

**London Academies Enterprise Trust  
(A Company Limited by Guarantee)**

**Annual Report**

**and**

**Financial Statements**

**for the Year Ended 31st August 2012**

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## **Reference and Administrative Information**

<b>Trustees</b>	I Foster S Leverett D Triggs P Daniyan B Loughran (resigned 4 <sup>th</sup> June 2012)
<b>Company Secretary</b>	I Comfort (appointed 4 <sup>th</sup> June 2012)
<b>Principal and Registered Office</b>	Kilnfield House Station Approach Hockley Essex SS5 4HS
<b>Bankers</b>	HSBC Bank PLC City of London Commercial Centre 60 Queen Victoria Street London EC4N 4TR
<b>Auditors</b>	Crowe Clark Whitehill LLP Chartered Accountants St Bride's House 10 Salisbury Square London EC4Y 8EH
<b>Solicitors</b>	Mills & Reeve LLP Francis House 112 Hills Road Cambridge
<b>Company Registration Number:</b>	7211219 (England and Wales)

## **Trustees' Report**

The trustees present their report together with the financial statements of the charitable company for the year ended 31 August 2012

The financial statements have been prepared in accordance with the accounting policies on pages 22 to 24 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2011, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" and the Academies Accounts Direction 2001/12

### **Structure, Governance and Management**

#### **Constitution**

The London Academies Enterprise Trust (LAET) is a company limited by guarantee with no share capital (registration no 7211219) which was established on 1st April 2010. The charitable company's Memorandum and Articles of Association are the primary governing documents of the LAET. Members of the charitable company are appointed by the Secretary of State or by the Greensward Charitable Trust or the Mayor's Academies Ltd - as the principal sponsors of the LAET or by agreement of existing members. The chairman of directors is also a member.

#### **Members' liability**

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

#### **Principal Activities**

The London Academies Enterprise Trust principal activity is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies, by offering a broad curriculum with a strong emphasis on, numeracy and literacy.

#### **Trustees Appointment and Training**

Trustees are appointed subject to the Memorandum and Articles of Association and are subject to retirement after four years but are eligible for appointment at the meeting at which they retire, at each Annual General Meeting of the charitable company.

The training and induction provided for new trustees depends on their existing experience. The training offered is on charity and educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

#### **Organisational Structure**

The management structure consists of three levels: the trustees of the LAET, the Operating Committee of the LAET including the Office of CEO, the local boards of Governors in academies with the Senior Managers and Management Teams of the individual Academies. The current management structure is based on devolved responsibility that encourages the involvement in decision making at all levels. The Performance Board, Audit and Risk Committee, Remuneration Committee and Health and Safety Committee report via the Operating Committee to the LAET Board.

The Local Boards of Governors are responsible for setting general policy within the overall LAET policy framework, adopting an annual plan and budget, monitoring the Academies by the use of budgets and making operational decisions about the running of the Academies, capital expenditure and senior staff appointments.

Some Local Boards of Governors have established a number of committees, which have delegated responsibilities for specific areas. These committees are often Finance and Premises, Personnel, Standards and Discipline. Each committee has clear terms of reference and reports back to the main governing body meetings.

A number of governing bodies have decided to move away from a committee structure other than the required 'standing committees' e.g. staff discipline, appeals and admissions.

## **Trustees' Report (continued)**

The Senior Managers are the Principal/Head teacher their education Senior Leaders and Finance Managers. These managers control their Academy at an executive level implementing the policies laid down by the LAET Board and the Local Governing Body and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Middle Management Team, with limits, above which a Senior Manager must countersign.

### **Risk management**

The Trustees have assessed the major risks to which the LAET is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academies, and its finances. Examples of the LAET's approach to Risk Management can be found at <https://sites.google.com/a/aetunet.org/aet-comms-portal/project-management/governance>. The Trustees have implemented a number of systems to assess risks that the institutions face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

### **Statement on the system of internal finance control**

As Trustees, we acknowledge we have overall responsibility for ensuring that LAET has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LAET which enables us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the LAET and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The LAET is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the LAET and for publication is reliable,
- The LAET complies with relevant laws and regulations.

The LAET'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 governing body,
- regular reviews by the Finance and Premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

In addition, the Trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the LAET it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

## **Trustees' Report (continued)**

- set policies on internal controls which cover the following
  - the type of risks the LAET and its academies face,
  - the level of risks which they regard as acceptable,
  - the likelihood of the risks materialising;
  - the LAET's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
  - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Senior Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the LAET's operations so that it becomes part of the culture of the LAET,
- developed systems to respond quickly to evolving risks arising from factors within the LAET and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

In the financial year 2011-12 the trustees have appointed Baker Tilley as an independent internal audit function to provide further assurance to the Trustees. Baker Tilley will carry out a risk analysis and review of the core financial areas in each academy on an annual basis, reporting back to management with recommendations. A Responsible Officer (RO) role remains and includes giving advice on financial matters and performing a range of checks on each Academy's financial systems. At each academy finance meeting, the RO reports to the trustees on the operation of the systems of control and on the discharge of each academy's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

### **Objectives and Activities**

#### **Objects, aims and objectives**

The principal object and activity of the charitable company is the operation of the London Academies Enterprise Trust is to provide education for pupils of different abilities between the ages of 11 to 19 with an emphasis on Literacy and Numeracy.

In accordance with the Articles of Association the company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students/pupils to the Academy, the catchment area from which the students/pupils are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on ICT and its practical applications.

The main objectives of the LAET during the year ended 31 August 2012 are summarised below.

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct each Academy's business in accordance with the highest standards of integrity, probity and openness.

## **Trustees' Report (continued)**

### **Strategies and activities**

The Trust's main strategies and processes to deliver our vision will be to

- Be academies of student and parental choice
- Be centres of excellence in terms of the quality of teaching, aspirational culture and wealth of student opportunities, judged as great places at which to learn and work
- Provide access for all to a job or training offer
- Raise skills levels and educational standards
- Be an employer of choice for staff, recruiting and retaining the best skilled and trained staff who engage in ongoing professional development and strive for excellence
- Create a virtual network of learning organisations thus reducing the need for travel and keeping sustainability' at the forefront of our actions
- Create community learning hubs that are used by students and the whole community that provide quality facilities, enriched by strong London wide, national and international partnerships
- Deliver sustainable and cost effective buildings aimed at reducing our carbon footprint
- Strive to ensure that all Academies are judged as 'Outstanding' by Ofsted
- Continue to implement Workforce Reforms that will ensure that
  - all unnecessary bureaucracy is removed
  - use of Information Technologies is enhanced
  - further on-line access to Assessment for Learning, student's attendance information and other data is developed

