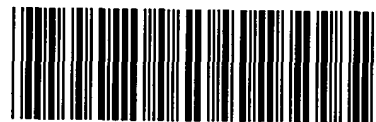


LANDAU FORTE CHARITABLE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
31 AUGUST 2014

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LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

FINANCIAL STATEMENTS

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LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

REFERENCE AND ADMINISTRATION INFORMATION

Members/Directors

M R Landau (President) (M) (D)
Mr M Davies, OBE (Chairman) (M) (D) (Appointed 8 January 2014 and as Chairman 23 October 2014)
O Polizzi, CBE (Deputy Chairman) (M) (D)
P G Ashworth (M) (D)
T M Bell (M) (D)
Sir R Carr (M) (D)
K Doble (D)
A Edkins (D) (Appointed 1 September 2014)
The Honourable Sir Rocco Forte (M) (D)
Sir Murdo Maclean (M) (D)
The Honourable David McAlpine (M) (D)
R Morgan (M) (D)
T R Ousley (M) (D)
A Polizzi (M) (D) (Appointed 21 May 2014)
S Shooter (M) (D)
D Shore (D)
P Traves (D)
S Whiteley (D) (Resigned 31 August 2014)

Key

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

Chief Executive	A Edkins
Executive Director of Finance & Administration and Company Secretary	C R Manning
Principal Landau Forte College Derby	E A Coffey
Principal Landau Forte Academy Amington,	D C Pickering
Interim Principal Landau Forte Academy Tamworth Sixth Form	S Clark
Principal Landau Forte Academy QEMS	R Fell
Principal Landau Forte Academy Moorhead	S Greenbank
Principal 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 2014

DIRECTORS' REPORT

The Directors are please to present their Annual Report together with the audited financial statements for the year ended 31 August 2014.

Structure, Governance and Management

Constitution and Members Liability

In order to satisfactorily move from maintaining a single Academy to successfully establish and maintain multiple Academies, the Members identified the need to re-organise the existing charitable company, this task was successfully completed in September 2009. Prior to this date the charitable company was known as Landau Forte College, a charitable company limited by guarantee (no. 02387916) and an exempt charity.

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 Secretary of State on behalf of the Department for Education (or his 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; the Chief Executive; provision for one Parent Director for every 10 or fewer Academies.

The Articles require the Trust to appoint a Local Governing Board of Governors to manage the affairs of each of its Academies. The Local Governing Bodies for each Academy shall 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.

During the year Mr Mike Davies, OBE and Ms Alex Polizzi were appointed as Trustees. Dr Antony Edkins was appointed as a Director. Stephen Whiteley resigned as a Director. John Cox resigned as the Company Secretary with Christopher Manning being appointed.

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up, such as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Principal Activity

The principal activity is to operate the Trust's Academies including Landau Forte College Derby, which was formerly the 14th City Technology College established in the UK and became an Academy for up to 1,160 students in September 2006. The Trust also now operates a Primary Academy in Derby, Landau Forte Academy Moorhead for 280 children which opened in September 2012 with four additional Academies in Tamworth, Staffordshire: Landau Forte Academy Amington, an 11 – 16 Academy for up to 960 students (opened September 2010); Landau Forte Academy QEMS, an 11 – 16 Academy for up to 840 students (opened September 2011); Landau Forte Academy Tamworth Sixth Form, a 16 – 19 Academy for up to 860 students (opened September 2011) and our second Primary Academy, Landau Forte Academy Greenacres (opened September 2013). Within the period covered by the financial statements all Academies were operational.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

As an Academy, Landau Forte College Derby (LFCD) specialises in Technology and Business Enterprise. Landau Forte Academy Amington (LFAA) specialises in Science and Business Enterprise, Landau Forte Academy QEMS (LFAQ) in Mathematics and Music and the Landau Forte Academy Tamworth Sixth Form (LFATSF) providing a strong A Level curriculum enabling progression for students attending the Academy from across all Tamworth secondary schools. At 11 – 16 level, all of our Academies have a clear focus upon Mathematics, English, Science and Modern Languages. 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 well for the challenges and progression into secondary education our Primary Academy curriculum has a strong foundation of Mathematics & Numeracy, Literacy: reading, writing, speaking & listening with curriculum balance achieved through Science, the Creative and Performing Arts, Design & Make, Humanities, Physical Education. Our children from the very outset are encouraged and taught how to develop effective learning habits, develop their skills of leadership, problem solving, team working and how to accepting personal responsibility.

The core business of the Trust's Academies is to provide full time education for children aged from 4 to 19 years old.

In 2013-14 in LFCD there were 1,136 students on roll; 858 in LFAA; 683 in LFAQ; 571 at LFATSF; 277 at LFA Moorhead; and 366 at LFA Greenacres. As well as its core business each Academy serves its wider community and works to develop its links with local primary and secondary schools. Whereas the Academies are both part of the national network of Academies, they are operated as independent institutions within the Trust's Federation of Academies.

Governance

In the year ending 31 August 2014, 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 were in office at the date of the annual report are shown on page 1.

During the year the Trust's Board of Directors met formally 4 times. The Local Boards of Governors for LFC Derby, LFA Moorhead and the Academies in Tamworth each held 4 formal meetings. In addition to these both the Local Education Committees for each Academy and the Trust Finance and General Purposes Sub-Committees held a minimum of 4 meetings each. On an individual basis, a number of the Trustees and Directors attended the Academies.

The induction provided for new Trustees, 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.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Statement of Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts requirements issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 group and the parent charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position for the group and the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

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

Management

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, Executive Director of Finance and Administration, Local Boards of Governors and the Academy Principals. The executive of the Trust and of each Academy is held to account through the following framework:

The Board of Directors meets 4 times per year and receives reports from the Chief Executive and Executive Director of Finance and Administration. The Trust's Central Financial and General Purposes Committee receives monthly management accounts for all Academies, meets 4 times per year to monitor financial and general management performance, inform decision making about the future direction of the organisation and capital expenditure. Each local board is responsible for adopting an annual development plan and annual budget, the latter also being agreed with the Board of Directors. The Local Boards of Governors monitor the performance of their respective Academy by the use of monthly financial information along with 4 reports throughout the year from the Principal and Group Financial Controller for each of the 4 full Board of Governors Meetings, each of the secondary Academies also has an Education Committee which meets 4 times per year.

The Charitable Trust Executive consists of the Chief Executive and the Executive Director of Finance and Administration. Each Academy also has a Principal 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 are responsible for all operational matters relating to curriculum, teaching, learning, student attainment, achievement, broader development and welfare.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Subsidiary Trading Companies

The Trust owns 100% of the issued share capital of LF Enterprises Limited, a company incorporated in England. The Trust also owns 100% of the issued share capital of 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.

