London Academy of Excellence

Annual Report and Financial Statements

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31 August 2021

Company Limited by Guarantee
Registration Number 07643795 (England and Wales)

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	16
Statement of regularity, propriety and compliance	21
Statement of Governors' responsibilities	22
Independent auditor's report	23
Independent reporting accountant's report on regularity	28

Financial statements

Statement of financial activities	30
Balance sheet	31
Statement of cash flows	32
Principal accounting policies	34
Notes to the financial statements	39

Reference and administrative information

Members	Mr R Cairns Mr A Little Mr S Smith Mr P Westbrook
Governors	Mr A Little (Chair) Mr R Cairns (Vice Chair) Dr I Archer Mr M Beard Mr M Cliff-Hodges Mr A Crossman (ex officio) Ms J Deslandes Ms C El-Mokadem Mr N Fraser Mr S Henderson Mr C Jones Ms R Lister Mr A Pettitt Mr S Smith Dr M Stephen Mr S Ullah Mr I Warwick Mr P Westbrook
Senior Leadership Team	
Headteacher / Accounting Officer	Mr S Baker (resigned 31 August 2021)
Headteacher / Accounting Officer	Mr A Crossman (appointed 1 September 2021)
Business Director	Ms D Agbodo (resigned 30 June 2021)
Business Director	Ms E Nelson (appointed 21 June 2021)
Deputy Head	Miss C Harrison
Deputy Head	Mr B Webster
Assistant Head	Mr J Kane
Assistant Head	Ms A Chakravarty (resigned 31 August 2021)
Assistant Head	Mr E Barnes (appointed 1 September 2021)
Registered office	Brighton College Eastern Road Brighton East Sussex BN2 0AL
Company registration number	07643795 (England & Wales)

Reference and administrative information

Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank PLC Canary Wharf 8 Canada Square London E14 5HQ
Solicitors	Browne Jacobson 15th Floor 6 Bevis Marks London EC3A 7BA

The Governors of London Academy of Excellence ("the Academy") present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 38 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee (company registration number 07643795) and an exempt charity. The memorandum of association signed on 20 May 2011 and articles of association are the primary governing documents of the Academy. The Governors are the trustees and the directors of the Academy. The Academy is known as "London Academy of Excellence" or "LAE".

Details of the Governors who served during the year are set out in the Governance section on page 5. Current Governors are set out in the Reference and Administrative Details on page 1.

Members' liability

Each Member of the Academy undertakes to contribute to the assets of the Academy 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. The Members, who are all also currently Governors, are R Cairns, A Little, S Smith and P Westbrook.

Principal activities

The main activity of the Academy during the period under review was operating LAE, a free school for A-Level provision situated in the London Borough of Newham.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors

The Academy is governed by a Board of Governors (the "Board" or the "Board of Governors"). The Governors are directors of the charitable company for the purposes of the Companies Act.

The Board has regard to any guidance as to the governance of academies that the Secretary of State may publish.

The Board of Governors comprises:

a) the three original subscribers to the memorandum and articles of association of the Academy: R Cairns, S Smith and P Westbrook (who along with the Chair of Governors comprise the Members);

b) the heads of the partner schools who wish to sit on the board. In addition to R Cairns, five were Governors in the year ended 31 August 2021;

c) others who are able to advance the objectives of LAE by virtue of their knowledge, skills and positions in particular areas (finance, law, business, fundraising, university access);

d) up to two parent/carer Governors;

e) the Headteacher who is responsible for the day to day management of the Academy (as Accounting Officer).

Governors in categories (b) and (c) above may number up to twenty. At the present time, the total number of such Governors is thirteen. Governors serve for a four-year term which is renewable.

The Business Director, Deputy Heads, and the Clerk, who takes the minutes, are in attendance at Board meetings. From time to time other members of LAE staff are asked to address the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors (continued)

Governor	Committee membership	Term of office
Mr A Little (Chair)	Nominations & Governance, Renumeration (Chair)	01 Sept 2020 – 31 Aug 2024
Mr R Cairns (Vice Chair)	Education, Nominations & Governance (Chair), Remuneration	23 May 2019 – 22 May 2023
Dr I Archer	Education	02 April 2020 – 01 April 2024
Mr M Beard		01 June 2019 – 30 May 2023
Mr M Cliff-Hodges		22 Sept 2020 – 21 Sept 2024
Ms J Deslandes		02 April 2020 – 01 April 2024
Ms C El-Mokadem	Finance	24 Jan 2018 – 23 Jan 2022
Mr N Fraser	Education, Compliance	02 Mar 2018 – 01 Mar 2022
Mr S Henderson		01 Sept 2019 – 31 Aug 2023
Mr C Jones		02 Sept 2019 – 01 Sept 2023
Mr R Lister	Education	01 Sept 2021 – 31 Aug 2024
Mr A Pettitt	Education	02 April 2020 – 01 April 2024
Mr Scott Baker	Headteacher	
Mr S Smith	Finance, Nominations & Governance, Remuneration	23 May 2019 – 22 May 2023
Dr M Stephen	Development	02 April 2020 – 01 April 2024
Mr I Warwick	Education	16 Nov 2018 – 15 Nov 2022
Mr P Westbrook	Finance (Chair), Nominations & Governance, Remuneration	23 May 2019 – 22 May 2023

The Governors record their thanks to both Mr Baker and Ms Agbodo for their efforts as Headteacher and Business Director respectively since 2017. LAE has continued to go from strength to strength under their leadership of academic and support areas. The Governors would particularly like to thank Mr Baker for his efforts in fundraising to enable the core vision of LAE to be delivered and in identifying and progressing a future location for LAE.

Governors' indemnities

In accordance with normal industry practice, the Academy has purchased indemnity cover through participation in the government's Risk Protection Arrangement (RPA) Scheme to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The scheme provided unlimited cover on any one claim for the year ended 31 August 2021 and the charge for indemnity cover was included as part of a single payment for comprehensive cover.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruiting and appointing Governors
Appointments to the Board are considered by the Nominations and Governance Committee. Those put forward are voted on by the Board.

As referred to above, in addition to the Board, five committees exist to consider and drive various aspects of LAE. These committees advise the Board on related policies and procedures. These committees are:

- Education
- Finance
- Nominations and Governance Committee
- Remuneration
- Development

Each committee (excluding the Development committee) comprises up to ten individuals with at least half of the committee members being Governors. The Development Committee comprises of three Governors, two members of staff and four members from partner schools. Other committee members are appointed by the Chair of each committee, subject to the approval of the Chair of Governors. Committees aim to meet at least two weeks in advance of each Board meeting and at other times, as decided by the Chair of each committee. In addition to the committees above, the Board has a Management Committee which meets typically termly in between Board meetings and to which any Board member can come. This enables the Board to provide additional support to LAE and focus on particular aspects of LAE's business.