### **Commitments:**

#### **For students/pupils:**

- Ensure that in the partnership we create with parents and carers that we ensure our strategies are fully inclusive of the needs of all
- Provide a broad academic curriculum until the age of 16, tailored to meet the needs of all learners, which provides essential knowledge, understanding and skills for them to progress to the full range of post-16 pathways
- Create a learning environment that encourages students to aspire to the highest standards in their academic attainment
- Excel in aspects of Academy life beyond the taught curriculum, taking up opportunities presented by London to further their personal, social, intellectual and cultural development
- Become responsible E-confident learners prepared for living and working in a global society
- Take responsibility for their own learning during and after their Academy life, and assume new roles in supporting and mentoring their peers
- Be prepared to contribute positively to society and capable of achieving economic well being in their chosen careers
- Contribute positively to the well being of the Academy and the wider LAET Network

#### **For the community:**

Strive to be at the heart of the learning community by ensuring that primary concern of each Academy will be to improve the standard of education provided to the students/pupils with a requisite improvement in learning outcomes. However, a vital aspect of each Academy's outputs will be across a range of measures, which can be summarised as 'community learning outcomes'. The synergy between the schools and their wider partners will be expected to lead to a wide range of learning opportunities being accessed across the local communities.

## **Trustees' Report (continued)**

### **For staff:**

Strive to deliver world class learning where all staff are valued and where.

- high quality Continuous Professional Development (CPD) is viewed as a right rather than a bonus
- staff will have opportunities to gain further and Higher Degree qualifications
- staff can choose their pathways for career development
- Performance Management is the key stone to further career development
- staff are offered regular and consistent feedback on their performance
- staff have access to talent management programmes
- we work within the Teachers Pay and Conditions document
- staff are developed to ensure they are capable of employing a wide and innovative range of teaching and learning strategies, creating learning environments which address the needs and aspirations of all students/pupils
- we are readily able to monitor and plan the learning process of individual students/pupils,
- staff work in an environment where the most up to date and effective resources are available

### **Equal opportunities policy**

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The LAET aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued

### **Disabled persons**

The policy of the Trust is to support recruitment and retention of students/pupils and employees with disabilities. Each Academy does this by adapting the physical environment, by making support resources available and through training and career development

### **Public Benefit**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit

A review of the significant activities has been undertaken by the Trustees in the financial year 2011/12 to further the charitable purposes for the public benefit.

The purpose of the Trust is to offer a world class education to 11 -19 year olds within the communities that we operate

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of incidental educational activities and other activities, the LAET aims to contribute considerable benefits to the local community. Over the last year such events have included the following -

- Regular meetings with local communities and partnerships
- Concerts in the community
- Holiday programmes
- Youth programmes
- Links to Tottenham Hotspurs and use of the Nightingale Academy facilities
- Open Summer School for Year 6 students in the Enfield area

The LAET has given a high priority to providing public benefit to a cross section of the community, but perhaps the greatest benefit that the LAET offers is the provision of an education that maximises student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society

## **Trustees' Report (continued)**

### **Achievements and Performance**

With the first two Mayor's Academies opening in 2010, the London Academies Enterprise Trust (LAET) has now grown to three academies with Bexleyheath Academy joining on 1<sup>st</sup> September 2012. We are hoping that the Hounslow Manor School, Hounslow will be joining us in the academic year 2012-13.

The London Academies Enterprise Trust group of Academies results have continued to improve with outstanding results at both Aylward and Nightingale Academies. The results as a group have continued the incremental improvements with a 6% rise overall in 5 A\*-C including English and Mathematics. Total students in the year ended August 2012 numbered 4,490.

At GCSE level Aylward Academy saw 41% of students gain 5 or more A\*-C grades with English and Mathematics and 83% of students gain 5 A\*-C grades. Nightingale Academy saw 33% of students gain 5 or more A\*-C grades with English and Mathematics and 79% of students gain 5 A\*-C grades. Bexleyheath saw 52% of students gain 5 or more A\*-C grades with English and Mathematics and 92% of students gain 5 A\*-C grades.

Their post 16 grades again made significant improvement with an increase in the average points score per entry by 24 points.

The Aylward Academy was recently judged 'Good' by Ofsted which is a tremendous achievement.

LAET will ensure that standards are continually moving forward. The LAET operates with the objective of making our best better. This is done by constant challenge, support and monitoring of all aspects of the academies including a programme of lesson observation, visits by inspectors and analysis of data that highlights areas for intervention and improvement. Assessment and results can be tracked from entry through each Key Stage to assess progress and can be compared across the LAET and nationally. All of the academies undergo an Ofsted based review in preparation for the official Ofsted Inspections and all receive training from Ofsted inspectors. These reviews are very helpful in raising standards and ensuring that all students are achieving their full potential.

This year we have been able to broaden the range of opportunities for our students by creating partnerships with a number of businesses, large and small. This includes developing innovative programmes with large employers such as Transport for London, which has co-funded a Classroom to Boardroom challenge that has not only improved the confidence, motivation, team work and leadership skills of the students that participated in the programme, but it has also opened up access to work experience and apprenticeships in the transport sector across a range of disciplines, including engineering.

We also worked with the Workspace Group and over 50 companies which utilise the company's business premises. Our Inspires Me Week programme provided an opportunity for students to learn first hand what it is like to develop and run their own business. As well as winning the Global Entrepreneurship Week High Impact Award, this programme has led to sustainable relationships between many of the companies and the individual academies, mentoring relationships between businesses and students and job opportunities.

Both Transport for London and the Workspace Group has pledged to continue to work with the Mayor's Academies.

All students in our academies undertake work experience and each of our academies is working towards the Recognition of Quality Award (ROQA) for Advice and Information guidance. We have a target of every student who can, must achieve 5 or more A\*-C grades with English and Maths at GCSE Level. Each of the Academies has engaged in extensive community cohesion programmes both in the UK and internationally. Our Academies continue to strengthen their links with European Schools and China.

## **Trustees' Report (continued)**

### **Financial Review**

#### **Financial report for the year**

Most of the Academies' income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The buildings of Bexleyheath Academy are wholly owned by the Trust under a PFI contract. The rest of the Academies' buildings are leased from the London Borough of Enfield for a peppercorn rent. In accordance with SSAP21, 'Accounting for Leases and Hire Purchase Contracts', the buildings have been recognised as tangible fixed assets in the accounts and the value of the buildings treated as voluntary income in the accounts in the year of transfer to the LAET. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such gifts are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2012, total expenditure of £31,700,000 was entirely covered by recurrent grant funding from the DfE together with other incoming resources. However, excluding restricted fixed asset funds and pension costs, there was an in-year deficit of £146,000. This was covered by funds brought forward from the previous year.

At 31 August 2012 the net book value of fixed assets was £56,889,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS17. The deficit of £2,885,000 includes a deficit of £811,000 acquired on the introduction of the Bexleyheath Academy to the Trust. The in-year deficit of £874,000 was due to an excess of costs over contributions of £56,000 and an actuarial loss of £818,000.

