at Trust meetings and at additional emergency meetings to ensure that the risks are fully understood and steps to mitigate have been taken.

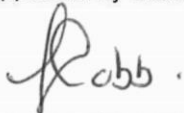
Review of effectiveness

As Accounting Officer, the Chief Executive; 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 Audit Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the Finance and General Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Directors on 29 January 2021 and signed on their behalf by



S FINDLAY-COBB
Accounting Officer
Chief Executive Officer



Martin R Landau
Chairman

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



S FINDLAY-COBB
Accounting Officer
Chief Executive Officer

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of Directors' and signed on its behalf by:



Martin R Landau
Chairman

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDAU FORTE CHARITABLE TRUST

Opinion

We have audited the financial statements of Landau Forte Charitable Trust ("the charitable company") for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities; Statement of Financial Activities – Trust; Balance Sheet; Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2020, and of the group's and the charitable company's incoming resources and application of resources, including the group and charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2019 to 2020* issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's and the charitable company's business model, and analysed how those risks might affect the group and the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Annual Report and Governance Statement and the Statement on Regularity, Propriety and Compliance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 19, the trustees (who are 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH
29 January 2021

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

Independent Reporting Accountant's Assurance Report on Regularity to Landau Forte Charitable Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Landau Forte Charitable Trust during the period 1st September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Landau Forte Charitable Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Landau Forte Charitable Trust's funding agreement with the Secretary of State for Education dated 16 August 2013 and Landau Forte Charitable Trust Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of Landau Forte Charitable Trust's Accounts Direction 2019 to 2020. 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 1st September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with Landau Forte Charitable Trust's Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Landau Forte Charitable Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all Business managers on behalf of the Governing Body;

LANDAU FORTE CHARITABLE TRUST


Year Ended 31 August 2020

- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2019;
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Annex B of the Academies Accounts Direction 2019 to 2020.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Dawson
Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH
29 January 2021

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

Consolidated Statement of Finance Activities - Group

	Notes	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted General Funds £'000	Restricted Capital Funds £'000	Total 2020 £'000	Total 2019 £'000
Income From:							
Investment income	4	-	7	-	-	7	14
Income from trading activities	14	472	-	-	-	472	913
Donations and capital grants	5	-	-	-	186	186	619
Charitable activities:							
- Funding for the Trust's educational operations	3	1,311	-	21,739	-	23,050	21,813
Total		1,776	-	21,739	186	23,701	23,359
Expenditure on:							
Costs relating to trading activities	14	300	-	-	-	300	647
Charitable activities:							
- Group educational operations	7	-	274	24,416	2,072	26,762	25,333
Total	6	300	274	24,416	2,072	27,062	25,980
Net Income/(Expenditure)		1,476	(274)	(2,677)	(1,886)	(3,361)	(2,622)
Transfers between funds	19	(1,255)	-	1,255	-	-	-
Net Income/(Expenditure) before Other Recognised Gains and Losses		221	(274)	(1,422)	(1,886)	(3,361)	(2,622)
Other Recognised Gains and Losses							
Actuarial gains/(losses) on defined benefit pension scheme	11	-	-	(229)	-	(229)	(4,790)
Net Movement in Funds		221	(274)	(1,651)	(1,886)	(3,590)	(7,412)
Fund balances brought forward at 1 September 2019		412	11,685	(11,061)	45,429	46,462	53,883
Fund balances carried forward at 31 August 2020		633	11,411	(12,712)	43,543	42,872	46,471

All income and expenditure relates to continuing activities.

The notes on pages 28 to 55 form part of these financial statements.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT OF FINANCIAL ACTIVITIES – TRUST (including Income and Expenditure Account)

Consolidated Statement of Finance Activities - Trust

	Notes	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted General Funds £'000	Restricted Capital Funds £'000	Total 2020 £'000	Total 2019 £'000
Income from:							
Investment income	4	165	-	-	-	165	280
Donations and capital grants	5	-	-	-	186	186	619
Charitable activities:							
- Funding for the Trust's educational operations	3	1,311	-	21,739	-	23,050	21,813
Total		1,475	-	21,739	186	23,401	22,712
Expenditure on:							
Charitable activities:							
- Group educational operations	7	-	274	24,416	2,072	26,762	25,333
Total	6	-	274	24,416	2,072	26,762	25,333
Net Income/(Expenditure)		1,475	(274)	(2,677)	(1,886)	(3,361)	(2,620)
Transfers between funds	20	(1,255)	-	1,255	-	-	-
Net Income/(Expenditure) before Other Recognised Gains and Losses		220	(274)	(1,422)	(1,886)	(3,361)	(2,620)
Other Recognised Gains and Losses							
Actuarial gains/(losses) on defined benefit pension scheme	11	-	-	(229)	-	(229)	(4,790)
Net Movement in Funds		220	(274)	(1,651)	(1,886)	(3,590)	(7,410)
Fund balances brought forward at 1 September 2019		411	11,685	(11,061)	45,429	46,462	53,882
Fund balances carried forward at 31 August 2020		631	11,411	(12,712)	43,543	42,872	46,472

All income and expenditure relates to continuing activities.