Risk Management

The Directors confirm that the major risks to which the Trust and its Academies are exposed have been reviewed and systems have been established to mitigate those risks. Where significant financial risk still remains they have ensured that they have in place adequate insurance cover. The Trust has ensured that the Academies have effective systems of internal financial controls as detailed below.

Going Concern

After making appropriate enquiries the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements.

Objectives and Activities

We want to be "excellent at what matters" where all students make progress better than expected. The vision for the Trust is to significantly contribute to the systemic improvement of education in England through the Academies (and Schools) programme by further raising the performance, hopes, aspirations and ambition of students, their families and local communities, generating self-belief, self-esteem and self-confidence through the following practical steps:

1. Focusing upon high quality teaching and learning, improving standards of attainment and achievement; high quality student care and support and to transform the education of the young people served by each Academy.
2. Providing outstanding opportunities for young people to develop healthy and active lifestyles; enjoy their learning and achievement, act and behave safely and become well prepared for adult life in a rapidly changing society.
3. Actively promote high standards, self and mutual respect, good conduct and behaviour.
4. Develop educational organisations which whilst contributing to community regeneration are places where students, staff and local community are proud to belong; a place they feel a part of and can make extended use of.
5. Creating a culture which celebrates success within and beyond the Academies, for example in securing greater numbers of students progressing to higher education or employment with training.
6. Implement leadership and accountability practices that demand and produce successful outcomes, which are effective and provide value for money.
7. The ambition to establish each Academy as an *outstanding* school (Ofsted Grade 1) within 5 years of opening.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Mission Statement

'In partnership with parents/carers and the wider community including business and industry, each Academy will provide a high quality education motivating and enabling its students to learn, to achieve and to develop the skills, capability and confidence to succeed in all aspects of their lives'.

In fulfilling its mission through these Academies, the students would become:

1. Well-qualified and well educated;
2. Capable, adaptable and confident;
3. Independent and autonomous learners;
4. Self reliant but importantly able to work productively and positively with others;
5. Marketable and employable and/or have the capacity, confidence and entrepreneurial spirit to become self employed;
6. Responsible and respected citizens.

Ethos & Culture of the Trust's Academies

1. Student learning, attainment, achievement and well-being are at the centre of strategic thinking, planning and actions.
2. A 'can do' attitude is actively promoted and prevalent throughout the Academies.
3. There is a culture of success where achievement is rewarded and celebrated.
4. Underpinned by high aspirations and ambition for both students and staff there is an expectation for everyone to be determined and have a desire and commitment to continuously improve.
5. The independent status of the Academies is fully embraced to encourage self-confidence, a pro-active approach and taking responsibility for one's own actions whilst enabling rapid and appropriate response to changing circumstances.
6. The Trust promotes a systematic, corporate, approach to key aspects of its work to secure consistency, high quality, the sharing of expertise, and efficiency e.g. planning of teaching and learning; personal tutorial support for students, development planning; financial planning, procurement and controls; management of Information and Communication Technology (ICT); human resource management.
7. There is both replication and co-construction of educational approaches and systems between the Academies to secure the distinctive ethos and culture which characterises a Landau Forte Academy education and to ensure a fertile environment for future development and growth of the Academies.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Strategic activities and achievements:

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

Formal opening Landau Forte Academy Greenacres

Following a conversion process with a formal funding agreement the former Greenacres primary School opened as Landau Forte Academy Greenacres in September 2013. The academy opened in its existing buildings with some environmental and ICT improvements to secure an improved environment for students and staff.

School Centred Initial Teacher Training Status

Following an application in 2013-14 Landau Forte College Derby was awarded School Centred Initial Teacher Training status. The College is now accredited to provide training for those wishing to become teachers and an initial intake of 25 students will start with the College in September 2015.

Academy Performance 2013-14

- (i) Standards of attainment in LFCD Post 16 remained strong with a cohort of 135 students achieving a 99.3% pass rate; 51% of grades were A* - B with 77% A* - C grades. There were many outstanding individual achievements at all levels of ability and progression rates were strong with 83% transferring into Higher Education and 17% directly into employment
- (ii) At LFC Derby the percentage of students obtaining 5 or more A* - C grades including English and Mathematics was 56% with the 5A*-C overall at 70%; at LFA Amington the figures were 46% and 60%; at LFA QEMS the figures were 52% and 78%.
- (iii) Student destinations at age 16 are important and the destination summaries are as follows:

	LFCD		LFATA		LFATQ	
	No.	%	No.	%	No.	%
1. Sixth Form School/Academy	104	61.1	64	39.7	70	47.6
2. FE College	52	30.6	79	49.0	74	50.4
3. Apprenticeships	10	5.9	5	3.2	3	2.0
4. Other Employment with Training	3	1.8	10	6.3	-	-
5. Unknown	-	-	2	1.2	-	-
6. NEET	1	0.6	1	0.6	-	-
Total	170	100	161	100	147	100

- (iv) Landau Forte Academy Tamworth Sixth Form had its third cohort of Year 13 students complete their A Level programmes in summer 2013 who achieved the A Level results with an overall pass rate of 98%. Given the starting point of many students these were very creditable results with 43% of grades being A* - B and 70% grades being A* - C. The students made exceptional progress in Year 13 to achieve relatively such strong results. There were several outstanding individual achievements with progression rates of 78% transferring to university, 8% into further education and 14% directly into employment (0% NEET).
- (v) The Trust has continued to generate income through LF Enterprises Limited, its trading arm which is then covenanted back to the Trust for future investment in its activities and also generated income through other subsidiaries Landau Forte Enterprises Tamworth Limited, Landau Forte Enterprises Tamworth Sixth Form Limited and Landau Forte Enterprises QEMS Limited.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Investment in Estates 2013-14

The Trust continued to invest judiciously in the estates of the Academies. During the year we invested in the infrastructure at LFAQ refurbishing more teaching and learning spaces including science laboratories. The rolling programme for ICT replacement upgrading elements of the ICT provision continued across all Academies.

At LFAG significant investment has been made in the ICT provision as well as the redesign of the Academy entrance to improve efficiency and create a more welcoming environment for children, parents and other visitors to the Academy. The standalone Year 2 classroom has also been replaced with the help of the EFAs Academies Capital Maintenance Fund (ACMF).

The Trust has been able to secure ACMF funding for LFCD, LFAQ and LFAM to improve fire safety, emergency lighting, and make important roof repairs. An interest free Salix loan has also been used to update the boilers at LFCD to reduce costs for the Academy.