#### **Reserves policy and financial position**

##### **Reserves policy**

The Trustees review the reserve levels of each Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Under DfE guidelines, the Academies are allowed to carry forward up to 2% of their GAG funding (£521,000) for recurrent purposes and up to a further 10% (£2,605,000) for capital purposes.

##### **Financial position**

The Trust held fund balances at 31 August 2012 of £54,324,000 comprising £56,889,000 of restricted fixed asset funds, £262,000 of restricted general funds, £28,000 of unrestricted general funds and a pension reserve deficit of £2,855,000.

The FRS17 deficit is shown against the restricted funds of the AET in line with the latest requirements of the DfE.

This leaves a deficit of £2,593,000 on restricted funds. This is a serious problem, but not such an immediate threat as it may seem to be, as the deficit is created entirely by a £2,855,000 shortfall on the LGPS. This does not present a liquidity problem as it is a long term liability which it is hoped will be reduced in the future due to ongoing actions by the local authority to improve investment policy and returns and by additional employer's contributions and additional lump sum payments into the fund. These LGPS actuarial investments fluctuate over time based on economic conditions.

## **Trustees' Report (continued)**

### **Going Concern**

After making enquires, the trustees have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 2.

### **Principal Risks and Uncertainties**

The principal risks have been identified as

**Reputational** – the continued success of attracting sufficient numbers of students to the academies by maintaining and improving educational standards and maintaining the LAET moral purpose and offering,

**Government funding / Financial** - the trust has considerable reliance on the continued government funding through the EFA/DfE and there is no assurance that government policy or practise will remain the same and funding will remain at the same levels or on the same basis. A national funding formula and the funding of higher needs students is being implemented in 2014/15,

**Staffing** – the ability to retain, recruit and train quality staff and managers, hence the creation of a teaching school alliance for future educational leaders and continual personal development and clear succession planning

**Safeguarding and child protection** - our moral purpose is to seek to secure a place in a good school as a fundamental entitlement for every child and ensure the highest standards of selection and monitoring of staff, the operation of child protection policies, health and safety and discipline

**Governance and Management** – the risk is the failure to effectively manage the academies finances, controls and education and operational performance

**Maintaining adequate funding of pension liabilities** – the financial statements report the increase in pension scheme deficit under the requirements of FRS17. This may fluctuate over time based on economic and Local Authority investment policy. This is a long-term liability where it is hoped that it will reduce in future by employer contributions and additional lump sum payments.

### **Plans for Future Periods**

A key priority for the next academic year will be to review the curriculum offer across all LAET academies. As outlined earlier in this report, we have seen significant improvement in student attainment across the existing academies, compared with the performance of each predecessor school. As a Trust we are immensely proud of this achievement, but we have high ambitions for all our students and will continue to challenge ourselves as a Board, our local governing bodies, Principals and staff teams, in order to ensure we provide the best education for our students.

The development of IMPACT has been a major step forward in developing the capacity of the LAET in supporting our academies to raise standards. This is a web-based toolkit [www.aetimpact.org](http://www.aetimpact.org) is used extensively by all LAET academies and has attracted the attention of a number of other schools and academies to use this resource.

Our Enfield academies are undergoing significant build programmes, which will improve both the educational offer and environment in which our students learn. This involves significant refurbishment of classrooms and resources and will include a dedicated STEM floor in the Nightingale Academy. In addition, the programme will enable us to enhance our community resources – a core part of our LAET offer.

The Trust also plans to establish our fourth Academy in the borough of Hounslow in April 2013. We have been working closely with the school through the transition phase and will be implementing a comprehensive succession plan to ensure the smooth integration into the LAET family.

## Trustees' Report (continued)

### Auditor

In so far as the trustees are aware

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

Approved by the members of the trust board and signed on it's behalf by



P Daniyan  
Chair

19 December 2012

## **Trustees' Statement**

### **Scope of responsibilities**

As trustees, we acknowledge we have overall responsibility for ensuring that London Academies Enterprise 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 Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, 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 London Academies Enterprise Trust and the Secretary of State for Education. The accounting officer is responsible for reporting to the trustees any material weaknesses or breakdown in internal control.

### **Governance**

The trustees are directors of the charitable company for the purposes of the Companies Act and trustees for the purposes of charity legislation.

Trustees are appointed subject to the Memorandum and Articles of Association and are subject to retirement after four years but are eligible for re-appointment at the meeting at which they retire, at each Annual General Meeting of the charitable company.

During the year under review the trustees held 4 meetings. The trustees who were in office at 31 August 2012 and served throughout the year, except where shown, are listed on page 2.

### **Risk management**

The Trustees 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 trust board is 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 2012 and up to the date of approval of the annual report and financial statements. This process reviewed on a regular basis by the trust board.

### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administration procedures including 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 governing body,
- regular reviews by the Audit and Risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties,
- identification and management of risks.

In the financial year 2011-12 the trustees have appointed Baker Tilly as an independent internal audit function to provide further assurance to the Trustees. Baker Tilly will carry out a risk analysis and review of the core financial areas in each academy on an annual basis, reporting back to management with recommendations. A Responsible Officer (RO) role remains and includes giving advice on financial matters and performing a range of checks on each Academy's financial systems. At each academy finance meeting, the RO reports to the trustees on the operation of the systems of control and on the discharge of each academy's financial responsibilities.

## **Trustees' Statement**

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

### **Review of Effectiveness**

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the systems of internal control.

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of internal control framework

The accounting officer has been advised of the implications of the result of the review of the system of internal control by the Audit and Risk Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the trust board on 19<sup>th</sup> December 2012 and signed on its behalf by



P Daniyan

Chair



D Triggs

Accounting Officer

## **Statement on Regularity, Propriety and Compliance**

As accounting officer of London Academies Enterprise Trust I have considered my responsibility to notify the academy 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 academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook

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



D Triggs

Chief Executive Officer and Accounting Officer

## Statement of Trustees Responsibilities

The trustees (who act for the charitable activities of London Academies Enterprise Trust and are also the directors of the Charitable Company for the purpose of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

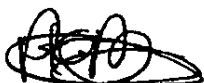
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the trust board on 19<sup>th</sup> December 2012 and signed on its behalf by:



P Daniyan

Chair

## **Independent Auditor's Report to the Members of The London Academies Enterprise Trust**

We have audited the financial statements of The London Academies Enterprise Trust for the year ended 31 August 2012 which comprise the Group Statement of Financial Activities, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 29

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

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

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Annual Accounts Direction 2011/12 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Independent Auditor's Report to the Members of The London Academies Enterprise Trust (continued)**

**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

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



Tina Allison

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

19<sup>th</sup> December 2012

## **Independent Auditor's Report on Regularity to the Governing Body of The London Academies Enterprise Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 13 November 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 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 the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction [2011/12] issued by the EFA.