Policies and procedures adopted for the induction and training of Governors
New Governors are given a tour of LAE and the chance to meet staff, sixth formers and the Headteacher, with a view to ensuring that all Governors have a thorough understanding of LAE's philosophy and day-to-day operations. They meet with the Chair of Governors and are given a comprehensive induction pack outlining their duties. A sixth former shadowing regime enables Governors to have the opportunity to spend a full day at LAE experiencing life as a sixth former. All Governors are invited to appropriate LAE events (e.g. Review of the Year) in order for them to experience the output of LAE sixth formers first-hand.

Governors have relevant continuing professional development through their work outside the Academy and/or also participate in training programmes relevant to their specific duties as Governors of an academy trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure and management

The Headteacher is responsible for the internal organisation, management and day to day running of LAE, and for advising on and implementing its strategic framework. In particular, the Headteacher and the Senior Leadership Team (SLT) formulate specific aims and objectives, policies and targets for the Board of Governors to consider adopting. The Headteacher is responsible for discharging many responsibilities on the Board of Governors' behalf, as well as for discharging his own responsibilities. The Headteacher and Business Director attend all meetings of the Board.

Financial probity is addressed by annual budgets being scrutinised by the Finance Committee and then recommending their adoption by the Board, such ratification taking place at the Board meeting in the summer term. Monthly management accounts are produced and considered by the Chair of the Board and Chair of Finance Committee. Termly management accounts are produced and distributed to the members of the Finance Committee and Headteacher with variances to budget having been analysed by the Business Director. A system of financial controls is in place and documented in a Delegation of Authority Framework.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel comprise: the Governors, the Headteacher, Business Director, Deputy Heads and Assistant Heads. The Remuneration Committee determines the salary arrangements for the Headteacher, Deputy Heads and Business Director while Assistant Heads are paid on a predetermined pay scale which has also been considered by the Remuneration Committee. The Remuneration Committee meets every year to review salary arrangements in line with relevant public information.

Trade union facility time

There were no union arrangements in the Academy in the year to 31 August 2021 (2020 – none).

Connected organisations, including related party relationships

LAE has six independent schools as academic partners providing intellectual sponsorship or other support for one or more particular areas of the school. The table below summarises the subject support received in the year. In the following table, HoD means Head of Department.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

School	Subject/Area	Activity/Support
UCS	Mathematics	Teaching secondment, one day a week
Brighton College	Economics with Mathematics	Teaching secondment, four days a week
Highgate School	English Literature	Teaching secondment, one day a week
Caterham School	Spanish	Teaching secondment, one day a week
Eton College	English	Teaching secondment, two days a week

Certain partner schools provided financial support during the year to 31 August 2021 totalling £245,000 and they also donated services comprising seconded staff with a value of £153,000. Parties at the partner schools also support the areas of strategy; finance; procurement; HR; fundraising; and other major projects. Brighton College also helped raise funds by seeking support from parents at their own schools and other philanthropically minded individuals.

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

LAE was set up with the objective of advancing for the public benefit, education in the United Kingdom, by establishing and maintaining, operating and developing a sixth form free school offering an A-Level curriculum comprising a limited range of subjects that most facilitate access to Britain's best universities. The sole activity of LAE is to provide education for sixth formers of ages 16 to 19. LAE seeks to enable access for able 16-19 year-olds to the top universities in the United Kingdom (such as the research led Russell Group) and the rest of the world by offering an academic curriculum of currently fourteen facilitating subjects (Maths, Further Maths, Physics, Chemistry, Biology, Economics, Government & Politics, Geography, History, English Literature, Religious Studies, French, Spanish and Psychology). A tutor system ensures that monitoring and tracking of each sixth former's performance is regular and sustained.

Review of activities

The main activity during the period under review was operating LAE, a free school for A-Level provision in the London Borough of Newham. Key activities have been:

- the preparation of the Year 13 pupils for university entrance in Autumn 2021;
- the preparation of the Year 12 to make applications for entry into university in Autumn 2022;

OBJECTIVES AND ACTIVITIES (continued)

Review of activities (continued)

- strengthening the pastoral and safeguarding provision, including actively promoting fundamental British values;
- the extension and further embedding of a broad range of extra-curricular activities and societies ("ECAS") and sporting opportunities, including competitive fixtures;
- the embedding of strong House identities:
- the forging of strong relationships with the partner independent schools, not only between academic subjects but also between the schools and their namesake Houses;
- the forging of strong relationships with the community around LAE, in particular with local primary and secondary schools;
- the recruitment of the next cohort of sixth formers (to join LAE in September 2021) and the careful management of the applications that were received for the places on offer;
- the recruitment, induction of new staff and development of existing staff;
- the continuation of identifying, courting and receiving gifts from those kind sponsors who provide finance and other support for LAE to enable it to deliver its vision
- the continued embedding of a strong LAE brand and market presence;
- securing a six year extension to the current lease on Broadway House and continuing to work with the government to secure enhanced premises to relocate to prior to the end of the lease.

Once again, Covid-19 created a change to the manner in which education was delivered and there was initial uncertainty about how A-Levels would be graded. LAE's response was to move immediately to a remote learning environment, ensuring that all students had access to equipment sufficient to engage with the new environment and to create evidence to support Year 13 predicted grades. This was hugely successful and not only enabled Year 13 students to complete their A-Level courses in preparation for university but also ensured that Year 12 students were able to complete the first year of their programmes of study and were well prepared for their end of year exams which took place in August. LAE transitioned to a hybrid approach of remote and face to face learning environment before fully resuming face to face learning.

When open, LAE operated a robust risk assessment and set of preventative measures and controls has been put in place to minimise/mitigate risk of the transmission of the virus, including a range of practical measures and adjustments to the shape of the week to ensure that two year groups are kept as separate as possible. This was in line with the Department of Education and Public Health England guidance.

Public benefit

The Governors confirm that they have complied with the duty in the Charities (Accounts and Reports) Regulation 2008 in respect of having due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Academy.

STRATEGIC REPORT

Key achievements and performance

Demand for places

As a result of the school's strong academic results, excellent university destinations and word of mouth, demand for places remains very high. LAE received 3,364 applications for September 2021 entry by the January 2021 deadline (compared to 3,781 in 2020/21). The reduction of applications was a result of a new software used which did not allow students to apply if they did not meet the criteria. LAE still received more than 6000 registrations to apply. In line with the school's admissions policy and focus on promoting social mobility, 50% of offers were made to students at Newham state secondary schools and all applicants eligible for free school meals and who met the minimum entry criteria were offered a place.