The notes on pages 28 to 55 form part of these financial statements.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

BALANCE SHEET

	Notes	Group		Trust	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Tangible assets	12	55,138	57,456	55,138	57,456
Investments		-	-	-	-
		<u>55,138</u>	<u>57,456</u>	<u>55,138</u>	<u>57,456</u>
Current assets					
Stocks	15	57	69	56	62
Debtors	16	1,339	1,615	1,593	1,490
Investments - short term deposits		858	849	858	849
Cash at bank and in hand		1,395	473	905	236
		<u>3,649</u>	<u>3,007</u>	<u>3,411</u>	<u>2,638</u>
Creditors: amounts falling due within one year	17	(2,821)	(2,505)	(2,583)	(2,136)
Net current assets		<u>828</u>	<u>502</u>	<u>828</u>	<u>502</u>
Creditors: amounts falling due after one year	18	(325)	(387)	(325)	(387)
Net assets		<u>55,642</u>	<u>57,571</u>	<u>55,642</u>	<u>57,571</u>
Defined benefit pension liability - Derby	11	(5,221)	(5,089)	(5,221)	(5,089)
Defined benefit pension liability - Tamworth (See note below)	11	(7,548)	(6,021)	(7,548)	(6,021)
Net assets including pension scheme liabilities		<u>42,873</u>	<u>46,461</u>	<u>42,873</u>	<u>46,461</u>
Funds					
Restricted funds:					
Restricted capital funds	19, 20	43,485	45,362	43,485	45,362
Restricted fund - Williams bursary	19, 20	46	47	46	47
Restricted general fund	19, 20	-	-	-	-
Pension reserve	19, 20	(12,769)	(11,110)	(12,769)	(11,110)
Unrestricted funds:					
Designated unrestricted funds	19, 20	691	468	691	468
Unrestricted fund	19, 20	-	-	-	-
Revaluation reserve	19, 20	11,420	11,694	11,420	11,694
Treasury revaluation reserve	19, 20	-	-	-	-
Total Funds		<u>42,873</u>	<u>46,461</u>	<u>42,873</u>	<u>46,461</u>

For detail regarding the LGPS pension liability please refer to note 11. For clarification purposes 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.

The financial statements on pages 24 to 55 were approved by the Board of Directors on 29 January 2021
Signed on behalf of the Board

Martin R LANDAU



LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

STATEMENT OF CASH FLOWS

Cashflow Statement

	Notes	Group		Trust	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash flows from operating activities					
Net cash (used in) operating activities	24a	904	600	656	624
Cash flows from investing activities					
	24c	99	(151)	99	(151)
Cash flows from financing activities					
	24b	(75)	(89)	(75)	(89)
Change in cash and cash equivalents in the reporting period		928	360	680	384
Cash and cash equivalents at 1 September 2019		1,322	964	1,085	702
Cash and cash equivalents at 31 August 2020	24d	2,250	1,324	1,765	1,086

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation note

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The trust receives funding from the Secretary of State for Education under the Academies Act 2010 in the form of a grant towards the normal running costs and capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

The trustees have prepared cash flow forecasts for a period of 36 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2020-21 changes arising from the Covid-19 pandemic and projected student numbers for 2021-22, the trustees are of the opinion that, taking account of severe but plausible downsides, the trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the trustees are confident that the trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Grants receivable

The General Annual Grant (GAG) and other recurring and non-recurring grants received from the ESFA, are included in the statement of financial activities on a receivable basis.

Capital grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted capital funds in the balance sheet.

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.

Donations

Donations are included in the statement of financial activities where the receipt is probable and the amount can be reliably measured.

Other Income

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

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Sponsorship

The value of sponsorship provided to the Trust is recognised in the statement of financial activities in the period it is receivable when there is certainty of receipt.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

Investments

Fixed asset investments are shown at the market value on the last business day of the year. Any unrealised loss or gain is taken to the treasury revaluation reserve. Current asset investments are stated at the lower of cost and net realisable value.

Shares in subsidiaries held as fixed assets are stated at cost less provision for any impairment.

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 cost of each activity are made up of the total 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 resource. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purpose and includes costs of all fundraising activities and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

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 or services it must provide.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 33% for infrastructure e.g. servers

Tangible fixed assets

Freehold land is held at historic cost and is not depreciated.

Freehold and leasehold buildings are held at valuation. All such assets were given a full valuation on 31 August 2013 on the basis of depreciated replacement cost (DRC), by Ben Glover, a registered member of the Royal Institute of Chartered Surveyors for Pulse Associates, who are independent of the Trust. As a first time adopter of FRS102 the Trust has used those fair values as its deemed cost at 1 September 2014 in accordance with FRS102 paragraph 35.10(c) and has ceased to revalue its property on an ongoing basis.

Tangible fixed assets are depreciated over their estimated useful lives at the following rates:

Freehold land	- nil
Leasehold/Freehold buildings	- straight line over remaining UEL (Useful Economic Life) as identified during valuation
Furniture and equipment	- 25% straight line
Computer equipment and software	- 100% in year of acquisition for equipment

Assets are capitalised in accordance with the guidelines set down by the ESFA. This may result in assets which would otherwise be capitalised being charged to expenditure. The de minimus level used for asset capitalisation was £5,000 during the year.

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. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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Year Ended 31 August 2020

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full valuation would impact on the carrying amount of the pension liability.

Stock

Unused stationery and catering stores are valued at the lower of cost or net book value.

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

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust. More details of the defined benefit schemes are given in notes 10 and 11.

Defined Benefit Schemes

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method.

As stated in Note 10, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 11, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 10 months of market experience and two months of extrapolation being assumed.

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Year Ended 31 August 2020

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

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

Fund Accounting

Restricted capital funds represent funds received towards capital expenditure by way of:

- Grants from the Government;
- Private donations and sponsorship;
- Surpluses on GAG income which have been used for capital purposes;
- Donated assets from the Partnership for schools scheme; and
- Academies converting from Local Authority control.

Any amounts used for capital purposes by the Trust from its unrestricted funds are allocated to an unrestricted capital fund.

