

Company Registration Number: 07543202 (England & Wales)

LEO ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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LEO ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26 - 27
Statement of cash flows	28
Notes to the financial statements	29 - 53

LEO ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Claire Baptista
Paul Brione
Stephen Howard-Chappel
Raymond Donavan
Susan Jackson

Trustees

Dean Clark, Chair of Trustees
Dorothy Middlemass, Vice Chair
Gregory Campbell (appointed 6 September 2019)
Charles Doyle
Graham Edwards (appointed 24 April 2020)
Joanna Farquharson (appointed 24 April 2020)
Stephen Glover (appointed 1 September 2019)
Phillip Hedger, CEO
Matthew Hiley
Athar Khan
Ian Senior

Company registered number

07543202

Company name

LEO Academy Trust

Principal and registered office

Kingsmead Avenue
Worcester Park
Surrey
KT4 8UT

Company secretary

Shan Moylan

Chief executive officer

Phillip Hedger

LEO ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Executive team

Phillip Hedger, CEO
Danielle Scrase, Executive Principal
Shan Moylan, Chief Finance Officer
Nicky Gillespy, Chief Operations Officer
Alison Day, Executive Principal (appointed 1 September 2019)
Catherine Lester, Executive Principal (appointed 1 September 2019)

Independent auditors

Landau Baker Limited
Chartered Accountants
Statutory Auditors
Mountcliff House
154 Brent Street
London
NW4 2DR

Bankers

Lloyds Bank Plc
49-53 High Street
Sutton
SM1 1DT

Solicitors

Winckworth Sheerwood LLP
5 Montague Close
London
SE1 9BB

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period of 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The trust operates 6 primary age academies in Sutton and Worcester Park. Its academies have a combined pupil capacity of 3,343 and had a roll of 3,396 in the school census in 2020.

Structure, governance and management

Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of LEO Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as LEO Academy Trust Limited .

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

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act, every Trustee/Governor of the Trust shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees undertakes regular reviews of its own performance and the skills and experience needed to ensure robust and successful governance. In 2019 following discussions at the annual review, with the Regional Schools Commissioner, it was agreed to recruit some additional trustees.

Academy Ambassadors helped initiate a recruitment campaign, this was shared on LEO Academy Trust's social network and also on internal newsletters.

As a result a number of potential new trustees were identified and following a review of CV's, skill sets and interviews with the Chair and Vice Chair of Trustees and the CEO, a recommendation was made to the members for approval.

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

As a result four new trustees were appointed to the Trust Board they bring legal, governance and charity expertise to the board.

The term of office for any Trustee or Governor is 4 years. The term of office for the CEO and all Principals run parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of Trustee and Governor, either may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees and Governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new Trustees and Governors are given a tour of the Trust/Academy and the chance to meet with staff and students. All Trustees/Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Trust. During the Covid-19 Pandemic all induction and training is conducted via virtual meetings

Organisational Structure

LEO Academy Trust's members are the guardians of the governance of the trust ensuring that the trust's charitable objective is being met. They have a limited and distinct role:

- the first members are the signatories to the memorandum of association drawn up when the trust formed
- they have ultimate responsibility for appointment (and removal if necessary) of trustees
- they receive the annual accounts and report and
- they appoint the auditors.

The Trust Board is responsible for approving the strategic direction and objectives of the LEO Academy Trust, it is also the accountable body and is responsible and accountable for ensuring that Trust:

- performs well in achieving its objectives
- has secure and sound financial management
- works within its agreed ethos and values framework
- approves a scheme of delegation which sets out a statement on the system of internal control, responsibilities, financial matrix and terms of reference, but it is ultimately responsible for the overall performance of each academy and the work of the trust.

To support this the board has established two committees: Finance and Operations and Education and Standards. These committees ensure the board is equipped with the relevant information and guidance it needs to have an oversight and take responsibility for leadership across the trust.

The CEO is directly responsible for the day to day operation of the Trust.

In particular, the CEO is responsible for:

- implementing the policy and strategy adopted by, and within a budget approved by, the board
- advising the board on such policy, strategy and budget
- overseeing the day-to-day financial management of the organisation and making decisions and/or recommendations regarding expenditure that further the strategic aims, values and mission of LEO Academy Trust.

The Chief Executive assumes the Accounting Officer role.

Executive Principals are directly responsible for the day to day running of academies and are assisted by a

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

senior leadership team.

The trust has also established Local Governing Boards (LGB) for each of its academies, they act in an advisory capacity reporting to the trust board and are encouraged to offer advice, support and challenge to the Principals who manage the academy and ensure that its performance is of a high standard. The trust approves the appointments of LGB members and parents elect a further two members. LGBs provide a strong link to the community to which the academy serves.