Enrolment and roll

240 new Year 12 students were enrolled in August 2020. As of the end of September 2020, the Year 12 roll settled on 238. All students in last year's Year 12 progressed successfully into Year 13, giving the school a retention rate of 100% and LAE's current total roll is 476. In terms of prior attainment, for the fifth year running, 100% of Year 12 students enrolled, met or surpassed the minimum entry criteria of 5 or more GCSEs at grades 7-9 and grade 6 minimum in maths and English language. The new Year 12 is LAE's most academically able cohort to date with an average GCSE best 8 points score of 8.40 compared to 8.30 in 2020/21. A jump from 2019/20 (score of 7.33) can be partly explained by the Government's decision to base GCSE results on centre assessed grades in 2020 and teacher assessed grades in 2021.

Academic results

In 2020/21, LAE achieved its best ever academic results. The school was particularly pleased with the high percentage of A*/A grades 81% compared to 73% in 2020 and A*/B grades 97% compared to 96% in 2020.

Destinations

These results enabled the vast majority of LAE sixth formers to secure places at their chosen universities. For 2021 entry, 225 leavers were placed at 42 different universities by the end of September studying 114 different courses. Of these, 165 secured places at Russell Group universities. Furthermore, 27 students have taken up places at Oxford or Cambridge and a record 34 students have taken up places for Medicine, Dentistry and Veterinary Medicine (MDV). 52% of Year 13 leavers will be studying outside of London.

CEIAG (Careers Education, Information, Advice and Guidance)

LAE's dedicated and individualised careers, opportunities and universities guidance provides an outstanding individualised service to young people. LAE's in-house Careers and Opportunities Manager is training to become a qualified careers adviser and will be meeting with all students next academic year, eliminating the need for buying-in external provision in the future. A full CEIAG update was provided to the Compliance Committee on 28 May 2021, including a Compass Tool evaluation of our provision against the Gatsby Benchmarks. LAE now meets all eight of the Gatsby Benchmarks for careers provision.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants from the Education and Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

A summary of the results for the period is included on page 30.

Total income for the year was £5,068,000 (2020 – £4,922,000), which included £3,893,000 (2020 – £3,704,000) of ESFA revenue grants.

Total expenditure for the year was £4,981,000 (2020 – £5,074,000), of which £3,006,000 (2020 – £2,739,000) related to staffing costs and the balance comprised other costs of running the operations of the Academy.

Taking into account the actuarial loss of £348,000 (2020 – gain of £35,000) on the revaluation of the Local Government Pension Scheme deficit, the net movement in funds for the year ended 31 August 2021 was a decrease of £261,000 (2020 – decrease of £117,000).

The operational surplus for the year excluding fixed asset purchases was £639,000 (2020 – operational surplus of £439,000). This figure excludes movements on tangible fixed assets, the defined benefit pension liability, fixed asset purchases from revenue funds, and other non-recurring items. The operational surplus is stated after recognition of the grant received from HSBC totalling £300,000 (2020 – £400,000).

The impact of Covid on Academy's financials included a reduction in lettings and catering income. Increases in expenditure in areas such as health and safety, cleaning and curriculum resources were incurred but these were offset by savings in budget areas underutilised during periods of school closure.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy

Governors have an agreed policy and framework in place that endeavours to achieve two key aims: i) short term financial stability and ii) longer term confidence of being able to continue to deliver the academic education, co-curricular opportunities, outreach programmes, broadening of horizons and university access support that form the core of an LAE sixth form. In respect of its short term aim, LAE has determined that it should hold a target reserve sufficient to cover the budgeted obligations of the Academy for three months plus any specific amounts committed to in respect of capital. The target reserve for this purpose excludes fixed assets and the Local Government Pension Scheme deficit allocated to LAE. LAE's actual reserve for this purpose of circa £1.9m exceeds the target reserve of circa £1.0m. In respect of its second aim, LAE has projected forward, estimating both its future government funding and the costs of delivering its full range of services for students. As government funding is insufficient to cover the core vision of LAE, reserves are being created to ensure the core can continue to be delivered. In due course, LAE will enter new premises and increase its pupil population where it is anticipated efficiencies will significantly close the gap between government funding and provision of LAE's mission. LAE believes it has reserves almost sufficient to offer its current level of provision until 31 August 2025, assuming government funding continues in its current form. Plans for new larger premises adjacent to its current site are in an advanced stage and subject to planning approval. LAE is grateful to all of those generous donors who help support LAE in achieving both the short and longer term aim of delivering a premium education.

The accounts show reserves as at 31 August 2021 amounted to £1,309,000) (2020 - £1,570,000) represented by fixed asset funds of £480,000 (2020 - £839,000) along with restricted general reserves of £1,702,000 (2020 - £1,132,000), a pension deficit of £1,073,000 (2020 – deficit of £601,000) and an unrestricted general reserve (the Academy's free reserves) of £200,000 (2020 - £200,000). Please see the Statement of Financial Activities (SoFA) on page 30 and the Balance Sheet on page 31 for more detail. In addition, an amount of £507,000 collected by Brighton College on behalf of LAE prior to 31 August 2021 in support of LAE's core vision was transferred to LAE following the year end and will form part of ongoing restricted general reserves.

Investment policy

The Governors' policy is to invest surplus funds in low risk short term bank deposits with banks in the UK which are regulated by the Prudential Regulation Authority "PRA". Investments must not be of a speculative nature and selected financial instruments must protect the capital sums invested.

STRATEGIC REPORT (continued)

Financial review (continued)

Key financial performance indicators

The key financial performance indicator is whether there is sufficient incoming funding and existing reserves to cover the costs of the Academy both on an annual basis and on an ongoing cash flow basis. All other financial key performance indicators are ancillary to this.

The budget for the forthcoming year considers sixth form numbers; funding per sixth former; staffing ratios and costs; and anticipated overheads. The financial impact of regulatory changes, the Academy Improvement Plan and new activities are also allowed for in the budget.

The Governors oversee the identification of donors and securing of donations to enable the Academy to offer both the core and enhanced A-Level provision in the absence of sufficient government funding and to offer other beneficial experiences or assistance to sixth formers that are not part of the core provision of education. Donations enable students to study 4 A-Levels and further enhancements such as sponsored trips to universities to enable the sixth formers to better appreciate what it is they might aspire to, quality preparation for university application; co-curricular breadth; and stretching the most able sixth formers as part of the Aiming for A*'s programme delivered by Academics in Residence and other enhancing activities.

Going concern

After making appropriate enquiries, the Board has a reasonable expectation that the Academy 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 Principal Accounting Policies.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

A risk register sets out the principal risks facing LAE and the controls that are in place to mitigate their effect. LAE continues to develop the risk register to assess the risks facing it. The register acts as a tool for Governors to assess, monitor and review risks to LAE's success in the areas of teaching and learning, finance, facilities and safeguarding with a view to planning and prioritisation. Risk management considers both the probability of a risk occurring and its impact on LAE with mitigating action plans agreed and approved by the Governors.