The Williams Bursary is a restricted fund and represents a capital sum of £46,000 from which the income generated may only be used to fund bursaries to selected Trust students for use in their further education.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some Academies within the Trust were subject to limits at 31 August 2020 on the amount of GAG funding that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust exceeded the limits during the year ended 31 August 2020.

3. Funding for the Trust's Educational Operations

	Landau Forte College Derby	Landau Forte Academy Amington	Landau Forte Academy Tamworth Sixth Form	Landau Forte Academy QEMS	Landau Forte Academy Moorhead	Landau Forte Academy Greenacres	Group and Trust 2020	Trust 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted								
DfE and ESFA grants:								
- General Annual Grant (GAG)	6,305	4,664	2,500	3,956	1,126	1,411	19,962	18,206
- Academy lead-in grant	-	-	-	-	-	-	-	-
- Start up grant A	-	-	-	-	-	-	-	-
- Other	359	372	102	216	209	186	1,444	1,606
Other Grants:								
- Local authority grants	176	43	47	23	17	27	333	396
- Other	-	-	-	-	-	-	-	-
Total Restricted	6,840	5,079	2,649	4,195	1,352	1,624	21,739	20,208
Unrestricted								
School meals income	327	191	111	146	51	68	894	1,222
Other	265	61	20	32	23	17	418	383
Total Unrestricted	593	252	131	178	75	85	1,311	1,605
Total	7,433	5,331	2,780	4,373	1,427	1,709	23,050	21,813

4. Investment Income

	Group Unrestricted		Trust Unrestricted	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank interest	(7)	14	(7)	14
Gift aid payment from wholly owned subsidiary	-	-	172	266
	(7)	14	165	280

5. Donations and Capital Grants

	Group		Trust	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Capital Grants	186	619	186	619
Donations	-	-	-	-
	186	619	186	619

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

6. Expenditure

	Staff Costs £'000	Depreciation/ Impairment £'000	Other Costs £'000	Total 2020 £'000	Total 2019 £'000
a) Group					
Group's educational operations:					
Direct costs of education	14,291	1,736	1,337	17,364	16,406
Allocated support costs	5,181	585	3,619	9,385	8,927
Cost relating to non-charitable trading (note 14)	-	-	300	300	647
	<u>19,472</u>	<u>2,321</u>	<u>5,256</u>	<u>27,049</u>	<u>25,980</u>

b) Trust

Trust's educational operations:					
Direct costs of education	14,291	1,736	1,337	17,363	16,406
Allocated support costs	5,181	585	3,607	9,373	8,927
	<u>19,472</u>	<u>2,321</u>	<u>4,944</u>	<u>26,737</u>	<u>25,333</u>

7. Charitable Activities

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Direct Costs of Education				
Teaching and educational support staff costs	14,291	13,259	14,291	13,259
Depreciation	1,736	1,869	1,736	1,869
Books and educational supplies	631	583	631	583
Examination fees	339	322	339	322
Staff development and recruitment	148	171	148	171
External educational advice	101	161	101	161
Licences and subscriptions	117	42	117	42
	<u>17,364</u>	<u>16,407</u>	<u>17,364</u>	<u>16,407</u>

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Allocated Support Costs				
Support staff costs	5,181	4,416	5,181	4,416
Depreciation	585	630	585	630
Premises costs	1,398	1,338	1,398	1,338
Disposal of fixed asset	36	-	36	-
Technology costs	383	373	383	373
Catering costs	905	1,201	905	1,201
Other support costs	640	830	640	830
Governance costs	92	51	92	51
Legal fees	83	42	83	42
Auditors' fees:				
Audit of Financial Statements	61	38	49	38
Non audit services	21	7	21	7
	<u>9,385</u>	<u>8,926</u>	<u>9,373</u>	<u>8,926</u>
Total charitable activities	<u>26,750</u>	<u>25,333</u>	<u>26,738</u>	<u>25,333</u>

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

9. Information regarding Trustees and Employees

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Employees				
Wages and salaries	13,684	13,461	13,684	13,461
Social security costs	1,159	1,141	1,159	1,141
Other pension costs	4,326	2,876	4,326	2,876
Other staff costs	66	49	66	49
Restructuring costs	120	33	120	33
	<u>19,354</u>	<u>17,560</u>	<u>19,354</u>	<u>17,560</u>

Staff restructuring costs comprise:

Redundancy payments	2	4	2	4
Severance payments	118	29	118	29
Other restructuring costs	-	-	-	-
	<u>120</u>	<u>33</u>	<u>120</u>	<u>33</u>

Staff Numbers

The average number of persons employed:

	Group		Trust	
	2020	2019	2020	2019
Management	22	25	22	25
Teachers	220	216	220	216
Administration and Support	309	313	309	313
	<u>551</u>	<u>554</u>	<u>551</u>	<u>554</u>

The number of employees paid over £60,000 during the year (salary plus taxable benefits, plus employer's pension contributions) was:

£60,001 - £70,000	26	19	26	19
£70,001 - £80,000	7	5	7	5
£80,001 - £90,000	3	3	3	3
£90,001 - £100,000	1	1	1	1
£100,001 - £110,000	1	-	1	-
£110,001 - £120,000	-	1	-	1
£130,001 - £140,000	1	1	1	1
£190,001 - £200,000	-	1	-	1
£210,001 - £220,000	1	-	1	-
Total	40	31	40	31

For the above employees earning more than £60,000 per annum, retirement benefits payable under the Teachers' Pension Scheme amounted to £519,218 (2019: £311,288) and to the Local Government Pension Scheme amounted to £39,340 (2019: £32,574).

Key Management Personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as identified on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,584,000 (2019: £1,788,000).