Arrangements for setting pay and remuneration of key management personnel

The procedure for determining executive pay is agreed by the board in advance. The executive pay range has been set by the Trust Board following a benchmarking exercise, consideration of the role and guidance from the ESFA.

Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

Objectives and activities

Objects and aims

The principal objective and activity of LEO Academy is to provide a broad and balanced education for pupils of all abilities. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the Trust's Academies will be at the heart of their communities promoting community cohesion and sharing facilities, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

charging pupils.

Our Vision

Learning. Excellence. Opportunity.

Great Learning communities;

Excellence for all; endless Opportunity

Our Mission

Learning communities where

Collaboration makes a real difference and enables every pupil to reach the highest possible standards.

Excellence for all in every academy; in every hub

High expectations for everyone, of everyone and in everything.

Opportunity for all

Experiences plus ambition equals success; because everyone in the Trust deserves the best.

Our Values

Perseverance - Keep trying; never give up.

Respect - For everyone, every time, in everything we do.

Imagination - See. Think. Wonder. Anything is possible.

Dedication - To each other and to ourselves.

Encouragement - Work as a team and support others.

Developing our LEO Values across our PRIDE.

Our Strategic Aims

To develop a family of great academies where ...

1. Children are safe and enjoy learning.
2. Pupils are developed for life, through our LEO Pupil Outcomes and an extensive programme of wider opportunities.
3. Teachers collaborate in Professional Learning Teams and Network Learning Communities to develop teaching & learning across the Trust and beyond.
4. Leaders are valued and developed at every level, from our pupils upwards. Embedded through clear succession planning and CPD programmes.
5. Diversity and inclusion are respected and valued

Objectives, strategies and activities

Our Trust Board have agreed three key strategic objectives which will support the growth and development of LEO Academy Trust over the next five years.

1. Ensure the provision of high quality education & a wide range of opportunities at every school;
2. Provide broader support for education locally, placing our Trust at the heart of the community;
3. Ensure the Trust remains financially sustainable, with sound operational foundations.

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Preparing Pupils For Life - Our 5 LEO Pupil Outcomes

Active Citizens In A Global Community

- LEO pupils are local, national & global citizens; they have a strong sense of identity, respect and value the importance of diversity & inclusion and make positive contributions to their community.

Self-Directed, Collaborative & Confident Learners

- LEO pupils develop independence, confidence and character through sport, creativity, performance, volunteering & experiencing the world of work.

Innovative Learners Who Pursue Excellence

- LEO pupils innovate, develop digital skills & maximise the use of technology; their performance in Maths, English, Science & Computing exceeds their peers nationally.

Healthy Learners Who Make Small Changes With A Big Impact

- LEO pupils have the physical, emotional & social literacy to overcome challenges. They communicate effectively.

Leaders Of Today; Life Long Learners

- LEO pupils develop critical thinking, leadership skills, life skills, cultural capital & financial literacy.

Public benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As a Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money and providing support for local, national and international charities
- o Sports Leader programmes that provide sporting activities to local Primary Schools.

Since March 2020, we have been fully focused on supporting our schools with the challenges which have arisen as a result Covid-19. Our response focused on key areas such as ensuring pupils were able to access a broad and balanced curriculum while working remotely from home, providing support for vulnerable children and the children of key workers, support and advice for staff, the continued operation of all our premises and an immediate review of the Trust's finances, with a specific focus on lost income from lettings and our own catering and wrap around care provision.

Through the DfE EdTech Demonstrator School & Colleges Programme, we were also able to provide immediate support to other schools, enabling them to set up distance learning websites and provision for online remote learning.

"Having worked in partnership with Cheam Common Junior Academy and LEO Academy Trust for a number of years, the development of their digital culture has been impressive. As a school, we have benefited greatly from

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

their support. Cheam Common Junior's recognition by the Department for Education as an EdTech Demonstrator School, is well deserved."

Steve Trow, Headteacher, Earlsfield Primary School, Wandsworth

- **Educational Response to Covid-19**

From early March, our planning for distance learning began. It seemed inevitable to us that some form of school closure would be on the way and as a Trust, we were determined that our children would continue to access a good curriculum, which was led by daily online lessons with their teachers. By the time schools closed to most pupils on 20 March, we had ensured that:

- Every pupil had access to a device and the internet at home, putting LEO Academy Trust well ahead of the game.
- KS2 pupils already had their own Chromebooks, as part of our 1:1 Chromebook Programme.
- An additional 1,000 devices were purchased in mid March for KS1 and EYFS pupils.
- All pupils without access to the internet were provided with a data dongle on 20 March.
- On 23 March, our LEO Distance Learning website was launched. From day one of lockdown, our pupils had access to lessons from across the curriculum. Daily online video lessons (with accompanying resources) were delivered via GoogleMeet for every year group, every day for Maths and English (phonics, reading and writing). These lessons were supplemented by additional video lessons in subjects such as Computing, French, Music and PE.
- All lessons were made available to every school in the country. By the start of the Easter Holidays, our distance learning website had been visited by over 70,000 different users, from countries across the world. Our staff continued to deliver lessons on www.leodistancelearning.co.uk throughout the Summer Term and our offer just grew and grew.
- In addition, we were fortunate that GSuite for Education was rolled out in September 2019 and not only has it enhanced collaboration between teachers and classes across the six schools in the borough of Sutton that form LEO Academy Trust but it has proved to be a lifeline during lockdown.
- Using the platform, pupils in the trust held weekly video-calls with their teachers using GoogleMeet for online lessons and had supervised group calls to catch up and check in with each other socially. It proved to be an important way of keeping in touch with friends and allowing the children to feel that they still had a place in the school community.
- It was not a spur of the moment decision to adopt Google. Senior managers started to look at the possibilities over two years ago as they were keen to move to the cloud to improve efficiency and save the trust money. In fact, GSuite is saving the trust over £48,000 a year.
- Google also enabled us to support different approaches to the curriculum, even from home! At the heart of the LEO Academy Trust approach to learning lie the four Cs: critical thinking, creativity, communication and collaboration. These permeate the curriculum but implementing G Suite has brought an added dimension.
- Persuasive writing has been transformed by Google tools and offers more opportunities for creativity. In the past a teacher would have analysed and demonstrated the key features and children would have been sent away to write their own version but now it no longer has to be a piece of writing. Children can demo their newly acquired skills by recording a speech, drafting a newspaper article, or composing music and creating an advertising jingle and schools can evidence learning, with all of this happening remotely from home during the lockdown period of March to July 2020.
- Children are beginning to be so confident that they take the lead and show initiative. For example, children in Year 4 were tasked with finding out the surface area of their school building. Some used Google maths but

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

one enterprising child opted for Google Earth and came up with a definitive answer. One boy showed how he did long division. By recording each stage with a voice over, he showed the working out in his book, explained mistakes he had made and the answer he had arrived at. Again, these examples are from learning which took place remotely during lockdown.

- Many children enjoyed working independently during lockdown and created their own resources to share with their peers on Google Classroom too. One girl produced a video for her friends showing her desk in her bedroom and her timetable. This is a new way for children to support each other during lockdown, keeping in touch and working together, despite being apart.
- Like the vast majority of other schools, those at LEO Academy Trust never really closed. We operated at a distance, producing eight hours of recorded content every day. In preparation for any further disruption (nationally, locally or for just a small number of pupils), we have now set up a system of Hybrid Learning, so we can provide for children who cannot be physically present. This followed a successful trial in June 2020:
- To this end the trust has invested in two highly skilled trainers, one was recruited from an EdTech company and has a background in teaching digital learning technology; the other was a middle leader in the trust. Their job is to make sure that staff are confident using the technology and can exploit its potential. They have been busy creating resources and there will be a choice of up to 25 webinars available every week for staff to access.
- All Webinars will be on Youtube, so will be available to the wider community. The Trust is looking to help the sector so there will be sessions covering the tools teachers could use, with How To topics such as How to use Google Docs. There will also be focus on areas such as marking and assessment, and how to deliver 4 Cs through technology.

Operational Response to Covid-19

- As with our educational response, we supported other areas of the Trust (such as: staffing & HR, premises management and finance) from the centre.
- Regular briefing notes to all school staff were provided on a daily / weekly basis, keeping them updated on any current issues.
- Centralised remote recruitment was set up from April 2020.
- An internal chat line was created for both staff and parents, ensuring everyone could get help and support throughout the day, even though school offices had closed.
- Central staff surveys were created to support individual staff who were shielding or facing other difficulties caused by Covid-19.
- Our Employee Assistance Programme became a vital support to those suffering bereavement or financial difficulties.
- We managed all Occupational Health referrals to support school staff in returning to work following Coronavirus absence. This included support for wellbeing and mental health.
- Flexible working arrangements were set up immediately, with most staff working from home as of 23 March.
- Centrally managed furlough arrangements and claims were organised to support our centrally operated catering and wrap around care services.
- A remote induction programme was run for all new staff joining the Trust in September.
- Support flyers for staff and parents were regularly created for areas such as financial hardship and domestic abuse.
- Comprehensive online safety advice was provided for all staff and parents.
- Centrally managed communication to parents proved to be highly effective and was appreciated by all stakeholders.
- Central risk management policies and procedures were put in place immediately for all schools to adopt.
- We took advantage of the TfL SaferStreets programme to organise road closures outside of all our schools

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

from 1 June. This enables the safe return of Reception, Year 1 and Year 6 pupils.