The key risks facing LAE are principally external ones:

- Insufficient government funding;
- Reduction in level of external donations; and
- Seeking to minimise the impact of Covid-19 on LAE's delivery of first class education.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk management (continued)
The aim of the Governors has been to ensure there are sufficient committed funds from the ESFA and through donations to enable the school to achieve its vision of academic and co-curricular education.

Downside financial risks are covered through contracts, insurance, attracting key financial supporters (see 'Fundraising' below) and through partner schools providing teachers and other support.

During Covid-19, LAE has used the services of a specific risk assessor for advice on its educational environment and implemented recommendations accordingly.

A ten year commercial lease for the use of Broadway House at 322 High Street in Stratford was signed effective July 2012 terminating in August 2022. LAE has agreed to extend the lease agreement to September 2028 whilst discussions with the Department of Education continue for the development of a significantly improved site for the medium term.

The new school facility is the subject of a local consultation with planning consent yet to be given at point of publication.

FUNDRAISING
The Academy does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Governors. The Academy received no complaints in relation to its fundraising activities during the year.

LAE has a Development Committee which meets on a monthly basis (excluding July and August). The Development Committee:

- is chaired by a Governor and includes the Headteacher. This committee is being kindly supported externally by the Brighton College Development Team and includes the Brighton College Director of Development and Engagement, the Caterham School Development Manager and the UCS Director of Development and Alumni Relations in addition to the Director of Development at Eton College;

- developed a fundraising strategy and an infrastructure to support fundraising which includes donor tracking, support documents, engagement of donors in school life and online giving;

- continued the LAE Friends scheme which has become well established with over 100 students sponsored for their two year course of study (£1,500 per year). This success was mainly due to an appeal to Brighton College parents and alumni. The Committee is looking to expand this initiative further;

- has significantly increased external funding to cover the deficit of the declining flagship donor contributions and this will be developed further. The focus will be on engaging corporate sponsorship and major donors alongside the LAE Friends scheme;

FUNDRAISING (continued)

- The fundraising efforts have managed to secure donations which represent 94% of the target set in 2018/19 to be achieved by 2024/5. Of this total achieved to date, 22% is now received from other donors, 11% is from the LAE Friends scheme, 19% from partner schools and only 33% from HSBC. In 2018/19 of the total secured that year 82% of donations were received from two major donors. Over the course of the year the Development Committee has needed to delay certain planned activities and reformat others into virtual events due to the pandemic. Despite these challenges a number of key corporate donors are now kindly supporting the school and the Friends scheme was successfully relaunched at Brighton College to support the next cohort of students through their two years of study at the LAE.

FUTURE ACTIVITIES AND PLANS

In the next financial year the Development Committee is focusing on a few key annual events which will engage potential donors and increase awareness of the school. There will also be additional focus on the external visibility of the LAE through print and social media. It is planned to continue with the current strategy threads ie major donors, Friends of the LAE, corporate sponsors, trusts and foundations with the addition of alumni. There will be increased work on maintaining contact with current and past donors and to use existing links to identify potential donors. Work will now begin on identifying the fundraising targets for the future enhancement and extension phases of the school.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust receives a Bursary Grant from the Education and Skills Funding Agency which is disbursed to students aimed at improving access to education for students who would otherwise struggle to engage. These funds are held in the Academy's bank account and are accounted for separately. Funds are disbursed in line with the Academy's policy which is published to students every year.

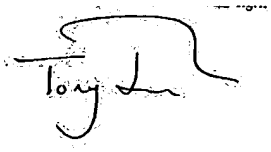
AUDITOR

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors on 25/11/2021 and signed on its behalf by:



Anthony Little

Chair

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that London Academy of Excellence 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 Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

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

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met three times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mr A Little (Chair)	3	3
Mr R Cairns (Vice Chair)	1	3
Mr P Westbrook	3	3
Mr S Smith	3	3
Dr I Archer	3	3
Mr M Beard	2	3
Mr M Cliff-Hodges	3	3
Ms J Deslandes	3	3
Ms C El-Mokadem	3	3
Mr N Fraser	3	3
Mr S Henderson	2	3
Mr C Jones	2	3
Ms R Lister	3	3
Mr A Pettitt	1	3
Dr M Stephen	3	3
Mr I Warwick	3	3
Mr S Baker	2	3

The Management Committee sits three times a year in between the Board meetings enabling governors to exercise effective oversight of funds in compliance with the Academies Trust Handbook.

Governance (continued)

Governance review

The skills of the Governors are surveyed and regularly updated and care is taken to ensure that the Board always has Governors with a wide range of expertise to offer support and challenge to the Headteacher and senior managers.

As part of an ongoing personal review process, Governors have identified where they would benefit from further support and arrangements are made to facilitate this.

Strategic Plan and Policies: Governors continue to clearly set out and review the Academy mission, values and strategic priorities. There is a clear system and an annual cycle. All key Academy policies are assigned to Governors who undertake an annual review of these policies on behalf of the Board. These are then signed off by the Board, or relevant sub-committee.

Link Governor Scheme: A Link Governor Scheme is in place whereby Governors make one or more link visits each year reflecting the priorities of the Academy in that year. Governors complete a feedback form highlighting what they have seen to the Headteacher and other Governors. Where appropriate the Headteacher will follow up on any issues or opportunities arising from the visit.

Other Governor actions assessed at the review:

- Governors have read and checked all key policies;
- Governors have read and checked all key risk assessments and the risk register;
- Governors received and discussed minutes of the Health and Safety Committee;
- Governors have checked safeguarding systems, the single central register and files; and
- The Board sets the high level direction, policy and strategy and is able to ensure that the LAE continues to improve for students and other stakeholders.

The **Finance Committee** is a sub-committee of the Board. The Finance Committee is authorised to advise the Board on all matters relating to finance, personnel strategy and capital projects and to monitor and review all matters within its terms of reference although the Board retains the ultimate decision on areas of strategy. At any given point in the year, the Finance Committee comprised three Governors, the Headteacher and three co-opted members with the required expertise to ensure that the Committee fulfils its purpose. The Finance Committee also serves as an Audit and Risk Committee where it considers risk in addition to termly and monthly audit.

Governance (continued)

Attendance at meetings in the year was as follows:

Finance Committee Member	Number of meetings attended	Out of a possible
Mr S Smith	3	3
Mr P Westbrook (Chair)	3	3
Ms C El-Mokadem	2	3
Mr S Baker	3	3
Mr S Dahya	3	3
Mr J Pheasant	3	3
Ms C Taylor	3	3

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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy 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 at the Academy for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the Academy significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

Review of value for money

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

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

Review of value for money (continued)

- Securing a donation of £300,000 from HSBC for ongoing educational delivery for the current year and confirming a further year of funding of £300,000 from HSBC and is in dialogue about future financial support. HSBC's 2020-21 funding equates to a contribution of £640 per student, which will cover 75% of the careers programme and reach the equivalent of 350 students in total. A large portion of HSBC's funding support this year has allowed LAE to complement its academic programme with an outstanding programme of careers education, information, advice and guidance (CEIAG). This programme, led by LAE's Careers, Opportunities and Alumni Coordinator, is designed to improve key skills and facilitate progression to a wide range of careers and professions, including medicine, engineering and business, through valuable insights into the world of work, building professional networks and the development of life-long skills which both support university applications and employability going forward.