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

Non Statutory/Non Contractual Staff Severance Payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £42,855 (2019: £33,000). Individually, the payments were: £15,500, £12,192, £10,425 and £4,738.

Emoluments of Members, Directors and Governors

The Members, Directors and Governors of the Trust did not receive any payment from the Trust other than the reimbursement of travel and other subsistence costs incurred in the course of their duties. Travel and subsistence costs reimbursed in the year to 31 August 2020 amounted to £3,722 (2019: £3,591).

In 2019/20 S Findley-Cobb was the Chief Executive and Accounting Officer of the Trust and Group, and a Director but did not receive any remuneration for her role as Director. Her remuneration as an employee was £172,900 (2018/19 £170,000)

Retirement benefits are accruing in respect of qualifying services to 1 Directors (2018/19: 1 Director).

10. Trustees and Officers Insurance

In accordance with normal commercial practice, the Trust has in place insurance against losses arising from the wrongful acts of Trustees or officers of the Trust. The policy provides cover up to £10,000,000 for any one claim.

The Trust also has in place Fidelity Guarantee insurance against losses of monies or other property belonging to the Trust as a consequence of dishonest or fraudulent acts, errors or omissions by Trustees or employees. Cover is provided up to £10,000,000 for any one claim.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

11. Pension and Similar Obligations

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

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

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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2014 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2014 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

VALUATION OF THE TEACHERS' PENSION SCHEME

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers have paid an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

SCHEME CHANGES

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,105,000 (2019: £1,054,000), of which employer's contributions totalled £839,000 (2019: £793,000) and employees' contributions totalled £266,000 (2019: £261,000). The agreed contribution rates for future years for employers are 3.5% for LFCD, 20.6% for LFADM, 22.7% for LFATA, 22.7% for LFATSF, and 25.2% for LFATQ and LFATG. For employees this is 5.5%-9.9% depending on their salary at all sites.

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.

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	1.7%	1.9%	1.7%	1.9%	1.7%	1.9%	1.7%	1.8%
Rate of CPI inflation	2.2%	2.3%	2.2%	2.3%	2.2%	2.3%	2.2%	2.3%
Future salary increase	2.9%	2.8%	2.6%	2.7%	2.9%	2.8%	2.9%	2.8%
Future pension increases	2.3%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.4%

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

Life expectancy assumption:	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM	
	Male	Female	Male	Female	Male	Female	Male	Female
Retiring in 20 years' time	22.6 yrs	25.1 yrs	22.1 yrs	25 yrs	22.6 yrs	25.1 yrs	22.6 yrs	25.1 yrs
Retiring today	21.6 yrs	23.7 yrs	21.2 yrs	23.6 yrs	21.6 yrs	23.7 yrs	21.6 yrs	23.7 yrs

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

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM		
	2020	2020	2020	2020	2020	2020	2020	2020	
	Percentage invested	Value at 31/08/20 £'000	Value at 31/08/19 £'000	Percentage invested	Value at 31/08/20 £'000	Value at 31/08/19 £'000	Percentage invested	Value at 31/08/20 £'000	Value at 31/08/20 £'000
Equities	62.0%	2,994	2,807	68.0%	5,908	5,592	62.0%	543	531
Gilts/bonds	23.0%	1,111	1,104	20.0%	1,738	1,809	23.0%	201	209
Property	8.0%	386	368	8.0%	695	658	8.0%	70	70
Cash	7.0%	338	322	4.0%	348	164	7.0%	61	61
	100.0%	4,829	4,602	100.0%	8,688	8,224	100.0%	875	871

The actual return on scheme assets was £269,000 (2019: £348,000)

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

The amounts include in the balance sheet:

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM		Total	
	2020	2019	2020	2019	2020	2019	2020	2019		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Present value of funded obligations	9,148	8,571	16,114	14,381	1,899	2,113	27,161	25,065		
Fair value of scheme assets	(4,829)	(4,602)	(8,688)	(8,224)	(875)	(871)	(14,392)	(13,697)		
Net pension liability	4,319	3,969	7,426	6,157	1,024	1,242	12,769	11,368		

Amount recognised in the statement of financial activities:

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM		Total	
	2020	2019	2020	2019	2020	2019	2020	2019		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Current service cost	(810)	(538)	(1,077)	(814)	(155)	(96)	(2,042)	(1,448)		
Past service cost	-	-	-	-	-	-	-	-		
Expected return on assets	-	-	-	-	-	-	-	-		
Net interest cost	(81)	(48)	(122)	(97)	(24)	(22)	(227)	(167)		
Total operating charge	(891)	(586)	(1,199)	(911)	(179)	(118)	(2,269)	(1,615)		

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

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM		Total	
	2020	2019	2020	2019	2020	2019	2020	2019		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Opening defined benefit obligation	8,571	5,644	14,381	10,463	2,113	1,521	25,065	17,628		
Amount transferred	-	-	-	-	-	-	-	-		
Current service cost	810	538	1,077	814	155	96	2,042	1,448		
Past service cost	-	48	-	68	-	13	-	129		
Member contributions	104	102	145	144	17	15	266	261		
Interest cost	171	166	285	305	40	44	496	515		
Benefits paid	(57)	(38)	(79)	(68)	(16)	(15)	(152)	(121)		
Actuarial (gains)/losses	(451)	2,111	305	2,655	(410)	439	(556)	5,205		
Closing defined benefit obligation	9,148	8,571	16,114	14,381	1,899	2,113	27,161	25,065		