- Before the introduction of the government's FSM Vouchers, we arranged for food parcels to be delivered to every FSM family during w/c 16, 23 & 30 March.
- In addition to providing places for all of our own vulnerable children and those of key workers, we also provided places for children from other local schools, where they were unable to set up provision themselves. This included free access to childcare places through the Easter Holidays and May Half Term, with the Trust covering all costs.

Result/benefit – This is the key point to summarise the effectiveness of the steps taken by the trust.

Our Covid-19 response was seen as exemplary across the sector. Leaders from across the Trust regularly appeared on Webinars to support other schools and we were asked to feature in a number of articles and case studies:

<http://services.google.com/fh/files/misc/leoacademytrustcasestudy.pdf>

<https://www.teachingtimes.com/learning-lessons-in-lockdown/>

<https://schoolleaders.thekeysupport.com/covid-19/deliver-remote-learning/lead-your-approach/why-every-school-should-be-using-digital-education-platform/>

https://www.youtube.com/watch?v=dfbDiU_1gtQ

<https://www.xma.co.uk/case-studies/leo-academy-trust/>

<https://www.youtube.com/watch?v=ef0iJsRB900>

<https://national.lgfl.net/smartbuy/devices>

<https://www.challengepartners.org/coronavirus-resources-and-information-schools>

Strategic Report

Going Concern

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

Financial Review

During the period, ESFA/LA grants received totalled to £14,804,000. Other income included within restricted funds totalled to £112,000. Restricted fund expenditure totalled to £16,428,000.

The main source of unrestricted income is income from trading activities, totalling to £481,000. Fundraising activities during the period included sponsored activities and school fairs.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2019), such grants 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the Trust in the form of additional resources and facilities both in the long term and short term in conjunction with the academies development plans and aims.

The CFO has been reviewing the financial processes and controls and one of the changes made is to the accounting package used to improve reporting. The Chair of the Trust receives monthly management accounts and the Trustees through the Finance and Operations Committee receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance and Operations Committee also review longer term financial models (up to 4 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Trust.

Total reserves at the end of the period amounted to £31,085,000. This balance includes unrestricted funds (free reserves) of £1,726,000, which is considered appropriate for the Academy Trust, and restricted funds of £29,359,000, which includes restricted fixed asset funds of £38,480,000 and a pension deficit of £9,121,000.

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

It should be that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

Investment Policy

It should be noted that the Trust has substantial power with regards to investments due to cash balances held. The Trust Reserves Policy is agreed by the Trust Board. The Trust Board are responsible for ensuring the level of funds that the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by the Trust are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2020, £703,928 is being held in a 32 Day Deposit account with Lloyds Bank.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

The Trust continually monitors and evaluates risk and the control measures in place. This year, the Covid-19 virus was an additional risk that impacted on the Trust's financial status, staff wellbeing as well as the risk of not being able to provide a safe environment for both staff and pupils to work in. The Trustees and Executive Team put in place stringent safety measures (following DfE guidance), reforecast budgets to reflect spend need and where necessary furloughed staff to ensure financial stability.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trustees have assessed the major risks and review and update the risks regularly to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. The Trust have implemented a number of systems to assess risks that the school faces, 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 Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2020. Parliament has agreed, at the request of the Secretary of State for Education,

LEO ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

Fundraising

The Trust runs a weekly lottery through their Foundation Account. These funds are used to provide opportunities for disadvantaged children. In 2019/20 these funds were used to enroll disadvantaged children into the All Star's Cricket Programme.

Plans for Future Periods

The Trust aims to increase the number of Academies within its Multi-Academy Trust.

The Trust is establishing a centralised procurement strategy to realise cost savings and increased effectiveness across the Trust.

The Trust has an ongoing programme of repairs and maintenance and a prioritised improvement plan, for which the Trust receives a School Allocations Grant from the ESFA. Over the coming year priority will be given to projects deemed priority on the school conditions surveys.

Funds Held as Custodian Trustee on Behalf of Others


The Trust and its Trustees did not act as custodian trustee during the current or previous period.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2020 and signed on its behalf by:

DocuSigned by:

EFF0DE0AB6184C7...

Dean Clark
Chair of Trustees

15-Dec-2020

LEO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between LEO Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 8 times during the year.

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

Trustee	Meetings attended	Out of a possible
Dean Clark	8	8
Dorothy Middlemass	7	8
Gregory Campbell	8	8
Charles Doyle	7	8
Graham Edwards	4	4
Joanna Farquharson	4	4
Stephen Glover	7	8
Phillip Hedger, CEO	8	8
Matthew Hiley	6	8
Athar Khan	6	8
Ian Senior	2	8

Trustees also serve on other sub committees, the Trust currently has two sub committees Finance and Operations and Education and Standards. In addition to this each academy has a Local Governing Body. The impact of each Local Governing Body Committee is reviewed and monitored through the minutes that each committee reviews and produces on a termly basis. The Trustees also intend to perform a self-evaluation review of governance in the coming year.