- Engineering and business, through valuable insights into the world of work, building professional networks and the development of life-long skills which both support university applications and employability going forward;

- Securing donated services and funding from partner schools which have resulted in staff cost savings of over £145,000;

- Maintaining robust procurement processes with the use of formal tendering, framework agreements and minimum quotation levels. Purchases included ICT capital for laptops and industrial oven for catering; and

- Adhering to principles recommended in PPN notices issued during the year, by continuing to pay suppliers who were able to continue to deliver services and allowing reasonable adjustments to be implemented to service delivery during the year.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;

- regular reviews by the Finance 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 risk and control framework (continued)

The Board has considered the need for a specific internal audit function and has decided that a full annual internal audit is not required for the Academy Trust. However, at each of its meetings during the year, a member of the Finance Committee with expertise in control environments has looked at the control regime first hand and reported to the Finance Committee. The Academy Trust has implemented those recommendations that the Finance Committee considered appropriate. No matters of material significance were identified during the year.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of income invoices;
- testing of fixed asset additions; and
- testing of control account/bank reconciliations/journals.

On a termly basis, the Finance Committee member reports to the Board of Governors, through the Finance Committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities

and annually prepares an annual testing schedule report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the results of these reviews and, where necessary, plans to address recommendations and ensure continuous improvement of the system are in place.

Approved on 25/11/2021 by order of the Board of Governors and signed on its behalf by:

Anthony Little

(Chair)

Alex Crossman

(Headteacher and Accounting Officer)

Statement on regularity, propriety and compliance 31 August 2021

As Accounting Officer of London Academy of Excellence, I have considered my responsibility to notify the Academy's Board of Governors and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Alex Crossman

Accounting Officer

Date: 25/11/2021

Statement of Governors' responsibilities 31 August 2021

The Governors (who act as trustees for the charitable activities of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued 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 Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Academy and of its income and expenditure for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2020 to 2021;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 Board of Governors on 25/11/2021 and signed on its behalf by:

Anthony Little

Chair

Independent auditor's report to the members of London Academy of Excellence

Opinion

We have audited the financial statements of London Academy of Excellence (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)
Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information
The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Governors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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

Matters on which we are required to report by exception (continued)

- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of Governors
As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors 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 Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

Auditor's responsibilities for the audit of the financial statements (continued)

- we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the Academy's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;

- we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Governors' meetings and papers provided to the Governors; and

- we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- tested the authorisation of expenditure as part of our substantive testing thereon;

- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and

- used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- reviewing the minutes of Governors' meetings;

Auditor's responsibilities for the audit of the financial statements (continued)

- enquiring of management and those charged with governance as to actual and potential litigation and claims;
- reviewing any available correspondence with Ofsted, the ESFA and HMRC; and
- the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

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

Buzzacott LLP

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 December 2021

Independent reporting accountant's assurance report on regularity to London Academy of Excellence and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by London Academy of Excellence during the period from 1 September 2020 to 31 August 2021 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 London Academy of Excellence and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to London Academy of Excellence and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London Academy of Excellence and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of London Academy of Excellence's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of London Academy of Excellence's funding agreement with the Secretary of State for Education dated 20 August 2012 and the Academies Financial Handbook 2020, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

Approach (continued)
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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the Academy's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion
In the course of our work, nothing has come to our attention which suggests that in all material respects:

a) the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament; and

b) the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Statutory Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

16 December 2021

Statement of financial activities Year to 31 August 2021
(including the income and expenditure account)

	Notes	Unrestricted general funds £000	Restricted funds: Restricted general funds £000	Restricted funds: Fixed assets funds £000	**2021 Total funds £000**	2020 Total funds £000
Income from:						
Donations and capital grants	1	176	858	15	**1,049**	1,072
Charitable activities:						
. Academy's educational operations	4	—	3,925	—	**3,925**	3,784
Other trading activities	2	24	32	—	**56**	63
Investments	3	—	38	—	**38**	3
Total income		200	4,853	15	**5,068**	4,922
Expenditure on:						
Raising funds	5	—	—	—	—	10
Charitable activities:						
. Academy's educational operations	6	200	4,338	443	**4,981**	5,064
Total expenditure	5	200	4,338	443	**4,981**	5,074
Net income (expenditure) before transfers		—	515	(428)	**87**	(152)
Transfers between funds	14	—	(69)	69	—	—
Net income (expenditure)		—	446	(359)	**87**	(152)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	20	—	(348)	—	**(348)**	35
Net movement in funds		—	98	(359)	**(261)**	(117)
Fund balances brought forward at 1 September 2020		200	531	839	**1,570**	1,687
Fund balances carried forward at 31 August 2021		200	629	480	**1,309**	1,570

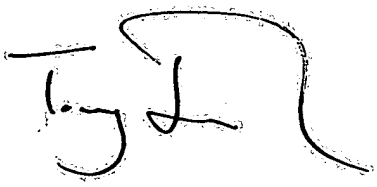
All of the Academy's activities derived from continuing operations in the above two financial periods.

A separate statement of recognised gains and losses is not required as all gains and losses are included in the above Statement of Financial Activities.

Balance sheet 31 August 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	11		**480**		839
Current assets					
Stock		**3**		2	
Debtors	12	**157**		103	
Cash at bank		**2,356**		1,869	
		2,516		1,974	
Liabilities					
Creditors: amounts falling due within one year	13	**(614)**		(642)	
Net current assets			**1,902**		1,332
Total assets less current liabilities			**2,382**		2,171
Net assets excluding pension scheme liability			**2,382**		2,171
Pension scheme liability	20		**(1,073)**		(601)
Total net assets			**1,309**		1,570
The funds of the Academy:					
Restricted funds	14				
. Fixed assets fund			**480**		839
. Restricted general fund			**1,702**		1,132
. Pension reserve			**(1,073)**		(601)
Total restricted funds			**1,109**		1,370
Unrestricted income funds					
General fund	14		**200**		200
Total funds			**1,309**		1,570

Approved by the Board of Governors of London Academy of Excellence (Company Registration No. 07643795) (England and Wales) and signed on its behalf by:



Anthony Little

Approved on: 25/11/2021

Statement of cash flows Year to 31 August 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	A	**556**	337
Cash flows from investing activities			
Net cash used in investing activities	B	**(69)**	(66)
Change in cash and cash equivalents in the year		**487**	271
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2020		**1,869**	1,598
Cash and cash equivalents at 31 August 2021	C	**2,356**	1,869