### **Opinion**

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 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Crowe Clark Whitehill LLP**

Statutory Auditor

St Bride's House

10 Salisbury Square

London EC4Y 8EH

19<sup>th</sup> December 2012

**London Academies Enterprise Trust**  
**(A Company Limited by Guarantee)**

**Statement of Financial Activities**  
**for the Year Ended 31st August 2012**

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2012 Total £000	2011 Total £000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
• Voluntary income	3	131	-	-	131	40,001
• Voluntary income - transfer from Local Authority on conversion	3	-	-	18,507	18,507	
• Activities for generating funds	4	394	-	-	394	124
<b>Incoming resources from charitable activities:</b>						
• Funding for the Trust's educational operations	5	-	29,674	92	29,766	19,785
<b>TOTAL INCOMING RESOURCES</b>		<u>525</u>	<u>29,674</u>	<u>18,599</u>	<u>48,798</u>	<u>59,910</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds.</b>						
• Cost of generating voluntary income		(151)	-	-	(151)	(25)
• Fundraising trading						
<b>Charitable Activities:</b>						
• Trust's educational operations	7	(31)	(28,868)	(1,299)	(30,198)	(19,749)
<b>Other resources expended</b>						
• transfer to Local Authority on conversion		(420)	-	-	(420)	
<b>Governance Costs</b>	8	-	(931)	-	(931)	(111)
<b>TOTAL RESOURCES EXPENDED</b>	6	<u>(602)</u>	<u>(29,799)</u>	<u>(1,299)</u>	<u>(31,700)</u>	<u>(19,885)</u>
<b>Net incoming / (outgoing) resources before transfers</b>		(77)	(125)	17,300	17,098	40,025
<b>Gross transfers between funds</b>	17	(36)	(340)	376	-	-
<b>NET INCOME FOR THE YEAR</b>		(113)	(465)	17,676	17,098	40,025
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	26	-	(818)	-	(818)	90
Transfers in of FRS17 deficits from Local Authorities	26	-	(811)	-	(811)	(1,260)
<b>NET MOVEMENT IN FUNDS</b>		(113)	(2,094)	17,676	15,469	38,855
Funds brought forward at 1 September 2011	17	141	671	39,213	40,025	-
Pension deficit brought forward	17		(1,170)		(1,170)	-
<b>Total funds brought forward</b>		<u>141</u>	<u>(499)</u>	<u>39,213</u>	<u>38,855</u>	<u>-</u>
<b>TOTAL FUNDS CARRIED FORWARD at 31 August 2012</b>		<u>28</u>	<u>(2,593)</u>	<u>56,889</u>	<u>54,324</u>	<u>38,855</u>

All of the Trust's activities derive from continuing operations during the above two financial periods

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 22 to 37 form part of these accounts

**London Academies Enterprise Trust**  
(A Company Limited by Guarantee)

**Balance Sheet**  
As at 31st August 2012

Company Number  
6625091

	Note	2012	2011
		£000	£000
<b>FIXED ASSETS:</b>			
Tangible assets	12	56,889	39,213
<b>CURRENT ASSETS:</b>			
Stock	13	20	6
Debtors and prepayments	14	948	576
Cash at bank and in hand		1,735	1,899
		2,703	2,481
<b>CREDITORS: Amounts falling due within one year</b>	15	(2,195)	(1,669)
<b>NET CURRENT ASSETS:</b>		508	812
<b>CREDITORS: Amounts falling due after more than one year</b>	16	(218)	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		57,179	40,025
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		57,179	40,025
Pension scheme liability	26	(2,855)	(1,170)
<b>NET ASSETS INCLUDING PENSION LIABILITY:</b>		54,324	38,855
<b>FUNDS OF THE TRUST:</b>			
<b>Restricted income funds</b>			
Fixed asset funds	17	56,889	39,213
General funds	17	262	671
Pension reserve	17	(2,855)	(1,170)
<b>Total restricted funds</b>		54,296	38,714
<b>Unrestricted income funds</b>			
General funds	17	28	141
<b>Total unrestricted funds</b>		28	141
<b>TOTAL FUNDS</b>		54,324	38,855

The financial statements on pages 19 to 34 were approved by the Board, and authorised for issue on 19 December 2012 and are signed on their behalf by

  
D Tnggs  
Chief Executive Officer

**London Academies Enterprise Trust**  
**(A Company Limited by Guarantee)**

**Cash Flow Statement**  
**for the Year Ended 31st August 2012**

	Notes	<u>2012</u> £000	<u>2011</u> £000
Net cash inflow from operating activities	21	304	1,919
Returns on investments and servicing of finance	22	-	-
Capital expenditure	23	(468)	(20)
Decrease in cash in the year		<u>(164)</u>	<u>1,899</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net cash funds at 1 September 2011		1,899	-
Net cash funds at 31st August 2012		<u><u>1,735</u></u>	<u><u>1,899</u></u>

The notes on pages 22 to 37 form part of these accounts

**London Academies Enterprise Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31st August 2012**

**1 ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the accounting policies which have been applied consistently, except where noted, is set out below.

**Going Concern**

The governors have assessed 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. The governors have made this assessment in respect of a period of one year from the date of approval of the financial statements and are satisfied that the use of going concern is appropriate for the AET.

**Incoming Resources**

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

**Donations**

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

**Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent to which the goods have been provided or on completion of the service.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

**Transfer of property on conversion**

The Assets and Liabilities transferred from Local Authorities to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the AET. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 28.

**Interest receivable**

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

**London Academies Enterprise Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**for the Year Ended 31st August 2012**

**1 ACCOUNTING POLICIES (continued)**

**Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets's use. Other support costs are allocated based on the spread of staff costs.

**Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable activities**

These are costs incurred on the Trust's educational operations.

**Governance costs**

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

**Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the Balance Sheet). Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the expected useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

**Depreciation**

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

Freehold buildings	2% on cost
Long leasehold buildings	2% on cost
Fixtures, fittings and equipment	33.33% on cost
ICT equipment	33.33% on cost
Motor vehicles	33.33% on cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

**Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

**Stock**

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

**Taxation**

The Academies Enterprise Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2011 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the 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 2011 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.

**London Academies Enterprise Trust  
(A Company Limited by Guarantee)**

**Notes to the Financial Statements  
for the Year Ended 31st August 2012**

**1 ACCOUNTING POLICIES (continued)**

**Pensions**

Retirement benefits to employees of the Academies Enterprise Trust are provided by the Teacher's Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme (SERPS) and the assets are held separately from those of the Trust.