Plans for Future Periods

The Trust's strategic activities for the year 2014/15 are:

- (i) Maintain the drive for continuous improvement and higher standards of education in the open Academies.**

Retain a sharp focus on improving the levels of attainment and achievement in the core subjects of mathematics and English language in all our Academies; improving quality of teaching and learning; ensuring the Personal Tutorial system in our secondary Academies and the Class Teacher support system in our Primary Academy provides the security and stability for all children to learn and develop well.

- (ii) Seek to increase numbers of students on roll in LFATSF and LFAQ to secure the future financial viability of the Academies.**

Continuously improve educational standards, effectively publicise and market the Academy ethos, culture and successes.

- (iii) Ensure all open Academies operate effectively within their agreed delegated budgets.**

The Trust is faced with a challenging economic backdrop and reducing (in real terms) grants. The Academy Principals and Executive team are accountable to the CEO and Executive Director of Finance, Local Boards of Governors and the Trust F&GP for operating within their delegated budgets. Principals, with the Academy Executive Teams, plan judiciously for the year 2014/15 onwards to secure the most effective and efficient use of resources so that educational quality and standards continue to improve whilst retaining a secure financial position.

- (iv) Strategic Development of the Trust**

Following the Trust Board Strategic Review Event in January 2013 where future plans were discussed, it was agreed the focus would be on becoming better rather than simply bigger. A measured and controlled expansion had strong support particularly when it became possible within our existing geographical areas. The Trust would continue to focus on expanding its professional development activities led by Landau Forte College as the National Support School whilst utilising the growing expertise from within the group.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

(v) Investment in Estates 2014/15

The current financial climate requires the Board to look very carefully at its capital spending plans and proceed with caution husbanding our reserves carefully. Although further major investment is needed in our estates we are currently reviewing our existing plans in the clear knowledge our financial capacity is limited. Careful prioritisation is needed with the plans for 2014-15 the capacity for further investment will be reviewed in March 2015.

Public Benefit

The Trustees 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.

Equal Opportunities

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

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are designed to ensure wheelchair access to all the main areas of the Academies. The new Tamworth buildings opened in 2011 are fully compliant with the Equality Act. The Trust's policy is to support, recruit and retain students and staff with disabilities. The Trust and its Academies do this by reviewing and adapting when necessary the physical environment, by providing adequate support, resources and appropriate training and career development.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

DIRECTORS' REPORT

Financial Review

Financial Report for the Year

Most of the Trust's annual income is obtained from the EFA in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received during the year ended 31 August 2014 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 EFA. In accordance with the Charities statement of recommended practice (SORP 2005 revised 2008) 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.

In 2014, the Directors have been advised by the actuaries of both the Local Government Pension Schemes that the provision to fund the non-academic employees' pensions is £5,018,000 representing a shortfall in payments that would be required to fund these final salary pension schemes should they be realised.

Investment Policy

The Directors seek to invest surplus funds in a manner to obtain the best possible return and these are invested with reputable investors.

Reserves Policy

The policy of the Directors is to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible 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 in line with its objectives.

Financial Position

The Trust held fund balances at 31 August 2014 of £63,589,000 consisting of £49,969,000 of restricted funds and £13,620,000 of unrestricted funds.

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.



C R MANNING
Company Secretary

5 December 2014

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

STATEMENT ON INTERNAL CONTROL

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 Directors any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Landau Forte Charitable Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

STATEMENT ON INTERNAL CONTROL

The Directors have appointed an Audit Committee to provide an internal audit function. 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. On a bi-annual basis the Audit Committee reports to the Board of Directors.

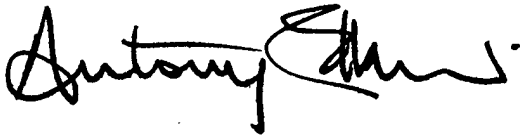
Review of effectiveness

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:

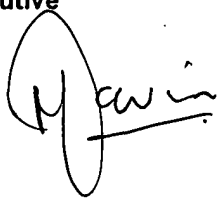
- the work of the Audit Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 26 November 2014 and signed on their behalf by



A EDKINS
Chief Executive



M DAVIES
Chairman

5 December 2014

LANDAU FORTE CHARITABLE TRUST

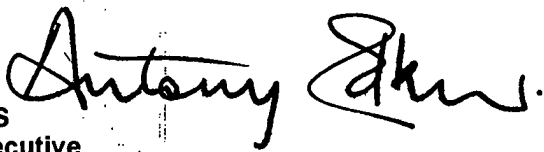
Year Ended 31 August 2014

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Landau Forte Charitable Trust I have considered my responsibility to notify the Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



A EDKINS
Chief Executive

5 December 2014

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Landau Forte Charitable Trust

We have audited the financial statements of Landau Forte Charitable Trust for the year ended 31 August 2014 set out on pages 18 to 46. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2013 to 2014 and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2013 issued by the Education Funding Agency ('EFA') on terms that have been agreed. 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, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2013 to 2014 issued by the EFA, those matters that we have agreed to state to them in our 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.

Respective responsibilities of the Directors and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the Trustees (who act as Directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and charitable company's affairs at 31 August 2014, and of the Group and 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 Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

INDEPENDENT AUDITOR'S REPORT

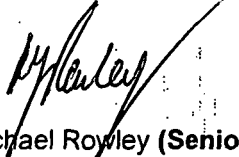
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which constitutes the Strategic Report and the Directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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


Michael Rowley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

17 December 2014

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

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

In accordance with the terms of our engagement letter dated 19 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2013 to 31 August 2014 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 and the EFA 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 the EFA 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 Landau Forte Charitable Trust and the EFA, 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(s) with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy 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 staff with Budget Holder responsibility and the Principals on behalf of the Governing Bodies;
- 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 not for profit principles set out in the relevant provisions of the Academies Financial Handbook 2013;
- 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 Part 10.4 of the Academies Accounts Direction 2013 to 2014.