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

	LFCD		LFATA, LFATSF, LFATQ & LFATG				LFADM		Total	
	2020	2019	2020	2019	2020	2019	2020	2019		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Opening fair value of scheme assets	4,602	4,090	8,224	7,138	871	773	13,697	12,001		
Amount transferred	-	-	-	-	-	-	-	-		
Expected return on scheme assets	(123)	131	(332)	259	(72)	25	(527)	415		
Interest income	90	118	163	208	16	22	269	348		
Employer contributions	213	199	567	543	59	51	839	793		
Member contributions	104	102	145	144	17	15	266	261		
Benefits paid	(57)	(38)	(79)	(68)	(16)	(15)	(152)	(121)		
Actuarial gains	-	-	-	-	-	-	-	-		
Closing defined benefit assets	4,829	4,602	8,688	8,224	875	871	14,392	13,697		

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

12. Tangible assets

Group & Trust	Freehold land £'000	Leasehold land & buildings £'000	Freehold buildings £'000	Furniture & Equipment £'000	Computer Equipment and Software £'000	Assets Under Construction £'000	Total £'000
Cost or valuation							
At 1 September 2019	1,165	46,621	23,518	7,601	5,340	-	84,245
Additions	-	-	-	29	50	-	79
Disposals	-	-	(60)	-	(17)	-	(77)
Transfers	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
At 31 August 2020	<u>1,165</u>	<u>46,621</u>	<u>23,458</u>	<u>7,630</u>	<u>5,373</u>	<u>-</u>	<u>84,248</u>
Accumulated depreciation							
At 1 September 2019	-	9,504	4,769	7,202	5,334	-	26,809
Charge for the year	-	1,423	633	206	80	-	2,342
Disposals	-	-	(25)	-	(17)	-	(42)
Impairment	-	-	-	-	-	-	-
At 31 August 2020	<u>-</u>	<u>10,927</u>	<u>5,377</u>	<u>7,408</u>	<u>5,397</u>	<u>-</u>	<u>29,109</u>
Net book value							
At 31 August 2020	<u>1,165</u>	<u>35,694</u>	<u>18,081</u>	<u>221</u>	<u>(23)</u>	<u>-</u>	<u>55,139</u>
At 31 August 2019	<u>1,165</u>	<u>37,117</u>	<u>18,749</u>	<u>398</u>	<u>6</u>	<u>-</u>	<u>57,437</u>

The group has a long term (125 year) lease of land at the Amington, QEMS, and Greenacres sites from Staffordshire County Council for an annual peppercorn rent; and a long term (125 year) lease at the Moorhead site from Derby City Council for an annual peppercorn rent.

Freehold and leasehold land and buildings occupied by the Trust were valued on a depreciated replacement cost basis by Ben Glover, a registered member of the Royal Institute of Chartered Surveyors for Pulse Associates, an independent Chartered Surveyor as at 31 August 2013. As a first time adopter of FRS102 the Trust has used those fair values as its deemed cost at 1 September 2014 in accordance with FRS102 paragraph 35.10(c) and has ceased to revalue its property on an ongoing basis.

The disposal of freehold buildings related to the LINK building at Amington in October 2019.

13. Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	-	37
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>-</u>	<u>37</u>

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

14. Results of trading subsidiaries

	Shares in group undertakings £	Impairment £	Net Investment £
At 31 August 2020	8	8	-
	=	=	=

The shares in group undertakings represent 100% of the equity share capital of:

	Nature of activity	Aggregate amount of capital and reserves at 31 August 2020 £	Profit for the year £
L F Enterprises Limited (registered in England and Wales)	Involve community of Derby in the use of facilities at Landau Forte Academy Derby	-	-
Landau Forte Enterprises Tamworth Limited (registered in England and Wales)	Involve community of Tamworth in the use of facilities at Landau Forte Academy Tamworth	-	-
Landau Forte Enterprises Tamworth Sixth Form Limited (registered in England and Wales)	Involve community of Tamworth in the use of facilities at Landau Forte Academy Tamworth	-	-
Landau Forte Enterprises QEMS Limited (registered in England and Wales)	Involve community of Tamworth in the use of facilities at Landau Forte Academy Tamworth	-	-

LF Enterprises Limited	2020 £'000	2019 £'000
Turnover	301	600
Cost of sales	(168)	(385)
Gross profit	133	215
Administrative expenses	(14)	(33)
Operating result	119	182
Taxation	(24)	(36)
Profit on ordinary activities after tax	95	146
Gift Aid payable	(119)	(182)
Current tax credit	24	36
Retained profit	-	-
	2020 £	2019 £
Assets	106	106
Liabilities	(106)	(106)
	-	-

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Landau Forte Enterprises Tamworth Limited	£'000	£'000
Turnover	71	122
Cost of sales	(8)	(51)
	<hr/>	<hr/>
Gross profit	62	71
Administrative expenses	(14)	(25)
	<hr/>	<hr/>
Operating result	48	46
Taxation	(10)	(9)
	<hr/>	<hr/>
Profit on ordinary activities after tax	39	37
	<hr/>	<hr/>
Gift Aid payable	(48)	(46)
Current tax credit	10	9
	<hr/>	<hr/>
Retained profit	-	-
	<hr/>	<hr/>
	2020	2019
	£	£
Assets	2	2
Liabilities	(2)	(2)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	2020	2019
	£'000	£'000
Landau Forte Enterprises Tamworth Sixth Form Limited		
Turnover	55	122
Cost of sales	(7)	(20)
	<hr/>	<hr/>
Gross profit	48	102
Administrative expenses	(45)	(69)
	<hr/>	<hr/>
Operating result	3	33
Taxation	(1)	(7)
	<hr/>	<hr/>
Profit on ordinary activities after tax	3	26
	<hr/>	<hr/>
Gift Aid payable	(3)	(33)
Current tax credit	1	7
	<hr/>	<hr/>
Retained profit	-	-
	<hr/>	<hr/>
	2020	2019
	£	£
Assets	2	2
Liabilities	(2)	(2)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Landau Forte Enterprises QEMS Limited	£'000	£'000
Turnover	46	68
Cost of sales	(6)	(31)
Gross profit	40	37
Administrative expenses	(39)	(32)
Operating result	2	5
Taxation	(0)	(1)
Profit on ordinary activities after tax	1	4
Gift Aid payable	(2)	(5)
Current tax credit	0	1
Retained profit	-	-
	2020	2019
	£	£
Assets	2	2
Liabilities	(2)	(2)
	-	-