Attendance for Finance and Operations meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dean Clark	3	3
Gregory Campbell	3	3
Stephen Glover	3	3
Phillip Hedger	3	3
Matthew Hiley	2	3
Athar Khan	2	3

LEO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance for Education & Standards meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Dean Clark	3	3
Dorothy Middlemass	2	3
Charles Doyle	1	3
Phillip Hedger	3	3
Matthew Hiley	3	3
Ian Senior	2	3

Review of Value for Money

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

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

- o Centralising the Trust business administration
- o Use of benchmarking and ICFP to reviewing spending

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LEO Academy Trust for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees. During the period a review of the Trust's approach to risk identification, mitigation and monitoring was performed. There were no high risk findings, and the Trustees have embarked on further improvements including the inclusion of a standing agenda item in all committee meetings to discuss risk.

The Risk and Control Framework

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

LEO ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external provider to work with the Chair of Finance and Operations to develop a programme of internal scrutiny.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems.

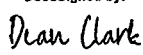
On a termly basis, the internal auditor will provide a report to the Board of Trustees, through the Finance and Operations Committee.

Review of Effectiveness

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

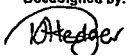
- the work of the external auditors;
- the financial management and governance self-assessment process;
- an internal scrutiny report.

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on their behalf by:

DocuSigned by:

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Dean Clark
Chair of Trustees

15-Dec-2020

DocuSigned by:

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Phillip Hedger
CEO and Accounting Officer

15-Dec-2020


LEO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of LEO Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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

DocuSigned by:

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Phillip Hedger
Accounting Officer
Date: 15 December 2020

15-Dec-2020

LEO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 15 December 2020 and signed on its behalf by:

DocuSigned by:

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Dean Clark
Chair of Trustees

15-Dec-2020

LEO ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of LEO Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LEO ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

LEO ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

LEO ACADEMY TRUST
(A company limited by guarantee)

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

 for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House

154 Brent Street
London
NW4 2DR

15 December 2020

LEO ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 6th April 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LEO Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of LEO Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of LEO Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

LEO ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 15 December 2020

LEO ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants	3	3	-	645	648	872
Charitable activities		718	14,901	-	15,619	14,504
Other trading activities		481	15	-	496	784
Investments	6	4	-	-	4	2
Total income		1,206	14,916	645	16,767	16,162
Expenditure on:						
Charitable activities	8	590	15,838	952	17,380	16,073
Total expenditure		590	15,838	952	17,380	16,073
Net income/(expenditure)		616	(922)	(307)	(613)	89
Transfers between funds	19	(160)	155	5	-	-
Net movement in funds before other recognised gains/(losses)		456	(767)	(302)	(613)	89
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	495	-	495	(1,289)
Net movement in funds		456	(272)	(302)	(118)	(1,200)
Reconciliation of funds:						
Total funds brought forward		1,270	(8,849)	38,782	31,203	32,403
Net movement in funds		456	(272)	(302)	(118)	(1,200)
Total funds carried forward		1,726	(9,121)	38,480	31,085	31,203

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

The notes on pages 29 to 53 form part of these financial statements.

LEO ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07543202


BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	15	37,979	38,379
		<u>37,979</u>	<u>38,379</u>
Current assets			
Debtors	16	464	527
Cash at bank and in hand		2,702	2,106
		<u>3,166</u>	<u>2,633</u>
Creditors: amounts falling due within one year	17	(939)	(960)
Net current assets		<u>2,227</u>	<u>1,673</u>
Total assets less current liabilities		<u>40,206</u>	<u>40,052</u>
Net assets excluding pension liability		<u>40,206</u>	<u>40,052</u>
Defined benefit pension scheme liability	25	(9,121)	(8,849)
Total net assets		<u><u>31,085</u></u>	<u><u>31,203</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	19	38,480	38,782
Restricted funds excluding pension asset	19	38,480	38,782
Pension reserve	19	(9,121)	(8,849)
Total restricted funds	19	<u>29,359</u>	<u>29,933</u>
Unrestricted income funds	19	<u>1,726</u>	<u>1,270</u>
Total funds		<u><u>31,085</u></u>	<u><u>31,203</u></u>

LEO ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07543202

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 15 December 2020 and are signed on their behalf, by:

DocuSigned by:

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15-Dec-2020

Dean Clark
Chair of Trustees

The notes on pages 29 to 53 form part of these financial statements.