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 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Rowley
Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

17 December 2014

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted General Funds £'000	Restricted Capital Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming Resources							
Incoming resources from generated funds:							
- Exceptional donation in kind	6	-	-	(278)	1,711	1,433	748
- Investment income	4	53	-	-	-	53	116
- Gross income from non-charitable trading	14	435	-	-	-	435	335
- Other incoming resources	5	1,424	-	215	267	1,906	3,309
Incoming resources from charitable activities:							
- Funding for the Trust's educational operations	3	-	-	21,895	128	22,023	21,282
Total Incoming Resources		1,912	-	21,832	2,106	25,850	25,790
Resources Expended							
Cost of generating funds:							
- Costs relating to non-charitable trading	14	263	-	-	-	263	181
Cost of charitable activities:							
- Group educational operations	8	117	272	23,335	2,788	26,512	24,057
Governance costs	9	168	-	514	-	682	557
Total Resources Expended	7	548	272	23,849	2,788	27,457	24,795
Net Incoming/(Outgoing) Resources Before Transfers and Net Income/(Expenditure) for the Year		1,364	(272)	(2,017)	(682)	(1,607)	995
Transfers between funds	19, 20	(3,180)	-	1,316	1,864	-	(35)
Net Incoming/(Outgoing) Resources Before Other Recognised Gains and Losses		(1,816)	(272)	(701)	1,182	(1,607)	960
Other Recognised Gains and Losses							
Actuarial gains/(losses) on defined benefit pension scheme	11	-	-	(1,503)	-	(1,503)	(68)
Unrealised gain on investment		-	-	-	-	-	-
Revaluation of tangible fixed assets		-	-	-	-	-	714
Net Movement in Funds		(1,816)	(272)	(2,204)	1,182	(3,110)	1,606
Fund balances brought forward at 1 September 2013		2,418	13,289	(2,751)	53,742	66,698	65,092
Fund balances carried forward at 31 August 2014		602	13,017	(4,955)	54,924	63,588	66,698

All income and expenditure relates to continuing activities. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included on the Statement of Financial Activities.

The notes on pages 23 to 46 form part of these financial statements.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

STATEMENT OF FINANCIAL ACTIVITIES – TRUST

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted General Funds £'000	Restricted Capital Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming Resources							
Incoming resources from generated funds:							
- Exceptional donation in kind	6	-	-	(278)	1,711	1,433	748
- Investment income	4	53	-	-	-	53	116
- Gross income from non-charitable trading	14	435	-	-	-	435	335
- Other incoming resources	5	1,424	-	215	267	1,906	3,309
Incoming resources from charitable activities:							
- Funding for the Trust's educational operations	3	-	-	21,895	128	22,023	21,282
Total Incoming Resources		1,912	-	21,832	2,106	25,850	25,790
Resources Expended							
Cost of generating funds:							
- Costs relating to non-charitable trading	14	263	-	-	-	263	181
Cost of charitable activities:							
- Group educational operations	8	117	272	23,335	2,788	26,512	24,057
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Total Resources Expended	7	548	272	23,849	2,788	27,457	24,795
Net Incoming/(Outgoing) Resources Before Transfers and Net Income/(Expenditure) for the Year		1,364	(272)	(2,017)	(682)	(1,607)	995
Transfers between funds	19, 20	(3,180)	-	1,316	1,864	-	(35)
Net Incoming/(Outgoing) Resources Before Other Recognised Gains and Losses		(1,816)	(272)	(701)	1,182	(1,607)	960
Other Recognised Gains and Losses							
Actuarial gains/(losses) on defined benefit pension scheme	11	-	-	(1,503)	-	(1,503)	(68)
Unrealised gain on investment		-	-	-	-	-	-
Revaluation of tangible fixed assets		-	-	-	-	-	714
Net Movement in Funds		(1,816)	(272)	(2,204)	1,182	(3,110)	1,606
Fund balances brought forward at 1 September 2013		2,418	13,289	(2,751)	53,742	66,698	65,092
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All income and expenditure relates to continuing activities. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 23 to 46 form part of these financial statements.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Group		Trust	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Reported (Deficit)/Surplus on Ordinary Activities	(1,607)	954	(1,607)	954
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the re-valued amount	272	289	272	289
Historical Cost (Deficit)/Surplus on Ordinary Activities	(1,335)	1,243	(1,335)	1,243

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

BALANCE SHEET

		Group		Trust	
	Notes	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Fixed assets					
Tangible assets	12	67,939	68,764	67,939	68,764
Investments	13	-	-	-	-
		<u>67,939</u>	<u>68,764</u>	<u>67,939</u>	<u>68,764</u>
Current assets					
Stocks	15	64	62	57	60
Debtors	16	1,110	1,479	1,151	1,579
Investments - short term deposits		2,954	3,288	2,954	3,288
Cash at bank and in hand		112	670	32	549
		<u>4,240</u>	<u>5,499</u>	<u>4,194</u>	<u>5,476</u>
Creditors: amounts falling due within one year	17	(2,995)	(4,078)	(2,949)	(4,055)
Net current assets		<u>1,245</u>	<u>1,421</u>	<u>1,245</u>	<u>1,421</u>
Creditors: amounts falling due after one year	18	(577)	(668)	(577)	(668)
Net assets		<u>68,607</u>	<u>69,517</u>	<u>68,607</u>	<u>69,517</u>
Defined benefit pension liability - Derby	11	(1,246)	(1,120)	(1,246)	(1,120)
Defined benefit pension liability - Tamworth	11	(3,772)	(1,699)	(3,772)	(1,699)
Net assets including pension scheme liabilities		<u>63,589</u>	<u>66,698</u>	<u>63,589</u>	<u>66,698</u>
Funds					
Restricted funds:					
Restricted capital funds	19	54,924	53,742	54,924	53,742
Restricted fund - Williams bursary	19	63	68	63	68
Restricted general fund	19	-	-	-	-
Pension reserve	19	(5,018)	(2,819)	(5,018)	(2,819)
Unrestricted funds:					
Designated unrestricted funds	20,21	603	2,030	603	2,030
Unrestricted fund	20,21	-	388	-	388
Revaluation reserve	20,21	13,017	13,289	13,017	13,289
Treasury revaluation reserve	20,21	-	-	-	-
Total Funds		<u>63,589</u>	<u>66,698</u>	<u>63,589</u>	<u>66,698</u>

The financial statements on pages 19 to 46 were approved by the Board of Directors on 5 December 2014

Signed on behalf of the Board

M R LANDAU

M DAVIES

THE HON. SIR ROCCO FORTE

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

CASHFLOW STATEMENT

		Group		Trust	
	Notes	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Net cash (outflow)/inflow from operating activities	23	(616)	1,660	(578)	1,641
Return on investments and servicing of finance					
Interest received		53	116	53	116
Interest paid		(14)	(11)	(14)	(11)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(941)	(3,580)	(941)	(3,580)
Purchase of fixed asset investments		-	-	-	-
Sale of fixed asset investments		-	129	-	129
Net cash (outflow) before management of liquid resources and financing		(1,518)	(1,686)	(1,480)	(1,705)
Management of liquid resources					
Redemption of short term deposits		337	100	337	100
Financing					
New loan		120	-	120	-
Repayment of loan		(12)	(194)	(12)	(194)
Capital grants	3, 4	395	1,871	395	1,871
Donated Assets		125	-	125	-
Payment of Williams bursary		(5)	-	(5)	-
Net cash inflow from financing		623	1,677	623	1,677
(Decrease)/Increase in cash	23	(558)	91	(520)	72

Reconciliation of net cashflow to movement in funds for the year ended 31 August 2014

		Group		Trust	
	Notes	2014 £'000	2013 £'000	2014 £'000	2013 £'000
(Decrease)/Increase in cash in the year	23	(558)	92	(520)	73
Cashflow from (increase)/decrease in financing		(108)	194	(108)	194
Net funds at the start of the year		886	600	765	498
Net funds at the end of the year	23	220	886	137	765

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of freehold properties and investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, the Academies Account Direction 2013 to 2014 issued by the EFA, and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the parent charitable company and its subsidiary undertakings, LF Enterprises Limited, Landau Forte Enterprises Tamworth Limited, Landau Forte Enterprises Tamworth Sixth Form Limited, and Landau Forte Academy QEMS Limited. The results of the subsidiaries are consolidated on a line by line basis.