15. Stocks

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Restaurant	20	21	20	21
Stationary	18	20	18	20
Goods for resale	19	28	18	21
	57	69	56	62

16. Debtors

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	88	94	48	6
Amounts due from subsidiary companies	-	-	599	152
Other debtors	764	770	458	581
Prepayments and accrued income	488	751	488	751
	1,339	1,615	1,593	1,490

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

17. Creditors: Amounts falling due within one year

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
ESFA	206	206	206	206
Loans	62	74	62	72
Trade creditors	431	499	431	499
Taxation and social security	-	-	-	-
Accruals and other creditors	2,122	1,726	1,885	1,357
	2,821	2,505	2,583	2,134

18. Creditors: Amounts falling due after one year

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
ESFA	-	-	-	-
Loans	325	387	325	387
	325	387	325	387

The loans comprise an unsecured DfE Capital Loan granted as part of a pilot scheme for the refurbishment of LFATQ swimming pool which is repayable in instalments and will end in October 2027. When fully received the loan will total £511,000, the interest rate is 1.83%.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

19. Funds: Group

	Balance at 31 August 2019 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2020 £'000
Restricted fixed assets funds					
Purchased capital	8,433	-	(697)	79	7,815
Capital grants	112	186	-	(79)	219
Private sector capital sponsorship	958	-	-	-	958
Donated assets	35,860	-	(1,367)	-	34,493
	45,363	186	(2,064)	-	43,485
Restricted general funds					
Williams bursary	47	-	(1)	-	46
Restricted general	-	21,735	(22,990)	1,255	-
Pension reserve	(11,110)	(229)	(1,430)	-	(12,769)
Total restricted funds	34,300	21,692	(26,485)	1,255	30,762
Unrestricted funds					
Major property repair fund	468	-	-	223	691
Unrestricted fund	-	1,778	(300)	(1,478)	-
Premises revaluation reserve	11,694	-	(274)	-	11,420
Total unrestricted funds	12,162	1,778	(574)	(1,255)	12,112
Total funds	46,462	23,470	(27,059)	-	42,874

The academy trust is not subject to GAG carried forward limits

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Comparative Information in respect of the preceeding period is as follows:

	Balance at 31 August 2018 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2019 £'000
Restricted fixed assets funds					
Purchased capital	8,843	-	(920)	510	8,433
Capital grants	3	619	-	(510)	112
Private sector capital sponsorship	958	-	-	-	958
Donated assets	37,226	-	(1,366)	-	35,860
	<u>47,030</u>	<u>619</u>	<u>(2,287)</u>	<u>-</u>	<u>45,362</u>
Restricted general funds					
Williams bursary	50	-	(3)	-	47
Restricted general	-	20,212	(22,141)	1,929	-
Pension reserve	(5,627)	-	(5,483)	-	(11,110)
Total restricted funds	<u>41,453</u>	<u>20,831</u>	<u>(29,914)</u>	<u>1,929</u>	<u>34,299</u>
Unrestricted funds					
Major property repair fund	470	-	-	4	474
Unrestricted fund	-	2,580	(647)	(1,933)	-
Premises revaluation reserve	11,959	-	(265)	-	11,694
Total unrestricted funds	<u>12,429</u>	<u>2,580</u>	<u>(912)</u>	<u>(1,929)</u>	<u>12,168</u>
Total funds	<u>53,883</u>	<u>23,410</u>	<u>(30,826)</u>	<u>-</u>	<u>46,462</u>

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 31 August 2018 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2020 £'000
Restricted fixed assets funds					
Purchased capital	8,843	-	(1,618)	590	7,815
Capital grants	3	805	-	(590)	218
Private sector capital sponsorship	958	-	-	-	958
Donated assets	37,226	-	(2,733)	-	34,493
	47,030	805	(4,351)	-	43,484
Restricted general funds					
Williams bursary	50	-	(4)	-	46
Restricted general	-	41,947	(45,131)	3,184	-
Pension reserve	(5,627)	(229)	(6,913)	-	(12,769)
Total restricted funds	41,453	42,523	(56,399)	3,184	30,761
Unrestricted funds					
Major property repair fund	470	-	-	227	697
Unrestricted fund	-	4,358	(947)	(3,411)	(0)
Premises revaluation reserve	11,959	-	(539)	-	11,420
Total unrestricted funds	13,271	4,358	(1,486)	(3,184)	12,117
Total funds	54,724	46,880	(57,885)	-	42,877