A Reconciliation of income (expenditure) to cash flows from operating activities

	2021 £000	2020 £000
Net income (expenditure) for the year (as per the Statement of Financial Activities)	**87**	(152)
Adjusted for:		
Depreciation (note 11)	**443**	449
Capital grants from DFE and other capital income	**(15)**	(15)
Interest receivable (note 3)	**—**	(3)
Defined benefit pension scheme cost less contributions payable (note 20)	**162**	128
Defined benefit pension scheme finance (income) cost (note 20)	**(38)**	29
Increase in stocks	**(1)**	—
(Increase) decrease in debtors	**(54)**	53
Decrease increase in creditors	**(28)**	(152)
Net cash provided by operating activities	**556**	337

B Cash flows from investing activities

	2021 £000	2020 £000
Interest received (note 3)	**—**	3
Purchase of tangible fixed assets (note 11)	**(84)**	(84)
Capital grants from DfE/ESFA	**15**	15
Net cash used in investing activities	**(69)**	(66)

C Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	**2,356**	1,869
Total cash and cash equivalents	**2,356**	1,869

D Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	**At 31 August 2021 £000**
Total – Cash at bank and in hand	1,869	487	**2,356**

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

London Academy of Excellence meets the definition of a public benefit entity under FRS 102.

Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Governors have made this assessment whilst considering the impact of the Covid-19 pandemic on the day-to-day activities of the Academy.

Income

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

Grants

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

The General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Income *(continued)*

Grants *(continued)*
Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Other income
Other income, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

Donated services and gifts in kind
The value of donated services and gifts in kind provided to the Academy is recognised at the value payable as salary plus on costs of a similar post-holder had they been directly employed in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. Donated services including seconded staff are recognised as donations in the period when those services are provided. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies.

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.

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £5,000 or more, including assets which are part of a capital project which aggregate to £5,000 or more, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

♦ Leasehold building improvements	Over the life of the lease
♦ Furniture and equipment	33%
♦ Computer equipment	20%

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

A full year of depreciation is calculated in the year of acquisition and none in the year of disposal.

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 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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

Unrestricted funds represent monies which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

The restricted fixed assets fund is for resources which are to be applied to specific capital purposes with conditions imposed by the providers.

The restricted general funds comprise all other restricted funds received and include grants from the DfE and the ESFA.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

- The Academy has estimated the impact of the Covid-19 pandemic on the future income and expenditure flows of the Academy and on its short to medium term financial stability in assessing going concern.

1 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	**2021 Total funds £000**	2020 Total funds £000
Capital grants	—	—	15	**15**	15
Donated services – seconded staff	153	—	—	**153**	145
Other donations	23	858	—	**881**	912
	176	858	15	**1,049**	1,072

	Unrestricted funds £000	*Restricted funds £000*	*Fixed asset funds £000*	*2020 Total funds £000*
Capital grants	—	—	*15*	*15*
Donated services – seconded staff	*145*	—	—	*145*
Other donations	*7*	*905*	—	*912*
	152	*905*	*15*	*1,072*

Included in donations is £153,000 (2020 - £145,000) in respect of donated services from partner schools. This is calculated as a salary equivalent of the time spent by their staff teaching in LAE classrooms. It therefore takes no account of the hugely valuable contribution of partner schools outside of the classroom in other areas. Such areas include: training teaching staff, supporting heads of department, considering educational best practice, monitoring quality of delivery, financial and strategic support, risk management oversight, fundraising support, meeting government representatives, and board and committee preparation and attendance time. If the total time contribution of partner schools were to be included in the donated services line, it would be a multiple of the figure included above. Given the calibre of partner schools and their staff, the true "value" of partner schools' input would be even greater.

2 Other trading activities

	Unrestricted funds £000	Restricted funds £000	**2021 Total funds £000**	2020 Total funds £000
Hire of facilities	24	—	**24**	24
Miscellaneous income	—	32	**32**	39
	24	32	**56**	63

	Unrestricted funds £000	*Restricted funds £000*	*2020 Total funds £000*
Hire of facilities	*24*	—	*24*
Miscellaneous income	—	*39*	*39*
	24	*39*	*63*

3 Investment income

	Unrestricted funds £000	Restricted funds £000	**2021 Total funds £000**	2020 Total funds £000
Interest receivable	—	—	—	3
FRS 102 pension finance income (note 20)	—	38	**38**	—
	—	38	**38**	3

	Unrestricted funds £000	*Restricted funds £000*	*2020 Total funds £000*
Interest receivable	*3*	—	*3*
	3	—	*3*

4 Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	**2021 Total funds £000**	2020 Total funds £000
DfE/ESFA grants				
General Annual Grant (GAG)	—	3,772	**3,772**	3,556
Other DfE/ESFA grants	—	104	**121**	148
	—	3,876	**3,893**	3,704
Other Government grants				
Local authority grants	—	6	**6**	9
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus job retention scheme	—	—	—	20
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	—	17	**17**	—
Other income from the Academy's educational operations				
Trip income	—	1	**1**	9
Catering income	—	25	**25**	42
	—	26	**26**	51
	—	3,925	**3,925**	3,784

4 Academy's educational operations (continued)

	2020 Unrestricted funds £000	*2020 Restricted funds £000*	*2020 Total funds £000*
DfE/ESFA grants			
General Annual Grant (GAG)	—	*3,556*	*3,556*
Other DfE/ESFA grants	—	*148*	*148*
	—	*3,704*	*3,704*
Other Government grants			
Local authority grants	—	*9*	*9*
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus job retention scheme	—	*20*	*20*
Other income from the Academy's educational operations			
Trip income	—	*9*	*9*
Catering income	—	*42*	*42*
	—	*51*	*51*
	—	*3,784*	*3,784*

In the year to 31 August 2020, the Academy was eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Coronavirus Job Retention Scheme grant". The Academy furloughed three of its staff under the government's Coronavirus Job Retention Scheme. The funding received in 2019/20 of £20,000 relates to staff costs in respect of three staff who are included within note 8 below.

In the year to 31 August 2021, no claims were made under the government's Coronavirus Job Retention Scheme.