The charitable company has availed itself of paragraph 4(1) of Schedule 1 of the Large and Medium sized Companies and Groups (Accounts and Directors' Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's and group's activities.

Going Concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. After making appropriate enquiries the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis when preparing the financial statements. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Grants receivable

The General Annual Grant (GAG) and other recurring and non recurring grants received from the EFA, are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes in advance of entitlement is shown in the relevant funds on the balance sheet. Where entitlement occurs before income is received, the income is accrued.

Fixed asset 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.

Donations

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

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.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

Allocation of cost between direct provision of education and other expenditure

In accordance with the Charity SORP, expenditure has been analysed between the costs of generating funds (costs incurred in generating Trading funds), the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity. Other costs allocated include:

<i>Cost category</i>	<i>Basis of apportionment</i>
Maintenance of premises	Capacity of accommodation utilised
Other occupancy costs	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

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.

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.

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	- 20%-25% straight line
Computer equipment and software	- 100% in year of acquisition

In the year, the group acquired new buildings for the LFAG. As the buildings were donated to the Academy by Staffordshire County Council, this is included as exceptional restricted voluntary income (in accordance with the EFA 2013 Academies Accounts Direction the buildings have been recognised at their fair value). These buildings were given a full valuation on 1 September 2013 on the basis of depreciated replacement cost (DRC), by Ben Glover.

Assets are capitalised in accordance with the guidelines set down by the EFA. 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.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

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.

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 quinquennial valuations using a prospective benefit 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 as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

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 £50,000 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 2014

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 2014 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 2014.

3. Funding for the Trust's Educational Operations

	Landau Forte College Derby	Landau Forte Academy Tamworth	Landau Forte Academy QEMS	Landau Forte Academy Moorhead	Landau Forte Academy Greenacres	Group and Trust Restricted	
	£'000	£'000	£'000	£'000		2014 £'000	2013 £'000
EFA grants:							
- General Annual Grant (GAG)	6,695	7,441	3,617	1,222	1,343	20,318	19,774
- Other	339	473	243	178	88	1,321	1,187
Non recurring grants:							
- Capital grants	27	23	16	7	55	128	53
- Academy lead-in grant	-	-	-	-	120	120	65
- Start up grant A	-	86	-	-	50	136	203
- Start up grant B	-	-	-	-	-	-	-
	7,061	8,023	3,876	1,407	1,656	22,023	21,282

4. Investment Income

	Group Unrestricted		Trust Unrestricted	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Bank interest	53	116	53	116

5. Other Income

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Local authority grants	202	153	202	153
Other grants	13	43	13	43
Other capital grants	267	1,818	267	1,818
Gift aid payment from wholly owned subsidiary	-	-	172	156
School meals income	1,190	1,105	1,190	1,105
Other	234	190	234	190
	1,906	3,309	2,078	3,465

6. Exceptional Item – Transfer of Greenacres Primary School

Exceptional voluntary income relates to the gift by Staffordshire County Council of £1,072,000 to Landau Forte Charitable Trust, which comprise of tangible assets of £1,220,000, cash of £130,000 and a net pension liability of £278,000 for Landau Forte Academy Greenacres. The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised under the appropriate, restricted, headings.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

7. Total Resources Expended

	Staff Costs £'000	Depreciation/ Impairment £'000	Other Costs £'000	Total 2014 £'000	Total 2013 £'000
a) Group					
Group's educational operations:					
Direct costs of education	14,502	2,502	1,189	18,193	16,262
Allocated support costs	3,852	676	3,792	8,320	7,736
Governance costs including allocated support costs	338	167	177	682	616
Cost relating to non-charitable trading (note 14)	-	-	94	94	88
	<u>18,692</u>	<u>3,345</u>	<u>5,252</u>	<u>27,289</u>	<u>24,702</u>
b) Trust					
Trust's educational operations:					
Direct costs of education	14,502	2,502	1,189	18,193	16,262
Allocated support costs	3,852	676	3,792	8,320	7,736
Governance costs including allocated support costs	338	167	177	682	616
	<u>18,692</u>	<u>3,345</u>	<u>5,158</u>	<u>27,195</u>	<u>24,614</u>

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

8. Charitable Activities - Educational Operations

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Direct Costs of Education				
Teaching and educational support staff costs	14,502	13,543	14,502	13,543
Depreciation	2,502	2,375	2,502	2,375
Impairment	-	(892)	-	(892)
Books and educational supplies	567	566	567	566
Examination fees	339	395	339	395
Staff development and recruitment	234	219	234	219
External educational advice	15	19	15	19
Licences and subscriptions	34	39	34	39
	<u>18,193</u>	<u>16,264</u>	<u>18,193</u>	<u>16,264</u>
	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Allocated Support Costs				
Support staff costs	3,852	3,562	3,852	3,562
Depreciation	676	641	676	641
Impairment	-	(226)	-	(226)
Property maintenance	468	599	468	599
Cleaning	35	42	35	42
Water	117	139	117	139
Heat and light	451	431	451	431
Rent and rates	147	186	147	186
Insurance	186	201	186	201
Postage and telephones	100	103	100	103
Pupil support	742	671	742	671
IT costs	430	378	430	378
Catering	1,116	1,010	1,116	1,010
	<u>8,320</u>	<u>7,737</u>	<u>8,320</u>	<u>7,737</u>
Total charitable activities	<u>26,513</u>	<u>24,001</u>	<u>26,513</u>	<u>24,001</u>

9. Governance Costs

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Support staff costs	338	274	338	274
Legal and professional fees	26	39	26	39
Auditors' fees:				
Audit of Financial Statements	30	39	30	39
Non audit services	9	22	9	22
Other services provided by auditors	-	-	-	-
Reimbursed travel and expenses	94	83	94	83
Bank interest charges	14	11	14	11
Depreciation	167	159	167	159
Impairment	-	(59)	-	(59)
Admissions	2	4	2	4
Consultancy	2	43	2	43
	<u>682</u>	<u>615</u>	<u>682</u>	<u>615</u>