***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 26, 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.

***Fund Accounting***

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

London Academies Enterprise Trust  
(A Company Limited by Guarantee)

Notes to the Financial Statements  
for the Year Ended 31st August 2012

2 GENERAL ANNUAL GRANT

	2012 £000s	2011 £000s
<b><u>AYLWARD ACADEMY</u></b>		
Results and carry forward for the year	-	-
GAG brought forward from previous year	-	-
GAG allocation for current year	9,422	8,991
Total GAG available to spend	9,422	8,991
Recurrent expenditure from GAG	(9,422)	(8,991)
Fixed assets purchased from GAG	-	-
GAG carried forward to next year	-	-
Maximum permitted GAG carry forward (12%)	1,131	1,079
GAG to surrender	-	-
Use of GAG brought forward from previous year for recurrent purposes	-	-
Recurrent expenditure from GAG in current year	9,422	8,991
GAG allocation for current year	(9,422)	(8,991)
Prior year GAG allocation x 2%	-	-
	-	-
	<i>no breach</i>	
<b><u>BEXLEYHEATH ACADEMY</u></b>		
Results and carry forward for the year	-	-
GAG brought forward from previous year	-	-
GAG allocation for current year	10,935	-
Total GAG available to spend	10,935	-
Recurrent expenditure from GAG	(10,880)	-
Fixed assets purchased from GAG	-	-
GAG carried forward to next year	55	-
Maximum permitted GAG carry forward (12%)	1,312	-
GAG to surrender	-	-
Use of GAG brought forward from previous year for recurrent purposes	-	-
Recurrent expenditure from GAG in current year	10,880	-
GAG allocation for current year	(10,935)	-
Prior year GAG allocation x 2%	-	-
	(55)	-
	<i>no breach</i>	<i>no breach</i>
<b><u>NIGHTINGALE ACADEMY (LAET)</u></b>		
Results and carry forward for the year	-	-
GAG brought forward from previous year	486	-
GAG allocation for current year	7,466	7,353
Total GAG available to spend	7,952	7,353
Recurrent expenditure from GAG	(7,550)	(6,847)
Upkeep & improvement of premises from GAG	(281)	-
Fixed assets purchased from GAG	(139)	(20)
GAG carried forward to next year	(18)	486
Maximum permitted GAG carry forward (12%)	896	882
GAG to surrender	-	-
Use of GAG brought forward from previous year for recurrent purposes	-	-
Recurrent expenditure from GAG in current year	7,550	6,847
GAG allocation for current year	(7,466)	(7,353)
Prior year GAG allocation x 2%	-	-
	84	(506)
	<i>breach</i>	<i>no breach</i>

**London Academies Enterprise Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**for the Year Ended 31st August 2012**

**3 VOLUNTARY INCOME**

	Unrestricted Funds £000	Restricted Funds £000	2012 £000s	2011 £000s
Private sponsorship	131	-	131	-
Other donations	-	-	-	1
	<u>131</u>	<u>-</u>	<u>131</u>	<u>1</u>
<u>Transferred from Local Authorities on Conversion</u>				
Fixed assets	-	18,507	18,507	40,000
Cash	-	-	-	-
	<u>-</u>	<u>18,507</u>	<u>18,507</u>	<u>40,000</u>

**4 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £000	Restricted Funds £000	2012 £000s	2011 £000s
Hire of facilities	102	-	102	109
Catering income	4	-	4	-
Provided services	50	-	50	15
Trading income	17	-	17	-
Academy trips	75	-	75	-
Insurance claims	72	-	72	-
Other	74	-	74	-
	<u>394</u>	<u>-</u>	<u>394</u>	<u>124</u>

**5 FUNDING FOR THE ACADEMIES' EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000s	Restricted Funds £000s	TOTAL 2012 £000s	Total 2011 £000s
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG, note 2)	-	26,048	26,048	16,344
Start Up grants	-	1,151	1,151	1,087
Feasibility & Implementation Grants	-	92	92	28
Other DfE / EFA grants	-	2,044	2,044	466
	<u>-</u>	<u>29,335</u>	<u>29,335</u>	<u>17,925</u>
<b>Other Government grants</b>				
Local authority grants	-	300	300	719
Special educational projects	-	131	131	982
	<u>-</u>	<u>431</u>	<u>431</u>	<u>1,701</u>
<b>Unrestricted funds</b>	-	-	-	159
	<u>-</u>	<u>29,766</u>	<u>29,766</u>	<u>19,785</u>

London Academies Enterprise Trust  
(A Company Limited by Guarantee)

6. RESOURCES EXPENDED

	Staff costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2012 £000	Total 2011 £000
Costs of generating voluntary income	-	-	151	151	25
Academy's educational operations					
• Direct costs	18,520	974	2,852	22,346	13,989
• Allocated support costs	2,907	3,150	1,739	7,796	5,760
• Transferred to LA on conversion			420	420	
• Pension costs			56	56	
	21,427	4,124	5,067	30,618	19,749
Governance costs including allocated support costs	-	-	931	931	111
	21,427	4,124	6,149	31,700	19,885

Incoming/outgoing resources for the year include:

	2012 £000	2011 £000
Operating leases	285	315
Fees payable to auditor	-	5
- audit	-	-
- other services	-	-
Profit/(loss) on disposal of fixed assets	-	-

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2012 £000s	2011 £000s
Direct costs		
Teaching and educational support staff costs	18,520	11,184
Depreciation	974	573
Educational supplies	1,120	544
Examination fees	579	311
Staff development	468	420
Educational consultancy	314	228
Other direct costs	371	729
	22,346	13,989
Allocated support costs		
Support staff costs	2,907	1,361
Depreciation	325	234
Pupil recruitment and support	158	153
Maintenance of premises and equipment	1,136	1,018
PFI management fee	1,375	-
Cleaning	411	413
Rent and rates	184	83
Insurance	130	108
Security and transport	51	149
Catering	512	329
Bank interest and charges	4	1
Professional fees	231	-
Other support costs	372	1,911
	7,796	5,760
Pension Costs	56	-
	56	-
Trust's educational operations	30,198	19,749
Other resources expended		
Transferred to LA on conversion	420	-

8 GOVERNANCE COSTS

	2012 £000s	2011 £000s
Legal and professional fees	920	106
Auditors remuneration		
- Audit of financial statements	6	5
Internal audit function	-	-
Support costs	3	-
Governors reimbursed expenses	2	-
	931	111

**London Academies Enterprise Trust**  
(A Company Limited by Guarantee)

**9 STAFF COSTS**

Staff costs during the period were

	2012 £000s	2011 £000s
Wages and salaries	16,576	9,958
Social security costs	1,393	819
Pension costs	2,017	1,197
	<u>19,986</u>	<u>11,974</u>
Agency staff costs	1,160	525
Compensation payments	155	-
LGPS deficit contributions	126	46
	<u>21,427</u>	<u>12,545</u>

The average number of persons (including senior management team) employed by the Trust during the year ended 31st August 2012 expressed as full time equivalents was as follows.