5 Expenditure

	Staff costs (note 8) £000	Non pay expenditure: Premises £000	Non pay expenditure: Other costs £000	**2021 Total funds £000**
Expenditure on raising funds				
. Direct costs	—	—	—	—
. Support costs	—	—	—	—
	—	—	—	—
Academy's educational operations (note 6)				
. Direct costs	2,351	—	512	**2,863**
. Support costs	655	1,238	225	**2,118**
	3,006	1,238	737	**4,981**

	Staff costs (note 8) £000	*Non pay expenditure: Premises £000*	*Non pay expenditure: Other costs £000*	*2020 Total funds £000*
Expenditure on raising funds				
. Direct costs	*8*	—	—	*8*
. Support costs	*2*	—	—	*2*
	10	—	—	*10*
Academy's educational operations (note 6)				
. Direct costs	*2,147*	—	*522*	*2,669*
. Support costs	*582*	*1,573*	*240*	*2,395*
	2,739	*1,573*	*762*	*5,074*

	2021 total funds £000	2020 total funds £000
Expenditure for the year includes:		
Operating leases rentals – Land and buildings	**555**	862
Depreciation	**443**	449
Fees payable to auditor		
. Audit	**13**	13
. Other services	**3**	3

6 Academy's educational operations

	2021 Total funds £000	2020 Total funds £000
Direct costs	**2,863**	2,669
Support costs (see below)	**2,118**	2,395
	4,981	5,064

Analysis of support costs	**2021 Total funds £000**	2020 Total funds £000
Support staff costs	**655**	582
Depreciation – leasehold building improvements	**443**	449
Technology costs	**54**	49
Premises costs	**795**	1,124
Other support costs	**147**	167
Governance costs	**24**	24
Total support costs	**2,118**	2,395

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Notes	Unrestricted general funds £000	Restricted funds: Restricted general funds £000	Restricted funds: Fixed assets funds £000	**2020 Total funds £000**
Income from:					
Donations and capital grants	1	152	905	15	**1,072**
Charitable activities:					
. Academy's educational operations	4	—	3,784	—	**3,784**
Other trading activities	2	24	39	—	**63**
Investments	3	3	—	—	**3**
Total income		179	4,728	15	**4,922**
Expenditure on:					
Raising funds	5	10	—	—	**10**
Charitable activities:					
. Academy's educational operations	6	169	4,446	449	**5,064**
Total expenditure	5	179	4,446	449	**5,074**
Net (expenditure) income before transfers		—	282	(434)	**(152)**
Transfers between funds	14	—	(69)	69	**—**
Net (expenditure) income		—	213	(365)	**(152)**
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	—	35	—	**35**
Net movement in funds		—	248	(365)	**(117)**
Fund balances brought forward at 1 September 2019		200	283	1,204	**1,687**
Fund balances carried forward at 31 August 2020		200	531	839	**1,570**

8 Staff

(a) *Staff costs*

Staff costs during the year were:

	2021 Total funds £000	2020 Total funds £000
Wages and salaries	**2,196**	2,013
Social security costs	**223**	205
Pension costs (including FRS102 pension adjustment of £162,000 (2020 – £128,000))	**562**	487
	2,981	2,705
Supply teacher costs	**25**	34
	3,006	2,739

(b) *Staff numbers*

The average number of persons (including the senior management team) employed by the Academy during the year ended 31 August 2021 was as follows:

Charitable activities	**2021 No.**	2020 No.
Teachers	**35**	34
Administration and support	**24**	20
Management	**6**	6
	65	60

(c) *Higher paid staff*

The number of employees whose emoluments, excluding employer's pension contributions, fell within the following bands during the year was:

	2021 No.	2020 No.
£60,001 - £70,000	**1**	3
£70,001 - £80,000	**2**	—
£120,001 - £130,000	**1**	1
	4	4

(d) *Higher paid staff pension contributions*

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff members amounted to £74,114 (2020 – three staff members, £58,989).

(e) *Key management personnel*

The key management personnel of the Academy comprise: the Governors, the Headteacher, Business Director, Deputy Heads and Assistant Heads. The total amount of employee benefits (including employer's pension contributions) received by key management personnel for their services to the Academy was £558,165 (2020 – £574,436).

9 Governors' remuneration and expenses

The Headteacher is the only staff Governor and only receives remuneration in respect of services provided undertaking the role of Headteacher and not in respect of services as a Governor. Other Governors did not receive any payments, other than reimbursement of expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration and employer's pension contributions was as follows:

Mr S Baker (Headteacher and Governor):
Remuneration: £122,000 (2020 – £122,000)
Employer's pension contribution: £27,000 (2020 – £27,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £118 were reimbursed to one Governor (2020 – £888 to three Governors).

Other related party transactions involving the Governors are set out in note 21.

10 Governors' indemnities

In accordance with normal industry practice the Academy has purchased indemnity cover through participation in the government's Risk Protection Arrangement (RPA) Scheme to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The scheme provided unlimited cover on any one claim for the year ended 31 August 2021 and the charge for indemnity cover was included as part of a single payment for comprehensive cover.

11 Tangible fixed assets

	Leasehold building improve-ments £000	Furniture and equipment £000	Computer equipment £000	**Total £000**
Cost				
At 1 September 2020	3,761	405	570	**4,736**
Additions	—	40	44	**84**
At 31 August 2021	3,761	445	614	**4,820**
Depreciation				
At 1 September 2020	2,996	392	509	**3,897**
Charge for the year	376	13	54	**443**
At 31 August 2021	3,372	405	563	**4,340**
Net book value				
At 31 August 2021	389	40	51	**480**
At 31 August 2020	765	13	61	**839**

12 Debtors

	Total 2021 £000	Total 2020 £000
VAT recoverable	**28**	21
Other debtors	**3**	6
Prepayments and accrued income	**126**	76
	157	103

13 Creditors: amounts falling due within one year

	Total 2021 £000	Total 2020 £000
Trade creditors	**34**	22
Taxation and social security	**62**	60
Other creditors	**60**	58
Accruals and deferred income	**458**	502
	614	642

Accruals and deferred income above includes the following deferred income balance:

	Total 2021 £000	Total 2020 £000
Deferred income at 1 September 2020	**415**	507
Resources deferred in the year	**(610)**	(846)
Amount released from previous year	**589**	754
Deferred income at 31 August 2021	**394**	415

The deferred income balance at 31 August 2021 comprises £377,000 (2020 – £376,000) of ESFA funding received in advance for the 2021/22 financial year and £17,000 (2020 – £39,000) of other advanced donations.

14 Funds

	At 1 September 2020 £000	Income £000	Expenditure £000	Transfers and losses £000	**At 31 August 2021 £000**
Restricted general funds					
. General Annual Grant	921	3,772	(3,133)	(69)	**1,491**
. Other DfE/ESFA COVID-19 funding	—	17	(17)	—	**—**
. Other restricted funds	211	1,026	(1,026)	—	**211**
. Pension reserve	(601)	38	(162)	(348)	**(1,073)**
	531	4,853	(4,338)	(417)	**629**
Restricted fixed assets fund					
. DfE/ESFA capital grants	839	15	(443)	69	**480**
Total restricted funds	1,370	4,868	(4,781)	(348)	**1,109**
Unrestricted funds					
. General funds	200	200	(200)	—	**200**
Total unrestricted funds	200	200	(200)	—	**200**
Total funds	1,570	5,068	(4,981)	(348)	**1,309**

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

Other restricted general funds consist of donations carried forward from previous years and donations received in the year under review. The donations are restricted to supporting LAE's mission and have been applied for the funding of specific staff posts, co-curricular provision and widening participation programmes.