LEO ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	500	788
Cash flows from investing activities	22	96	(508)
Change in cash and cash equivalents in the year		596	280
Cash and cash equivalents at the beginning of the year		2,106	1,826
Cash and cash equivalents at the end of the year	23, 24	2,702	2,106

The notes on pages 29 to 53 form part of these financial statements

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Donations**

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure (continued)

the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of these assets, less their residual value, over their expected useful lives on the following bases:

Freehold property	- 2% on cost
Furniture and equipment	- 10-33% on cost
Computer equipment	- 33% on cost

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

1.7 Debtors

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

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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

1.11 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the

LEO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Pensions (continued)

current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.12 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

LEO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	3	-	3	6
Capital Grants	-	645	645	866
	<u>3</u>	<u>645</u>	<u>648</u>	<u>872</u>
<i>Total 2019</i>	<u>6</u>	<u>866</u>	<u>872</u>	

4. Funding for the Academy Trust's educational activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,956	11,956	11,536
Other DfE/ESFA grants	-	1,752	1,752	1,297
	<u>-</u>	<u>13,708</u>	<u>13,708</u>	<u>12,833</u>
Other government grants				
Local authority grants	-	997	997	1,052
	<u>-</u>	<u>997</u>	<u>997</u>	<u>1,052</u>
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	99	99	-
	<u>-</u>	<u>99</u>	<u>99</u>	<u>-</u>
Other funding				
Other income	718	97	815	619
	<u>718</u>	<u>14,901</u>	<u>15,619</u>	<u>14,504</u>
<i>Total 2019</i>	<u>612</u>	<u>13,892</u>	<u>14,504</u>	

The academy trust has been eligible to claim additional funding in year from government support schemes

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational activities (continued)

in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed its catering and wrap around care staff under the government's CJRS. The funding received of £99k relates to staff costs in respect of these staff which are included within note 9 below as appropriate.

5. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Trip income	103	-	103	285
Catering income	209	-	209	290
Miscellaneous income	83	15	98	74
Lettings income	86	-	86	135
	<u>481</u>	<u>15</u>	<u>496</u>	<u>784</u>
<i>Total 2019</i>	<u>771</u>	<u>13</u>	<u>784</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Investment income	<u>4</u>	<u>4</u>	<u>2</u>
<i>Total 2019</i>	<u>2</u>	<u>2</u>	

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs	Premises	Other	Total	Total
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Educational activities:					
Direct costs	9,565	-	1,930	11,495	11,213
Allocated support costs	3,844	789	1,252	5,885	4,860
	<u>13,409</u>	<u>789</u>	<u>3,182</u>	<u>17,380</u>	<u>16,073</u>
<i>Total 2019</i>	<u>12,592</u>	<u>1,070</u>	<u>2,411</u>	<u>16,073</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2020	2020	2020	2019
	£000	£000	£000	£000
Educational activities	590	16,790	17,380	16,073
	<u>590</u>	<u>16,790</u>	<u>17,380</u>	
<i>Total 2019</i>	<u>838</u>	<u>15,235</u>	<u>16,073</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds	Total funds
	2020	2020	2020	2019
	£000	£000	£000	£000
Educational activities	11,495	5,885	17,380	16,073
	<u>11,495</u>	<u>5,885</u>	<u>17,380</u>	
<i>Total 2019</i>	<u>11,213</u>	<u>4,860</u>	<u>16,073</u>	

LEO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational activities 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Staff costs	9,429	9,429	9,139
Depreciation	952	952	895
Educational supplies	684	684	829
Staff development and training	156	156	86
Technology costs	31	31	54
Educational consultancy	107	107	82
Teaching supply costs	136	136	128
	<u>11,495</u>	<u>11,495</u>	<u>11,213</u>
<i>Total 2019</i>	<u>11,213</u>	<u>11,213</u>	

Analysis of support costs

	Educational activities 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Pension finance cost	158	158	171
Staff costs	3,838	3,838	3,273
Technology costs	215	215	154
Support staff supply costs	6	6	36
Maintenance of premises and equipment	790	790	695
Other support costs	848	848	497
Governance costs	30	30	34
	<u>5,885</u>	<u>5,885</u>	<u>4,860</u>
<i>Total 2019</i>	<u>4,860</u>	<u>4,860</u>	

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	2019 £000
Operating lease rentals	135	103
Depreciation of tangible fixed assets	952	894
Fees paid to auditors for:		
- audit	10	10
- other services	8	6
	<u>135</u>	<u>103</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	9,733	9,345
Social security costs	781	793
Pension costs	2,753	2,274
	<u>13,267</u>	<u>12,412</u>
Agency staff costs	142	164
Staff restructuring costs	-	16
	<u>13,409</u>	<u>12,592</u>

Staff restructuring costs comprise:

	2020 £000	2019 £000
Redundancy payments	-	16
	<u>-</u>	<u>16</u>

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	140	150
Administration and support	305	303
Management	30	15
	475	468

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	11	5
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

d. Key management personnel

The key management team have increased in 2019/20 due to the Senior Executive roles moving to a central role. The management team comprises of Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £732,542 (2019 £442,141).