	2012 No.	2011 No.
Charitable Activities		
Teachers	288	161
Administration and support	248	138
Management	4	24
	<u>540</u>	<u>323</u>

The number of employees whose emoluments fell within the following bands was

	2012 No.	2011 No.
£60,000-£69,999	5	3
£70,000-£79,999	5	4
£80,000-£89,999	1	-
£100,000-£109,999	-	2
£110,000-£119,999	2	-
£140,000-£149,999	1	-

14 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012 pension contributions for these staff amounted to £158,924 (2011: 9 employees)

**10 GOVERNOR'S REMUNERATION AND EXPENSES**

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Their trustees did not receive any payments other than expenses from the Trust in respect of their role as governors.

**11 GOVERNORS AND OFFICERS INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2012 was £2,608 (2011: £1,260).

The cost of this insurance is included in the total insurance cost.

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12 TANGIBLE FIXED ASSETS

	Assets Under Construction £000s	Freehold land & buildings £000s	Leasehold land & buildings £000s	Furniture & educational equipment £000s	Computer Equipment £000s	Motor vehicles £000s	TOTAL FIXED ASSETS £000s
<b>COST.</b>							
At 1 September 2011	-	-	40 000	20	-	-	40,020
Additions	92	18,507	10	30	336	-	18,975
Disposals	-	-	-	-	-	-	-
At 31st August 2012	92	18,507	40 010	50	336	-	58,995
<b>DEPRECIATION</b>							
At 1 September 2011	-	-	800	7	-	-	807
Charge in year	-	370	800	17	112	-	1,299
Disposals	-	-	-	-	-	-	-
At 31st August 2012	-	370	1 600	24	112	-	2,106
<b>NET BOOK VALUE:</b>							
At 31st August 2012	92	18 137	38 410	26	224	-	56,889
At 31 August 2011	-	-	39 200	13	-	-	39,213

13 STOCK

	2012 £000s	2011 £000s
Catering	-	-
Uniform	20	6
Stationery/other	-	-
	<u>20</u>	<u>6</u>

14 DEBTORS

	2012 AET Group £000s	2011 AET Group £000s
Trade debtors	51	45
Prepayments & accrued income	345	96
Other debtors	105	38
VAT	447	397
	<u>948</u>	<u>576</u>

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000s	2011 £000s
Creditors	1,193	722
Taxation and social security	442	272
Other creditors	290	527
Accruals & deferred income	270	148
	<u>2,195</u>	<u>1 669</u>
<b>Deferred Income</b>		
Deferred income as at 1 September 2011	112	-
Resources deferred in the year	83	112
Amounts released from previous years	(112)	-
Deferred income as at 31 August 2012	<u>83</u>	<u>112</u>

At the balance sheet date the LAET was holding funds received in advance for 16-19 Bursary funding SSCO funding and funds received in advance for summer school

16 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £000s	2011 £000s
Creditors due after more than one year	218	-
	<u>218</u>	<u>-</u>

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**17 FUNDS**

	2011 £000s	Incoming resources £000s	Resources Expended £000s	Gains losses & transfers £000s	2012 £000s
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	476	26 048	26 184	(340)	-
Start up grant	5	1 151	911	-	245
Other DfE/EFA grants	86	2,044	2,129	-	1
Other restricted funds	103	431	518	-	16
Pension reserve	(1 170)	-	56	(1 629)	(2 855)
	(500)	29 674	29 798	(1 969)	(2,593)
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/EFA capital grants	39,200	18,507	1 170	-	56,537
Transfers from Local Authorities	13	92	129	376	352
Capital expenditure from GAG/other funds	39 213	18,599	1,299	376	56 889
<b>Total restricted funds</b>	<b>38,713</b>	<b>48,273</b>	<b>31 097</b>	<b>(1,593)</b>	<b>54,296</b>
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	141	525	602	(36)	28
<b>Total unrestricted funds</b>	<b>141</b>	<b>525</b>	<b>602</b>	<b>(36)</b>	<b>28</b>
<b>Total funds</b>	<b>38 854</b>	<b>48 798</b>	<b>31 699</b>	<b>(1,629)</b>	<b>54 324</b>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted funds comprise funds received from the DfE, EFA and Local Authorities to reimburse expenditure incurred by the LAET in its ordinary operational activities.

Transfers were made from GAG funds and from Unrestricted funds to the Restricted Fixed Asset fund for the purchase of fixed assets.

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31st August 2012 are represented by

	Unrestricted Fund £000s	Restricted General Fund £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	56 889	56,889
Current assets	20	2 683	-	2,703
Current liabilities	-	(2,195)	-	(2,195)
Long term liabilities	(218)	-	-	(218)
Pension scheme liability	-	(2,855)	-	(2,855)
<b>Total net assets</b>	<b>(198)</b>	<b>(2,367)</b>	<b>56 889</b>	<b>54,324</b>

**19 CAPITAL COMMITMENTS**

	2012 £000s	2011 £000s
Contracted for, but not provided in the financial statements	-	-

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**20 LEASE COMMITMENTS**

**Operating leases**

At 31st August 2012 the Academy had annual commitments under non-cancellable operating leases as follows.

	2012 £000s	2011 £000s
<b>Land and buildings</b>		
• expiring within one year	-	-
• expiring within two and five years	-	-
• expiring in over five years	-	-
	<u>-</u>	<u>-</u>
<b>Other</b>		
• expiring within one year	186	43
• expiring within two and five years	78	292
• expiring in over five years	-	-
	<u>264</u>	<u>335</u>

**21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2012 £000s	2011 £000s
Net income	17,098	40,025
Depreciation (note 12)	1,300	807
Capital grants from DfE and other capital income	-	-
Transfers from Local Authorities	(18,507)	(40,000)
Interest receivable (note 5)	-	-
Net pension costs	56	-
Increase in stocks	(14)	(6)
Increase in debtors	(373)	(576)
Increase in creditors	744	1,669
Net cash inflow from operating activities	<u>304</u>	<u>1,919</u>

**22 RETURNS ON INVESTMENT AND SERVICING OF FINANCE**

Interest Received	-	-
Net cash inflow from returns on investment and servicing of finance	<u>-</u>	<u>-</u>

**23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

Purchase of tangible fixed assets	(468)	(20)
Capital grants from DfE/EFA	-	-
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
	<u>(468)</u>	<u>(20)</u>

**24 ANALYSIS OF NET CHANGES IN FUNDS**

	At September 2011 £000	Cash flows £000	At 31 August 2012 £000
Cash in hand and at bank	1,899	(164)	1,735
	<u>1,899</u>	<u>(164)</u>	<u>1,735</u>

**25 MEMBERS' LIABILITY**

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

## 26 PENSIONS AND SIMILAR OBLIGATIONS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined benefit schemes.

The LGPS is managed by the following:

London Borough of Bexley  
London Borough of Enfield

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and the LGPS 31 March 2011.