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

10. Information regarding Trustees and Employees

	Group		Trust	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Employees				
Wages and salaries	15,016	14,164	15,016	14,164
Social security costs	964	945	964	945
Other pension costs	2,520	2,105	2,520	2,105
Other staff costs	191	161	191	161
	18,691	17,375	18,691	17,375

The average number of persons employed:
(Full Time Equivalent)

	Group		Trust	
	2014	2013	2014	2013
Administration	198	190	198	190
Teachers	265	248	265	248
Educational support	85	78	85	78
	548	516	548	516

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

£60,001 - £70,000	8	6	8	6
£70,001 - £80,000	-	1	-	1
£80,001 - £90,000	3	4	3	4
£90,001 - £100,000	2	1	2	1
£150,001 - £160,000	1	1	1	1
£160,001 - £170,000	-	-	-	-

For the above employees earning more than £60,000 per annum, retirement benefits payable under the Teachers Pension Scheme amounted to £158,000 (2013: £129,861) and to the Local Government Pension Scheme amounted to £13,395 (2013: £9,528).

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 2014 amounted to £9,605 (2012: £10,006).

S Whiteley was both the Chief Executive of the Trust and Group and a Director but did not receive any remuneration for his role as a Director. His remuneration as an employee is included in the table above.

Retirement benefits are accruing in respect of qualifying services to 1 Director (2012/13: 1 Director).

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 2014

NOTES TO FINANCIAL STATEMENTS

Teachers' Pension Scheme – Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. 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 are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' 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 actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

11. Local Government Pension Scheme

The Trust is one of several bodies included within the Local Government Pension Scheme (LGPS) which is operated at a County Council Level. As the Trust has Academies in both Staffordshire and in Derbyshire, it has employees with pensions in schemes run by each County Council.

The Trust has entered into agreements to contribute to the final salary pensions of a number of their support staff based in the Tamworth and Derby Academies. These schemes are administered by Staffordshire County Council and Derbyshire County Council respectively. The assets of the scheme are held separately from those of the Trust in an independently administered fund. Contributions to the scheme are defined by a qualified actuary on the basis of financial valuations using the projected unit method. The valuations were carried out on 31 August 2014.

The last full actuarial valuation was undertaken on 31 March 2013 and updated to the balance sheet date by a qualified independent actuary. The last full valuation showed the market value of the scheme's assets totalled £2,088 million. The main assumptions used by the actuary were:

Principle actuarial assumptions at the balance sheet date (expressed as weighted averages):

	LFCD		LFAT, LFATQ & LFATG		LFADM	
	2014	2013	2014	2013	2014	2013
Discount rate	3.7%	4.6%	3.7%	4.6%	3.7%	4.6%
Rate of CPI inflation	3.8%	2.8%	3.8%	2.8%	3.8%	2.8%
Future salary increase	3.5%	5.1%	4.5%	5.1%	3.4%	5.1%
Future pension increases	2.7%	2.8%	2.7%	2.8%	2.6%	2.8%
Expected rate of return of assets	5.5%	5.7%	5.6%	6.0%	5.5%	5.7%

Life expectancy assumptions:	LFCD		LFAT, LFATQ & LFATG		LFADM	
	Male	Female	Male	Female	Male	Female
Retiring in 20 years' time	24.1 yrs	26.6 yrs	24.3 yrs	26.6 yrs	24.1 yrs	26.6 yrs
Retiring today	22.0 yrs	24.2 yrs	22.1 yrs	24.3 yrs	22.0 yrs	24.2 yrs

The return on the Fund in market value terms for the period to 31 August 2014 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

As described in the note on page 20 the comparative figures in the financial statements have been restated in accordance with FRS17.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

The amounts included in the balance sheet:

	LFCD		LFAT, LFATQ & LFATG		LFADM	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Present value of funded obligations	2,612	1,823	6,845	3,771	816	626
Fair value of scheme assets	(1,917)	(1,162)	(3,073)	(2,072)	(265)	(167)
Net pension liability	695	661	3,772	1,699	551	459

The amounts included in the statement of financial activities:

	LFCD		LFAT, LFATQ & LFATG		LFADM	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	336	246	581	424	88	57
Past service cost	-	-	-	-	-	-
Expected return on assets	(73)	(51)	(148)	(79)	(12)	(6)
Interest on pension scheme liabilities	93	63	208	134	31	23
Total	356	258	641	479	107	74

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	LFCD 2014			LFAT, LFATQ & LFATG 2014			LFADM 2014		
	Long term expected rate of return	Percentage invested	Value at 31/08/14 £'000	Long term expected rate of return	Percentage invested	Value at 31/08/14 £'000	Long term expected rate of return	Percentage invested	Value at 31/08/14 £'000
Equities	6.4%	69.0%	1,323	6.3%	76.0%	2,336	6.4%	69.0%	183
Gilts/bonds	3.2%	19.0%	364	3.4%	13.0%	399	3.2%	18.9%	50
Property	4.5%	5.0%	96	4.5%	8.0%	246	4.5%	4.9%	13
Cash	3.3%	7.0%	134	3.3%	3.0%	92	3.3%	7.2%	19
		100.0%	1,917		100.0%	3,073		100.0%	265

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

Changes in the present value of the defined benefit obligation are as follows:

	LFCD		LFAT, LFATQ & LFATG		LFADM	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	1,823	1,271	3,771	2,999	626	-
Amount transferred	-	-	406	-	-	529
Current service cost	336	246	581	424	88	57
Past service cost	-	-	-	-	-	-
Member contributions	89	80	151	116	19	13
Interest on scheme liabilities	93	63	208	134	31	23
(Transfers out)/Benefits paid	(14)	(45)	(51)	-	(1)	-
Actuarial losses	285	208	1,779	98	53	4
Closing defined benefit obligation	2,612	1,823	6,845	3,771	816	626

Changes in the fair value of the scheme assets are as follows:

	LFCD		LFAT, LFATQ & LFATG		LFADM	
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of scheme assets	1,162	862	2,072	1,376	167	-
Amount transferred	-	-	128	-	-	96
Expected return on scheme assets	73	51	148	79	12	6
Employer contributions	150	133	469	350	58	42
Member contributions	89	80	151	116	19	13
(Transfers out)/Benefits paid	(14)	(45)	(51)	-	(1)	-
Actuarial gains	457	81	156	151	10	10
Closing defined benefit assets	1,917	1,162	3,073	2,072	265	167

Effect on Group reserves of including LGPS net liabilities:

	2014	2013
	£'000	£'000
Total reserves excluding pension liabilities	68,497	69,517
Pension reserve for Landau Forte College Derby	(695)	(661)
Pension reserve for Landau Forte Academy Tamworth	(1,675)	(707)
Pension reserve for Landau Forte Academy QEMS	(1,683)	(992)
Pension reserve for Landau Forte Academy Moorhead	(551)	(459)
Pension reserve for Landau Forte Academy Greenacres	(414)	-
	63,479	66,698

The Trust expects to contribute the following to its defined benefit pension scheme in 2015:

	2015
LFCD	148,933
LFAT, LFATQ & LFATG	459,221
LFADM	56,165
	664,319

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

Amounts for the current and previous period are as follows:

Landau Forte College

	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(2,612)	(1,823)	(1,271)	(875)
Fair value of scheme assets	1,917	1,162	862	654
Deficit	(695)	(661)	(409)	(221)
Experience adjustments on scheme liabilities	(393)	-	-	(74)
Experience adjustments on scheme assets	457	81	17	36

Landau Forte Academy Tamworth, QEMS & Greenacres

	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(6,845)	(3,771)	(2,999)	(937)
Fair value of scheme assets	3,073	2,072	1,376	423
Deficit	(3,772)	(1,699)	(1,623)	(514)
Experience adjustments on scheme liabilities	(604)	-	-	-
Experience adjustments on scheme assets	156	151	34	(1)

Landau Forte Academy Moorhead

	2014 £'000	2013 £'000
Defined benefit obligation	(816)	(626)
Fair value of scheme assets	265	167
Deficit	(551)	(459)
Experience adjustments on scheme liabilities	(74)	-
Experience adjustments on scheme assets	10	10

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

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 2013	1,165	44,514	20,623	6,088	5,048	2,535	79,973
Additions	-	1,580	155	560	226	-	2,521
Disposals	-	-	-	-	(100)	-	(100)
Transfers	-	-	2,535	-	-	(2,535)	-
Revaluation/impairment	-	-	-	-	-	-	-
At 31 August 2014	1,165	46,094	23,313	6,648	5,174	-	82,394
Accumulated depreciation							
At 1 September 2013	-	1,152	1,050	3,959	5,048	-	11,209
Charge for the year	-	1,367	629	1,124	226	-	3,346
Disposals	-	-	-	-	(100)	-	(100)
Revaluation/impairment	-	-	-	-	-	-	-
At 31 August 2014	-	2,519	1,679	5,083	5,174	-	14,455
Net book value							
At 31 August 2014	1,165	43,575	21,634	1,565	-	-	67,939
At 31 August 2013	1,165	43,362	19,573	2,129	-	2,535	68,764

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.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

The above net value at 31 August 2014 represent fixed assets used for:

	Freehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Furniture & Equipment £'000	Computer Equipment and Software £'000	Assets Under Construction £'000	Total £'000
Direct charitable purposes:							
Educational provision	874	32,681	16,226	1,174	-	-	50,955
Support services	233	8,715	4,327	313	-	-	13,588
Other purposes:							
Governance	58	2,179	1,082	78	-	-	3,397
	<u>1,165</u>	<u>43,575</u>	<u>21,634</u>	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>67,939</u>

Source of funding for assets acquired (cumulative)

	Donated Assets	DFE capital grants	Other government grants	Private sector sponsorship	GAG funding	Unrestricted funds	Total
Group							
At 31 August 2014	50,898	15,861	351	2,334	1,029	2,250	72,723
Surplus on revaluation							9,671
Total cost at 31 August 2014							<u>82,394</u>

Freehold and leasehold buildings are held at valuation. All such assets were given a full valuation as at 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.

The net book value of freehold & leasehold buildings determined according to the historical cost convention is £66,249,000 (2013: £69,388,000).

13. Investments held as fixed assets

In 2013-14 the held no investments as fixed assets (2012-13: none).

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

	Shares in group undertakings £	Impairment £	Net Investment £
At 31 August 2014	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 2013 £	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	-	-

14. Results of trading subsidiaries

	2014 £'000	2013 £'000
LF Enterprises Limited		
Turnover	150	152
Cost of sales	(35)	(40)
Gross profit	115	112
Administrative expenses	(24)	(25)
Operating result	91	87
Taxation	-	-
Profit on ordinary activities after tax	91	87
Gift Aid payable	(91)	(87)
Retained profit	-	-
	2014 £	2013 £
Assets	106	106
Liabilities	(106)	(106)

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

Landau Forte Enterprises Tamworth Limited	2014 £'000	2013 £'000
Turnover	113	87
Cost of sales	(18)	(17)
Gross profit	95	70
Administrative expenses	(41)	(25)
Operating result	54	45
Taxation	-	-
Profit on ordinary activities after tax	54	45
Gift Aid payable	(54)	(45)
Retained profit	-	-
	2014 £	2013 £
Assets	2	2
Liabilities	(2)	(2)

Landau Forte Enterprises Tamworth Sixth Form Limited	2014 £'000	2013 £'000
Turnover	109	50
Cost of sales	(32)	(20)
Gross profit	77	30
Administrative expenses	(74)	(23)
Operating result	3	7
Taxation	-	-
Profit on ordinary activities after tax	3	7
Gift Aid payable	(3)	(7)
Retained profit	-	-
	2014 £	2013 £
Assets	2	2
Liabilities	(2)	(2)

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

Landau Forte Enterprises QEMS Limited	2014 £'000	2013 £'000
Turnover	61	48
Cost of sales	(11)	(11)
Gross profit	50	37
Administrative expenses	(29)	(20)
Operating result	21	17
Taxation	-	-
Profit on ordinary activities after tax	21	17
Gift Aid payable	(21)	(17)
Retained profit	-	-

	2014 £	2013 £
Assets	2	2
Liabilities	(2)	(2)

15. Stocks

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Restaurant	25	27	25	27
Stationary	20	14	20	14
Goods for resale	19	21	12	19
	64	62	57	60

16. Debtors

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	26	51	-	4
Amounts due from subsidiary companies	-	-	84	136
Other debtors	429	166	412	177
Prepayments and accrued income	655	1,262	655	1,262
	1,110	1,479	1,151	1,579

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

17. Creditors: Amounts falling due within one year

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
EFA	834	753	834	753
Loans	12	12	12	12
Trade creditors	1,174	1,595	1,174	1,595
Taxation and social security	-	-	-	-
Accruals and other creditors	975	1,719	929	1,696
	<u>2,995</u>	<u>4,078</u>	<u>2,949</u>	<u>4,055</u>

18. Creditors: Amounts falling due after one year

	Group		Trust	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
EFA	469	668	469	668
Loans	108	-	108	-
	<u>577</u>	<u>668</u>	<u>577</u>	<u>668</u>

The loan is an unsecured Salix interest free loan which is repayable in instalments and will end in September 2019.