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Central services

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

- Human resources
- Financial services
- Legal services
- Educational and support services
- IT services
- Careers support
- Digital Support Service
- Capital and Premises Management
- In House Catering
- In House Training

The Academy Trust charges for these services on the following basis:

Between 6% and 10% (2019 - 6% and 10%) of School Budget Share income.

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Cheam Park Farm Academy	481	182
Cheam Common Junior Academy	325	94
Cheam Fields Academy	258	106
Brookfield Primary	241	95
Cheam Common infants' Academy	189	74
Manor Park Primary Academy	344	76
Total	1,838	627

13. Trustees' remuneration and expenses

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

		2020 £000	2019 £000
Mr Phillip Hedger, CEO and Executive Headteacher	Remuneration	120 - 125	115 - 120
	Pension contributions paid	25 - 30	15 - 20

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Trustees' remuneration and expenses (continued)

During the year ended 31 August 2020, expenses were reimbursed or paid directly to 1 Trustee (2019 - no trustees) broken down as follows:

	2020 £000	2019 £000
Accommodation and conference expenses	1	-

14. Trustees' and Officers' insurance

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

15. Tangible fixed assets

	Freehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2019	40,451	519	274	41,244
Additions	220	138	195	553
At 31 August 2020	40,671	657	469	41,797
Depreciation				
At 1 September 2019	2,283	383	198	2,864
Charge for the year	807	110	35	952
At 31 August 2020	3,090	493	233	3,816
Net book value				
At 31 August 2020	37,581	164	236	37,981
At 31 August 2019	38,167	136	76	38,379

The value of the buildings above has been included at a depreciated replacement cost valuation. The land on which the academies are built has been designated for educational use only and therefore has been included at £NIL value in the financial statements.

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	33	44
Other debtors	69	152
Prepayments and accrued income	362	331
	<u>464</u>	<u>527</u>

17. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	86	35
Other taxation and social security	203	129
Accruals and deferred income	650	796
	<u>939</u>	<u>960</u>

	2020 £000	2019 £000
Deferred income at 1 September 2019	327	365
Resources deferred during the year	330	327
Amounts released from previous periods	(327)	(365)
	<u>330</u>	<u>327</u>

As at the balance sheet date the academy trust was holding onto funds received in advance for 2020/21.

18. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>2,702</u>	<u>2,106</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds - all funds	1,270	1,206	(590)	(160)	-	1,726
Restricted general funds						
GAG	-	11,956	(12,111)	155	-	-
Pupil premium	-	481	(481)	-	-	-
PE & sports grants	-	122	(122)	-	-	-
Other DfE/ESFA grants	-	1,248	(1,248)	-	-	-
SEN funding (LA)	-	124	(124)	-	-	-
Early years funding (LA)	-	849	(849)	-	-	-
Other LA funding	-	24	(24)	-	-	-
General funds	-	112	(112)	-	-	-
Pension reserve	(8,849)	-	(767)	-	495	(9,121)
	(8,849)	14,916	(15,838)	155	495	(9,121)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	38,782	645	(952)	5	-	38,480
Total Restricted funds	29,933	15,561	(16,790)	160	495	29,359
Total funds	31,203	16,767	(17,380)	-	495	31,085

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

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

Restricted Fixed Asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges. The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant. Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Cheam Park Farm Primary	434	285
Cheam Common Junior	173	95
Cheam Fields Primary	351	270
Brookfield Primary	127	94
Cheam Common Infants'	37	33
Manor Park Primary	432	341
Trust	172	152
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,726	1,270
Restricted fixed asset fund	38,480	38,782
Pension reserve	(9,121)	(8,849)
	<hr/>	<hr/>
Total	31,085	31,203
	<hr/>	<hr/>

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Cheam Park Farm Primary	2,048	945	164	908	4,065	3,716
Cheam Common Junior Academy	1,010	474	109	617	2,210	1,980
Cheam Fields Primary Academy	1,162	478	109	576	2,325	2,137
Brookfield Primary Academy	1,069	547	87	496	2,199	2,020
Cheam Common Infants Academy	1,010	518	68	447	2,043	1,928
Manor Park Primary	1,651	705	162	779	3,297	2,673
Consolidation adjustments	-	-	-	(2,051)	(2,051)	-
Central services	301	1,491	92	456	2,340	724
	<u>8,251</u>	<u>5,158</u>	<u>791</u>	<u>2,228</u>	<u>16,428</u>	<u>15,178</u>