Contributions amounting to £118,000 were payable to the schemes at 31 August and are included within creditors.

### Teachers Pension Scheme (TPS)

The Teachers' Pension Scheme ("TPS") is a statutory contributory defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employer's contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension, Budgeting and Valuation Account, to be kept of receipts and expenditure (including the costs of pensions increases). From 1 April 2001 the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the account is invested in non-bond investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate "SCR", is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers, would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007 and as part of the cost-sharing agreement between employers and teachers' representatives, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and an employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced, effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013 the employee contribution rate will range between 6.4% and 8.8% depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are therefore currently being suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly the Trust has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Trust has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

London Academies Enterprise Trust  
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26 PENSIONS AND SIMILAR OBLIGATIONS (continued)

**Local Government Pension Scheme**

The LGPS is a defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £782,000 of which employer's contributions totalled £588,000 and employees' contributions totalled £194,000.

The LGPS is in a deficit position and an agreement has been made for the Trust to make additional contributions in addition to the normal funding levels. These contributions amounted to £126,000 for the year to 31 August 2012.

**London Borough of Bexley Pension Fund**

Includes Bexleyheath Academy

**Principal Actuarial Assumptions**

	At 31 August 2012 % per annum
Rate of increase in salaries	3.7%
Rate of increase for pensions in payment / inflation	2.2%
Discount rate for scheme liabilities	4.3%
Inflation assumption (CPI)	2.2%
Commutation of pensions to lump sums (maximum cash)	50.0%
(3/80ths cash)	50.0%

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

	At 31 August 2012
<i>Retiring today</i>	
Males	22.2
Females	24.8
<i>Retiring in 20 years</i>	
Males	24.1
Females	26.8

*The Trust's share of the assets of the scheme and the weighted average expected rate of return were*

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £000s
Equities	7.0	790
Government bonds/gilt	2.5	77
Bonds	3.4	65
Property	6.0	85
Cash/inquidity	0.5	30
Other	7.0	259
<b>Total market value of assets</b>		<b>1,306</b>
<b>Present value of scheme liabilities:</b>		
Funded		(2,361)
Unfunded		-
<b>Deficit in the scheme</b>		<b>(1,055)</b>

The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above the gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £95,000.

**Amounts recognised in the Statement of Financial Activities**

	2012 £000s
Current service cost (net of employee contributions)	225
Past service cost	-
<b>Total Operating Charge</b>	<b>225</b>
<b>Analysis of pension finance income / (costs)</b>	
Expected return on Scheme assets	(60)
Interest on pension liabilities	(99)
Losses on curtailments & settlements	-
<b>Pension finance costs</b>	<b>(159)</b>

**London Academies Enterprise Trust**  
(A Company Limited by Guarantee)

**26 PENSIONS AND SIMILAR OBLIGATIONS (continued)**  
**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £278,000 gain.

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

	2012 £000s
At 1 September	-
Current service cost	225
Interest cost	99
Employee contributions	84
Actuarial losses (gains)	243
Benefits paid	(8)
Past service cost	-
Curtailments & settlements	-
Transfers in to Trust	1,718
At 31 August	<u>2,361</u>

Movements in the fair value of the Trust's share of scheme assets

	2012 £000s
At 1 September	-
Expected return on assets	60
Actuarial gain / (loss)	35
Employer contributions	228
Employee contributions	84
Benefits paid	(8)
Transfers in to Trust	907
At 31 August	<u>1,306</u>

The estimated value of employer contributions for the year ended 31st August 2013 is £530,000.

History of experience adjustments

	2012 £000s
Present value of defined benefit obligations	(2,361)
Fair value of share of scheme assets	<u>1,306</u>
Deficit in the scheme	<u>(1,055)</u>
Experience adjustments on share of scheme assets	
Amount (£000)	35
Experience adjustments on scheme liabilities	
Amount (£000)	-

**London Academies Enterprise Trust**  
(A Company Limited by Guarantee)

**London Borough of Enfield Pension Fund**  
Includes Aylward and Nightingale Academies

**Principal Actuarial Assumptions**

	At 31 August 2012 % per annum	At 31 August 2011 % per annum
Rate of increase in salaries	4.7%	5.1%
Rate of increase for pensions in payment / inflation	2.2%	2.7%
Discount rate for scheme liabilities	4.2%	5.4%
Inflation assumption (CPI)	2.2%	2.7%
Commutation of pensions to lump sums (past service pension entitlements)	30.0%	30.0%
(future service pension entitlements)	75.0%	75.0%

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

	At 31 August 2012	At 31 August 2011
<i>Retiring today</i>		
Males	23.9	23.8
Females	26.7	26.6
<i>Retiring in 20 years</i>		
Males	25.6	25.6
Females	28.6	28.6

The Trust's share of the assets of the scheme and the weighted average expected rate of return were:

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £000s	Expected return at 31 August 2011 %	Fair value at 31 August 2011 £000s
Equities	7.5	1,579	7.7	1,028
Government bonds/gilt	2.5	569	3.7	435
Bonds	3.2	288	4.8	190
Property	7.0	270	7.2	243
Cash/liquidity	1.3	144	1.6	235
Other	7.5	660	7.7	539
<b>Total market value of assets</b>		<b>3,510</b>		<b>2,670</b>
<b>Present value of scheme liabilities</b>				
Funded		(5,310)		(3,840)
Unfunded		-		-
<b>Deficit in the scheme</b>		<b>(1,800)</b>		<b>(1,170)</b>

The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above the gilt/bond yields having regard to market conditions.

The actual return on the scheme assets in the year was £300,000 (2011: £120,000).

**Amounts recognised in the Statement of Financial Activities**

	2012 £000s	2011 £000s
Current service cost (net of employee contributions)	340	320
Past service cost	-	-
<b>Total Operating Charge</b>	<b>340</b>	<b>320</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on Scheme assets	180	140
Interest on pension liabilities	(220)	(180)
Losses on curtailments & settlements	-	-
<b>Pension finance costs</b>	<b>(40)</b>	<b>(40)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £61,000 loss.