Capital transfers relate to the purchase of fixed assets from the GAG fund during the year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

14 Funds (continued)

Comparative information

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

	At 1 September 2019 £000	Income £000	Expenditure £000	Transfers and losses £000	**At 31 August 2020 £000**
Restricted general funds					
. General Annual Grant	551	3,556	(3,117)	(69)	**921**
. Coronavirus Job Retention Scheme grant	—	20	(20)	—	—
. Other restricted funds	211	1,152	(1,152)	—	**211**
. Pension reserve	(479)	—	(157)	35	**(601)**
	283	4,728	(4,446)	(34)	**531**
Restricted fixed assets fund					
. DfE/ESFA capital grants	1,204	15	(449)	69	**839**
Total restricted funds	1,487	4,743	(4,895)	35	**1,370**
Unrestricted funds					
. General funds	200	179	(179)	—	**200**
Total unrestricted funds	200	179	(179)	—	**200**
Total funds	1,687	4,922	(5,074)	35	**1,570**

15 Analysis of net assets between funds

		Restricted funds			
	Unrestricted funds £000	Restricted general funds £000	Fixed assets fund £000	**Total 2021 £000**	Total 2020 £000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	—	—	480	**480**	839
Current assets	200	2,316	—	**2,516**	1,974
Current liabilities	—	(614)	—	**(614)**	(642)
Pension liability	—	(1,073)	—	**(1,073)**	(601)
Total net assets	200	629	480	**1,309**	1,570

		Restricted funds		
	Unrestricted funds £000	*Restricted general funds £000*	*Fixed assets fund £000*	*Total 2020 £000*
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	—	—	*839*	*839*
Current assets	*200*	*1,774*	—	*1,974*
Current liabilities	—	*(642)*	—	*(642)*
Pension liability	—	*(601)*	—	*(601)*
Total net assets	*200*	*531*	*839*	*1,570*

16 Capital commitments

The Academy had no capital commitments at 31 August 2021 (2020 – none).

17 Financial commitments

Operating leases

At 31 August 2021, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	Land and buildings	
	2021	2020
	£000	£000
Amounts due within one year	**555**	559
Amounts due between two and five years inclusive	**559**	1,114
	1,114	1,673

18 Contingent liabilities

The Academy had no contingent liabilities at 31 August 2021 (2020– none).

19 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 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 cease to be a member.

20 Pension and similar obligations

The Academy'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 the London Borough of Newham. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £6,236 were payable to the schemes at 31 August 2021 (2020 – £6,181) and are included within creditors.

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

20 Pension and similar obligations (continued)

Teachers' Pension Scheme *(continued)*
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; and
- 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. The 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 period amounted to £348,000 (2020 – £319,000).

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

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

Local Government Pension Scheme (LGPS)
The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total employer's contributions for the year ended 31 August 2021 totalled £52,000 (2020 – £40,000).

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) *(continued)*

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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	**At 31 August 2021**	At 31 August 2020
Rate of increase in salaries	**3.85%**	3.20%
Rate of increase for pensions in payment/inflation	**2.85%**	2.20%
Discount rate for scheme liabilities	**1.70%**	1.65%

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	**21.4**	21.3
Females	**24.0**	23.9
Retiring in 20 years		
Males	**22.9**	22.0
Females	**25.6**	25.5

Sensitivity analysis for the year ended 31 August 2021	**Present value of total obligation £'000**	**Projected service cost £'000**
0.1% increase in discount rate	**1,558**	**268**
0.1% decrease in discount rate	**(1,689)**	**(293)**
0.1% increase in salary rate	**1,622**	**281**
0.1% decrease in salary rate	**(1,622)**	**(280)**
0.1% increase in pension rate	**1,688**	**293**
0.1% decrease in pension rate	**(1,558)**	**(268)**
1 year increase in life expectancy	**1,690**	**293**
1 year decrease in life expectancy	**(1,557)**	**(268)**

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) *(continued)*

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	**335**	228
Gilts	**45**	21
Other bonds	**—**	41
Property	**53**	41
Cash	**31**	30
Alternative assets	**85**	69
Total market value of assets	**549**	430
Less: Liabilities	**(1,622)**	(1,031)
Deficit in the scheme	**(1,073)**	(601)

Amounts recognised in the Statement of Financial Activities	**2021 £000**	2020 £000
Current service costs (net of employer's contributions)	**162**	128
Net interest (income) cost	**(38)**	29
Total operating charge	**124**	157

Changes in the present value of defined benefit obligations were as follows:	**2021 £'000**	2020 £'000
At 1 September 2020	**1,031**	846
Current service cost	**214**	168
Interest cost	**17**	16
Employee contributions	**26**	22
Actuarial loss	**348**	7
Change in demographic assumptions	**—**	(26)
Benefits paid	**(14)**	(2)
At 31 August 2021	**1,622**	1,031

Changes in the fair value of the Academy's share of scheme assets:	**2021 £000**	2020 £000
At 1 September 2020	**430**	367
Interest income (cost)	**55**	(13)
Employer contributions	**52**	40
Employee contributions	**26**	22
Benefits paid	**(14)**	(2)
Actuarial gain	**—**	16
At 31 August 2021	**549**	430

21 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

The Academy received a donation of £120,000 (2020 – £120,000) from Brighton College, of which Mr R Cairns is the Head Master, Mr A Pettitt and Ms J Deslandes are Governors and Mr N Fraser and Mr P Westbrook are employees.

The Academy received a donation of £50,000 from Eton College (2020 – £65,000), of which Mr S Henderson is the Head Master.

The Academy received a donation of £50,000 from Forest School (2020 – £50,000), of which Mr M Cliff-Hodges is the Warden.

The Academy received a donation of £25,000 from Highgate School (2020 – £25,000), of which Mr A Pettitt is the Head.

The Academy received a donation of £18,000 from Caterham School (2020 – £nil), of which Mr C. Jones is the Head Master.

During the year to 31 August 2021, the Academy paid £19,562 (2020 – £20,964) to The Education Space which is a trading arm of the Newham Partnership Working, a mutual organisation, formed by Newham Schools, providing a legal entity to run and commission education support services. J Deslandes is a Director of the Newham Partnership Working.

The Academy received no donations from any Governors during the year ended 31 August 2021 (2020 – £1,000).

22 Agency arrangements

The Academy administers the disbursement of discretionary support for learners, the 16-19 Bursary Funds, on behalf of the ESFA. In the year ended 31 August 2021, the Academy received £68,759 (2020 – £63,796) and disbursed £65,603 (2020 – £68,239). Of the remaining balance, £3,156 (2020 – £2,510) was recognised in the Statement of Financial Activities to cover the cost of administration and £nil (2020 – £nil) has been carried forward in creditors for the next year's Bursary Funds, in line with ESFA guidelines.