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General Funds - all funds	<u>1,043</u>	<u>1,391</u>	<u>(834)</u>	<u>(330)</u>	<u>-</u>	<u>1,270</u>
Restricted general funds						
GAG	60	11,536	(11,249)	(347)	-	-
Pupil premium	-	542	(542)	-	-	-
PE & sports grants	-	121	(121)	-	-	-
Other DfE/ESFA grants	-	635	(635)	-	-	-
SEN funding (LA)	-	161	(161)	-	-	-
Early years funding (LA)	-	873	(873)	-	-	-
Other LA funding	-	19	(19)	-	-	-
General funds	-	18	(18)	-	-	-
Pension reserve	(6,834)	-	(726)	-	(1,289)	(8,849)
	<u>(6,774)</u>	<u>13,905</u>	<u>(14,344)</u>	<u>(347)</u>	<u>(1,289)</u>	<u>(8,849)</u>

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	38,134	-	(895)	677	-	37,916
Devolved Formula Capital	-	203	-	-	-	203
Condition Improvement Fund	-	432	-	-	-	432
LA Capital Funding	-	219	-	-	-	219
Capital Donations	-	12	-	-	-	12
	<u>38,134</u>	<u>866</u>	<u>(895)</u>	<u>677</u>	<u>-</u>	<u>38,782</u>
Total Restricted funds	<u>31,360</u>	<u>14,771</u>	<u>(15,239)</u>	<u>330</u>	<u>(1,289)</u>	<u>29,933</u>
Total funds	<u>32,403</u>	<u>16,162</u>	<u>(16,073)</u>	<u>-</u>	<u>(1,289)</u>	<u>31,203</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	37,979	37,979
Current assets	1,726	939	501	3,166
Creditors due within one year	-	(939)	-	(939)
Provisions for liabilities and charges	-	(9,121)	-	(9,121)
Total	<u>1,726</u>	<u>(9,121)</u>	<u>38,480</u>	<u>31,085</u>

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	38,379	38,379
Current assets	1,270	960	403	2,633
Creditors due within one year	-	(960)	-	(960)
Provisions for liabilities and charges	-	(8,849)	-	(8,849)
Total	1,270	(8,849)	38,782	31,203

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

	2020 £000	2019 £000
Net (expenditure)/income for the period (as per Statement of financial activities)	(613)	89
Adjustments for:		
Depreciation	952	895
Capital grants from DfE and other capital income	(645)	(866)
Defined benefit pension scheme cost less contributions payable	609	555
Defined benefit pension scheme finance cost	158	171
Decrease/(increase) in debtors	63	(145)
(Decrease)/increase in creditors	(20)	91
Interest receivable	(4)	(2)
Net cash provided by operating activities	500	788

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Cash flows from investing activities

	2020 £000	2019 £000
Purchase of tangible assets	(553)	(1,376)
Capital grants from DfE Group	645	866
Interest received	4	2
Net cash provided by/(used in) investing activities	96	(508)

23. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	2,702	2,106
Total cash and cash equivalents	2,702	2,106

24. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	2,106	596	2,702
	2,106	596	2,702

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

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

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £969,000 (2019 - £860,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £898,000 (2019 - £991,000), of which employer's contributions totalled £734,000 (2019 - £819,000) and employees' contributions totalled £ 164,000 (2019 - £172,000). The agreed contribution rates for future years are between 5.7 per cent and 11.7 per cent for employers and 22 per cent for employees.

As described in note 1.11 the LGPS obligation relates to the employees of the Academy Trust, who were

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

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

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

Principal actuarial assumptions

London Borough of Sutton Pension Fund

	2020 %	2019 %
Rate of increase in salaries	3.30	3.65
Rate of increase for pensions in payment/inflation	2.30	2.15
Discount rate for scheme liabilities	1.60	1.90
Inflation assumption (CPI)	2.30	2.15

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.7

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Share of scheme assets

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

	2020 £000	2019 £000
Equities	4,997	3,247
Gilts	2,270	1,143
Property	1,058	636
Cash	241	379
Other	117	-
Total market value of assets	8,683	5,405

The actual return on scheme assets was £497,000 (2019 - £300,000).

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

	2020 £000	2019 £000
Current service cost	(1,339)	(1,204)
Past service cost	-	(168)
Interest income	109	124
Interest cost	(267)	(295)
Administrative expenses	(4)	(2)
Total amount recognised in the Statement of Financial Activities	(1,501)	(1,545)

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

	2020 £000	2019 £000
At 1 September	14,254	11,012
Current service cost	1,339	1,204
Interest cost	267	295
Employee contributions	164	172
Actuarial losses	1,947	1,465
Benefits paid	(167)	(62)
Past service costs	-	168
At 31 August	17,804	14,254

LEO ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

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

	2020 £000	2019 £000
At 1 September	5,405	4,178
Interest income	109	124
Actuarial gains	2,442	176
Employer contributions	734	819
Employee contributions	164	172
Benefits paid	(167)	(62)
Administration expenses	(4)	(2)
At 31 August	8,683	5,405

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	302	19
Later than 1 year and not later than 5 years	547	84
	849	103

27. 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.

LEO ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

28. Related party transactions

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

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.