**London Academics Enterprise Trust**  
(A Company Limited by Guarantee)

**26. PENSIONS AND SIMILAR OBLIGATIONS (continued)**  
**Local Government Pension Scheme (continued)**

Movements in the present value of defined benefit obligations were as follows

	2012 £000s	2011 £000s
At 1 September	3,840	-
Current service cost	340	320
Interest cost	220	180
Employee contributions	110	110
Actuarial losses (gains)	730	(150)
Benefits paid	70	50
Past service cost	-	-
Curtailments & settlements	-	-
Transfers in to Trust	-	3 330
At 31 August	<u>5,310</u>	<u>3 840</u>

Movements in the fair value of the Trust's share of scheme assets

	2012 £000s	2011 £000s
At 1 September	2,670	-
Expected return on assets	180	140
Actuarial gain / (loss)	120	(20)
Employer contributions	360	320
Employee contributions	110	110
Benefits paid	70	50
Transfers in to Trust	-	2,070
At 31 August	<u>3,510</u>	<u>2,670</u>

The estimated value of employer contributions for the year ended 31st August 2013 is £380 000

History of experience adjustments

	2012 £000s	2011 £000s
Present value of defined benefit obligations	(5,310)	(3,840)
Fair value of share of scheme assets	<u>3,510</u>	<u>2 670</u>
Deficit in the scheme	<u>(1,800)</u>	<u>(1,170)</u>
Experience adjustments on share of scheme assets		
Amount (£000)	120	(20)
Experience adjustments on scheme liabilities		
Amount (£000)	-	-

**London Academies Enterprise Trust**  
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**27. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemptions stated in Financial Reporting Standard 8 from disclosing transactions and balances with related parties as results of LAET are included within the group accounts of Academies Enterprise Trust.

**28. CONVERSION TO AN ACADEMY TRUST**

During the year Bexleyheath Academy converted to academy trust status as part of the LAET under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to Academies Enterprise Trust from the stated local authorities for full consideration

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balances sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as Voluntary income

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000	Total £000
<b>Tangible Fixed Assets</b>				
- Freehold/leasehold land & buildings	-	-	18,507	18,507
Budget (deficit) on LA funds	(420)	-	-	(420)
Budget surplus on other school funds	-	-	-	-
LGPS pension (deficit)	-	(811)	-	(811)
Borrowing obligations	-	-	-	-
Other identified assets & liabilities	-	-	-	-
<b>Net Assets/(Liabilities)</b>	<b>(420)</b>	<b>(811)</b>	<b>18,507</b>	<b>17,276</b>

**29 ULTIMATE CONTROLLING PARTY**

The parent company and ultimate controlling party is Academies Enterprise Trust, a company registered in England and limited by guarantee. The results of LAET are included within the consolidated financial statements of Academies Enterprise Trust which are available from Kilnfield House Station Approach, Hockley Essex SS5 4HS

**London Academies Enterprise Trust**  
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**Detailed Income and Expenditure Account**  
**for the year ended 31 August 2012**  
(For workings purposes only - not a part of the financial statements)

Line no	INCOME	2012 £000	2011 £000
30	<b>GENERAL ANNUAL GRANT</b>	26,048	16,344
31	<b>EFA CAPITAL GRANTS</b>		-
32	<b>OTHER EFA/DfE GRANTS</b>		
	Start up grants	1,151	1,087
	PFI	1,033	-
	Pupil Premium	744	-
	Education Improvement Grant	-	100
	Feasibility & Implementation Grants	92	28
	Formula Capital Funding	125	118
	Other	142	248
		3,287	1,581
33	<b>OTHER RESTRICTED GRANTS</b>		
	LA Standards funds	-	719
	LA SEN Funding	270	370
	TDA/SCITT/GTP	62	28
	SSCO	15	33
	Other LA	30	-
	Other Govt	10	-
	Other grants	44	551
		431	1,701
34	<b>VOLUNTARY INCOME</b>		
	Transfers from Local Authorities	18,507	40,000
	Sponsorship income	131	1
		18,638	40,001
35	<b>OTHER INCOME</b>		
	Interest receivable	-	-
	Catering income	4	-
	Academy trips	75	50
	Hire of facilities	102	109
	Provision of services	50	15
	Trading income	17	-
	Insurance claims	72	-
	Sundry income	74	109
	Transferred on conversion	-	-
		394	283
36	<b>TOTAL INCOME</b>	<b>48,798</b>	<b>59,910</b>

**London Academics Enterprise Trust**  
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**Detailed Income and Expenditure Account**  
**for the year ended 31 August 2012**  
(For workings purposes only - not a part of the financial statements)

Line no	EXPENDITURE	2012 £000	2011 £000
	Staff costs		
37	Teaching	15,310	9,076
38	Educational support	3,055	2,108
39	Other		
	Premises	227	222
	Catering	-	-
	Admin & clerical	2,278	974
	Midday supervision	221	119
	External facilities	55	-
	Redundancy costs - non teachers	-	-
	Redundancy costs - teachers	155	-
	LGPS deficit contribution	126	46
40	Total staff costs	21,427	12,545
41	Maintenance of premises		
	Building maintenance	579	735
	Grounds maintenance	25	25
		604	760
42	Other occupancy costs		
	Cleaning	411	413
	Water	40	49
	Fuel	492	209
	Rent	-	83
	Rates	184	-
	Insurance	120	93
	Security	1	102
	PFI Management fee	1,375	-
	Other	7	10
		2,630	959
43	Educational supplies and services		
	Books	90	102
	Educational equipment	291	69
	Stationery & materials	204	298
	Transport	50	47
	Examination fees	579	311
	Fees for external advice	314	228
	Music	26	5
	Licences and subscriptions	13	17
	Offsite provision	210	81
	School trips & activities	151	139
	Other	23	45
		1,951	1,342
44	Other supplies and services		
	Catering and school meals	512	329
	Legal & professional	1,151	106
	Auditors remuneration	6	5
	Bank interest and charges	4	1
	Pupil recruitment & support	158	153
	Insurance	10	15
	Excluded pupil costs	-	-
	Office expenses	474	308
	Cost of sales	10	-
	Sundry expenses	31	3
	Equipment hire	34	21
	Transferred to LA on conversion	420	-
		2,810	941

**London Academies Enterprise Trust**  
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**Detailed Income and Expenditure Account**  
**for the year ended 31 August 2012**  
(For workings purposes only - not a part of the financial statements)

Line no		2012 £000	2011 £000
	<b>EXPENDITURE</b>		
45	Furniture and equipment		
	Purchase	54	54
	Repairs and maintenance	-	-
46	Technology costs (not capitalised)		
	Hardware	122	676
	Rentals/Leasing	188	-
	Software & consumables	137	174
47	Staff development and recruitment	473	420
48	Other expenditure		
	VAT	52	467
	Charitable donations	1	-
	Management fee AET	-	740
49	<b>TOTAL EXPENDITURE</b>	<b>30 345</b>	<b>19,078</b>
50	<b>DEPRECIATION</b>		
	Depreciation	1,299	807
	Loss on disposal of fixed assets	-	-
51	<b>TOTAL EXPENDITURE</b>	<b>31,644</b>	<b>19,885</b>