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

20. Funds: Trust

	Balance at 31 August 2019 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2020 £'000
Restricted fixed assets funds					
Purchased capital	8,433	-	(697)	79	7,815
Capital grants	112	186	-	(79)	219
Private sector capital sponsorship	958	-	-	-	958
Donated assets	35,860	-	(1,367)	-	34,493
	<u>45,363</u>	<u>186</u>	<u>(2,064)</u>	<u>-</u>	<u>43,485</u>
Restricted general funds					
Williams bursary	47	-	(1)	-	46
Restricted general	-	21,735	(22,990)	1,255	-
Pension reserve	(11,110)	(229)	(1,430)	-	(12,769)
Total restricted funds	<u>34,300</u>	<u>21,692</u>	<u>(26,485)</u>	<u>1,255</u>	<u>30,762</u>
Unrestricted funds					
Major property repair fund	468	-	-	223	691
Endowment fund	-	-	-	-	-
Unrestricted fund	-	1,478	-	(1,478)	-
Premises revaluation reserve	11,694	-	(274)	-	11,420
Total unrestricted funds	<u>12,162</u>	<u>1,478</u>	<u>(274)</u>	<u>(1,255)</u>	<u>12,112</u>
Total funds	<u>46,462</u>	<u>23,170</u>	<u>(26,759)</u>	<u>-</u>	<u>42,874</u>

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Comparative Information in respect of the preceeding period is as follows:

	Balance at 31 August 2018 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2019 £'000
Restricted fixed assets funds					
Purchased capital	8,843	-	(920)	510	8,433
Capital grants	3	619	-	(510)	112
Private sector capital sponsorship	958	-	-	-	958
Donated assets	37,226	-	(1,366)	-	35,860
	<u>47,030</u>	<u>619</u>	<u>(2,287)</u>	<u>-</u>	<u>45,362</u>
Restricted general funds					
Williams bursary	50	-	(3)	-	47
Restricted general	-	20,212	(22,141)	1,929	-
Pension reserve	(5,627)	-	(5,483)	-	(11,110)
Total restricted funds	<u>41,453</u>	<u>20,831</u>	<u>(29,914)</u>	<u>1,929</u>	<u>34,299</u>
Unrestricted funds					
Major property repair fund	498	-	-	(33)	464
Unrestricted fund	-	1,662	-	(1,662)	-
Premises revaluation reserve	12,215	-	(256)	-	11,959
Total unrestricted funds	<u>12,713</u>	<u>1,662</u>	<u>(256)</u>	<u>(1,696)</u>	<u>12,424</u>
Total funds	<u>54,166</u>	<u>22,493</u>	<u>(30,170)</u>	<u>233</u>	<u>46,723</u>

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 31 August 2018 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2020 £'000
Restricted fixed assets funds					
Purchased capital	8,843	-	(1,618)	590	7,815
Capital grants	3	805	-	(590)	218
Private sector capital sponsorship	958	-	-	-	958
Donated assets	37,226	-	(2,733)	-	34,493
	47,030	805	(4,351)	-	43,484
Restricted general funds					
Restricted general funds	-	-	-	-	-
Williams bursary	50	-	(4)	-	46
Restricted general	-	41,947	(45,131)	3,184	-
Pension reserve	(5,627)	(229)	(6,913)	-	(12,769)
Total restricted funds	41,453	42,523	(56,399)	3,184	30,761
Unrestricted funds					
Major property repair fund	498	-	-	190	688
Unrestricted fund	-	3,140	-	(3,140)	-
Premises revaluation reserve	12,215	-	(530)	-	11,685
Total unrestricted funds	13,271	3,140	(530)	(2,950)	12,374
Total funds	54,724	45,663	(56,929)	234	43,135

Restricted funds represent funds received towards the general running of the Trust, capital expenditure and student bursaries. These funds are defined in the accounting policies in note 1.

The Other Movements column represents the amount transferred from un-restricted reserves.

21. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total £'000
Fixed assets	11,396	-	43,742	55,138
Net current assets	964	46	(181)	828
Long term liabilities	(325)	(12,769)	-	(13,094)
	12,034	(12,723)	43,562	42,873

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Comparative Information in respect of the preceeding period is as follows:

	Balance at 31 August 2018 £'000	Income £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2019 £'000
Restricted fixed assets funds					
Purchased capital	8,843	-	(920)	510	8,433
Capital grants	3	619	-	(510)	112
Private sector capital sponsorship	958	-	-	-	958
Donated assets	37,226	-	(1,366)	-	35,860
	<u>47,030</u>	<u>619</u>	<u>(2,287)</u>	<u>-</u>	<u>45,362</u>

22. Analysis of Academies by Fund Balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £'000	2019 £'000
Landau Forte College Derby	-	-
Landau Forte Academy Amington	-	-
Landau Forte Academy Tamworth Sixth Form	-	-
Landau Forte Academy QEMS	-	-
Landau Forte Academy Moorhead	-	-
Landau Forte Academy Greenacres	-	-
Central Services	-	-
	<u>-</u>	<u>-</u>
Restricted fixed assets fund	43,485	45,362
Williams bursary fund	46	47
Pension reserve	(12,769)	(11,110)
Revaluation reserve	11,420	11,694
Designated unrestricted funds	691	468
Total	<u><u>42,873</u></u>	<u><u>46,461</u></u>

Unrestricted reserves have been allocated to an Endowment Fund to provide for future major capital and specific educational projects for the furtherance of the charitable aims of the Trust. The Directors have recognised that the nature of annual income grant funding does not allow for the accumulation of funds for major capital projects. It is hoped that the establishment of an endowment fund will enable the Trust to undertake specific capital projects.