19. Restricted funds: Group and Trust

	Balance at 31 August 2013 £'000	Incoming Resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2014 £'000
Restricted fixed assets funds					
Purchased capital	8,792	395	(573)	1,864	10,478
Private sector capital sponsorship	958	-	-	-	958
Donated assets	43,992	1,711	(2,215)	-	43,488
	<u>53,742</u>	<u>2,106</u>	<u>(2,788)</u>	<u>1,864</u>	<u>54,924</u>
Restricted general funds					
Williams bursary	68	-	(5)	-	63
Restricted general	-	22,109	(23,425)	1,316	-
Pension reserve	(2,819)	-	(2,199)	-	(5,018)
Total restricted funds	<u>50,992</u>	<u>24,215</u>	<u>(28,417)</u>	<u>3,180</u>	<u>49,969</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 below.

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

20. Unrestricted funds: Group

	Balance at 31 August 2013 £'000	Incoming Resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2014 £'000
Major property repair fund	1,225	-	-	(622)	603
Endowment fund	805	-	(10)	(795)	-
Unrestricted fund	388	1,910	(536)	(1,762)	-
Premises revaluation reserve	13,289	-	(272)	-	13,017
Treasury revaluation reserve	-	-	-	-	-
	<u>15,707</u>	<u>1,910</u>	<u>(818)</u>	<u>(3,180)</u>	<u>13,620</u>

The Other Movements column represents the transfer of unrestricted funds to the following: £175,000 to the major property repair fund and £115,000 to the endowment fund; and the transfer to restricted reserves (see note 19).

21. Unrestricted funds: Trust

	Balance at 31 August 2013 £'000	Incoming Resources £'000	Expenditure £'000	Other movements £'000	Balance at 31 August 2014 £'000
Major property repair fund	1,225	-	-	(622)	603
Endowment fund	805	-	(10)	(795)	-
Unrestricted fund	388	1,649	(275)	(1,762)	-
Premises revaluation reserve	13,289	-	(272)	-	13,017
Treasury revaluation reserve	-	-	-	-	-
	<u>15,707</u>	<u>1,649</u>	<u>(557)</u>	<u>(3,180)</u>	<u>13,620</u>

22. Analysis of Academies by Fund Balance

Fund balances at 31 August 2014 were allocated as follows:

	2014 £'000	2013 £'000
Landau Forte College Derby	-	-
Landau Forte Academy Tamworth	-	-
Landau Forte Academy QEMS	-	-
Landau Forte Academy Moorhead	-	-
Landau Forte Academy Greenacres	-	-
Central Services	-	388
	<u>-</u>	<u>388</u>
Restricted fixed assets fund	54,924	53,742
Williams bursary fund	63	68
Pension reserve	(5,018)	(2,819)
Revaluation reserve	13,016	13,289
Designated unrestricted funds	603	2,030
Total	<u>63,588</u>	<u>66,698</u>

LANDAU FORTE CHARITABLE TRUST

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NOTES TO FINANCIAL STATEMENTS

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.

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 £'000	2013 £'000
Landau Forte College Derby	4,358	1,311	569	893	7,131	7,296
Landau Forte Academy Tamworth	5,050	1,589	692	1,360	8,691	8,869
Landau Forte Academy QEMS	2,433	793	266	561	4,053	4,182
Landau Forte Academy Moorhead	875	208	90	209	1,382	1,114
Landau Forte Academy Greenacres	1,060	172	89	188	1,509	-
Central Services	568	275	-	244	1,087	1,194
Academy Trust	14,344	4,348	1,706	3,455	23,853	22,655

LANDAU FORTE CHARITABLE TRUST

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NOTES TO FINANCIAL STATEMENTS

23. Notes to cash flow statement

	Group		Trust	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
a) Reconciliation of operating surplus to net cash inflow from operating activities				
Net incoming/(outgoing) resources for the year	(1,607)	807	(1,607)	807
Bank interest payable	14	11	14	11
Bank interest receivable	(53)	(116)	(53)	(116)
Capital grants	(395)	(1,871)	(395)	(1,871)
Depreciation of tangible fixed assets	3,345	3,150	3,345	3,150
Donated assets	(1,433)	(1,711)	(1,433)	(1,711)
(Increase)/decrease in stock	(2)	4	2	5
(Increase)/decrease in debtors	369	215	428	189
Increase/(decrease) in creditors	(1,282)	885	(1,305)	890
Provision for pension service and interest cost in year	1,104	811	1,104	811
Cash contributions to defined benefit pension scheme	(677)	(525)	(677)	(525)
Net cash inflow from operating activities	(616)	1,660	(578)	1,641

b) Reconciliation of net cash flows to movement in net funds

	Group		Trust	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Net funds at 1 September 2013	886	600	765	498
Increase in cash in the year	(558)	92	(520)	73
Movement in net debt	(108)	194	(108)	194
Net funds at 31 August 2014	220	886	137	765

Group	At start of year £'000	Cashflows £'000	Non cash changes £'000	At end of year £'000
Cash at bank and in hand	886	(546)	-	340
Debt due within one year	(12)	-	-	(12)
Debt due after one year	-	(108)	-	(108)
Net funds	874	(654)	-	220

LANDAU FORTE CHARITABLE TRUST

Year Ended 31 August 2014

NOTES TO FINANCIAL STATEMENTS

24 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.

25: Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted capital funds £'000	Total £'000
Fixed assets	13,013	-	54,924	67,937
Net current assets	1,183	64	-	1,247
Long term liabilities	(577)	(5,018)	-	(5,595)
	<u>13,619</u>	<u>(4,954)</u>	<u>54,924</u>	<u>63,589</u>

26 Central Services

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

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

The Trust charges for these services on the basis of a flat percentage of income (3.9%) (2012-13: 4.5%). The actual amounts charged during the year were as follows:

	2014 £'000	2013 £'000
Landau Forte College Derby	262	304
Landau Forte Academy Tamworth	300	360
Landau Forte Academy QEMS	141	173
Landau Forte Academy Moorhead	46	46
Landau Forte Academy Greenacres	52	-
	<u>801</u>	<u>883</u>

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NOTES TO FINANCIAL STATEMENTS

27 Related Party Transactions

Disclosure of related party transactions within the group is not required under FRS 8 Related Party Transactions as consolidated accounts for the group are publicly available.

During the year the Trust made purchases from B&K Property Services Ltd and B&K Building Services Ltd totalling £152,174. These are related parties due to J Kirkland being a governor at Landau Forte College Derby. All transactions were conducted on an arms length basis and subject to tendering process.

No other related party transactions took place during the year.

28 Post Balance Sheet Events

None.