As part of their on-going requirement to mitigate risk, the Directors have made prudent provision for anticipated specific major property repair expenditure likely to occur within the forthcoming 10 years by allocating reserves to a major property repair fund.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

Analysis of Academies by Cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs £'000	Total 2020 £'000	Total 2019 £'000
Landau Forte College Derby	3,811	2,062	767	369	7,009	6,299
Landau Forte Academy Amington	2,780	1,818	490	759	5,847	5,063
Landau Forte Academy Tamworth Sixth Form	745	303	493	(1,124)	418	999
Landau Forte Academy QEMS	2,858	1,115	322	957	5,252	4,632
Landau Forte Academy Moorhead	701	446	106	389	1,642	1,614
Landau Forte Academy Greenacres	1,020	353	117	1	1,491	1,473
Central Services	383	690	46	(261)	858	834
Academy Trust	12,297	6,787	2,341	1,092	22,517	20,913

23. Contingent Liabilities

In accordance with the Trust funding agreement, and during the agreement's lifetime, if any asset is sold or disposed of by other means, for which a capital grant was originally received, the Trust shall if it does not re-invest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State and the First and Second Sponsors, sums determined by reference to:

- The value at that time of the Trust's site and premises and other assets held for the purposes of the Trust; and
- The extent to which expenditure incurred in providing these assets was met by payments by the Secretary of State and the First and Second Sponsors, under the Funding Agreement.

No further liabilities exist at the year end.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

24. Notes statement of cash flows

a) Reconciliation of operating surplus to net cash inflow from operating activities

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Net income/(expenditure) for the reporting period	(3,361)	(2,620)	(3,361)	(2,620)
Adjusted for:				
- Interest receivable (Note 4)	7	(14)	7	(14)
- Capital grants	(186)	(619)	(186)	(619)
- Depreciation (Note 12)	2,297	2,499	2,297	2,499
- (Increase)/decrease in stocks	9	(1)	6	2
- (Increase)/decrease in debtors	293	32	(86)	(5)
- Increase/(decrease) in creditors	415	500	547	559
- Defined benefit pension scheme finance cost	2,269	1,615	2,269	1,615
- Defined benefit pension scheme cost less contributions payable	(839)	(793)	(839)	(793)
Net cash provided by/(used in) operating activities	904	600	656	625

b) Cash flows from financing activities

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Repayment of loan	(74)	(86)	(74)	(86)
Payment of Williams bursary	(1)	(3)	(1)	(3)
Net cash inflow from financing	(75)	(89)	(75)	(89)

c) Cash flows from investing activities

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Dividends, interest and rents from investments	(7)	14	(7)	14
Proceeds from sale of tangible fixed assets	-	-	-	-
Purchase of tangible fixed assets (Note 12)	(79)	(784)	(79)	(784)
Capital grants (Note 5)	186	619	186	619
Net cash provided by/(used in) investing activities	99	(151)	99	(151)

d) Analysis of cash and cash equivalents

	Group		Trust	
	At 31 August 2020	At 31 August 2019	At 31 August 2020	At 31 August 2019
	£'000	£'000	£'000	£'000
Cash in hand and at bank	1,395	473	905	236
Notice deposits (less than 3 months)	858	849	858	849
Total cash and cash equivalents	2,253	1,322	1,763	1,085

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

25. Teaching School & SCITT Trading Account

	2019/20 £000	2018/19 £000
Income		
Core Grant	40	32
Other Grants	10	228
SCITT Fees	139	140
Other Income	7	12
Total Income	196	412
Expenditure		
Direct Costs		
Staff costs	(109)	(166)
Staff development	-	-
Other direct costs	(37)	(197)
	(146)	(363)
Other Costs		
Support staff costs	-	-
Share of Governance costs	-	-
	-	-
Total Expenditure	(146)	(363)
Surplus/(Deficit) from all sources	50	49

26. Central Services

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

- Educational support services;
- ICT services;
- Finance services;
- Human resources;
- Marketing;
- Project management;
- Legal services; and
- Other services as arising.

The Trust charges for these services on the basis of a flat percentage of budgeted income (6.14%) (2018-19: 5.91%). The actual amounts charged during the year were as follows:

Management Charge

	2020 £'000	2019 £'000
Landau Forte College Derby	370	347
Landau Forte Academy Amington	284	248
Landau Forte Academy Tamworth Sixth Form	159	146
Landau Forte Academy QEMS	224	194
Landau Forte Academy Moorhead	69	63
Landau Forte Academy Greenacres	86	80
	1,192	1,078

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2020

NOTES TO FINANCIAL STATEMENTS

27. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Acquisition/dis posal of subsidiaries £000	New finance leases £000	As at 31 August 2020 £000
Cash	236	669	-	-	905
Cash equivalent	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-
	236	669	-	-	905
Loans falling due within one year	74	(12)	-	-	62
Loans falling due after more than one year	387	(62)	-	-	325
Finance lease obligations	37	(37)	-	-	0
Total	(262)	779	-	-	517

28. Related Party Transactions

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

Expenditure:

P Cox, Trustee, director of Peacocks education performed moderated reviews of the academies between September and November 2019, total expenditure £1,655.

Other:

T M Bell, Trustee, is also an appointed councillor at Warwickshire County Council. Due to the nature of the related party this is acceptable, Cllr Bell is one councillor amongst many. As such, she is not in a position influence the council's decisions single-handedly, and therefore transactions have not been disclosed.

J Ward, who is a Governor at the Trust is also a volunteer careers and enterprise advisor who provides advice to students at LFATSF. Services are provided at no cost to the Trust.

S Caplan, Trustee, is also Director of Property at Derby City Council, he is not in a position to influence other areas of Derby City Council single-handedly. All large transactions involving property within the Trust have to follow financial procedures and have full approval from F&GP which S Caplan not a member of.

P Cox, Trustee, is also a director of Company Ten. Company Ten provide media support to promote the academies within the Trust. P Cox was not involved with any decision making regarding the appointment of Company Ten or the service which they provide. Total expenditure with Company Ten £3,870.

29 Post Balance Sheet Events

None.