

Company Registration No. 07943227 (England and Wales)

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

WEDNESDAY



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# LEADING LEARNERS MULTI ACADEMY TRUST

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# LEADING LEARNERS MULTI ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

B Wilson (Chair of trustees)  
P Addison-Child (resigned 26 September 2018)  
S Quigley  
Y Brown  
N Fazackerley  
C Gradwell (appointed 17 October 2017)  
F Hussein (appointed 26 September 2018)

### Members

B Wilson  
S Quigley  
C Gradwell (resigned 17 October 2017)  
K Royle  
J Brennan  
A Thompson

### Senior management team

- CEO & Accounting Officer	Y Brown
- Interim Finance and Operations	M Owen (to 7 January 2018)
- Finance Director	C Ferguson (from 8 January 2018)
- Principal (Woodside Academy)	D Harrison
- Principal (Reevy Hill Primary School))	M McKenna
- Principal (Worth Valley Primary School)	R Asim

### Company Number

07943227 (England and Wales)

### Registered office

Ennerdale Road  
Astley  
Tyldesley  
Manchester  
M29 7PY

### Independent auditor

Haines Watts  
Bridge House  
Ashley Road  
Hale  
Altrincham  
WA14 2UT

### Bankers

Lloyds Bank Plc  
Hotel Street  
Bolton  
BL1 1DB

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the audited financial statements of the academy trust, Leading Learners MAT, for the year ended 31 August 2018. The annual report serves the purposes of both a trustee's report and a directors' report under company law.

The academy trust operated four primary academies during the year. The academies have a combined pupil capacity of 1,215 ranging from 3 to 11 years old, serving catchments areas in Wigan and Bradford and had a roll of 1,150 in the school census at Autumn 2018.

### **Structure, governance and management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Leading Learners MAT are also the directors of the charitable company for the purposes of company law. The charitable company operates under the following trading names: Tyldesley Primary School, Forward Together Teaching School Alliance, Woodside Academy, Reeve Hill Primary School and Worth Valley Primary School.

Details of the members and trustees who served throughout the year, and to the date these accounts are approved, are included in the reference and administrative details on page 1 together with details of the company's registered office.

#### Members' liability

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

#### Trustees' indemnities

In accordance with normal commercial practice the trust has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on trust business. Further details are disclosed at Note 10.

#### Method of recruitment and appointment or election of trustees

- Trustees are recruited according to their skills and knowledge. Organisations such as Academy Ambassadors are approached to help identify potential candidates. Trustees are nominated by the full board of trustees and hold office for four years.
- Members may appoint up to seven trustees as directors according to Article 50. Six member appointed trustees were on the board at the commencement of the year, two of whom were also members.
- The trustees may appoint co-opted trustees. Trustees may not co-opt an employee of the academy trust to this role if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees (including the CEO).
- The CEO, when appointed to the post, acts as ex officio trustee.

#### Policies and procedures adopted for the induction and training of trustees

On appointment, trustees receive information relating to the trust, attend a briefing and are familiarised with all elements of the organisation and details of their responsibilities as a trustee. Development meetings are held focusing on key strategic areas.

#### Organisational structure

Trustees are responsible for the strategic management of the trust including setting strategic direction, approval of annual budgets, senior staff appointments and approval of policies. Collectively they make decisions on annual expenditure, and set the trust budget for the year, including the budget for each school in liaison with the chief executive officer (CEO), the finance director (FD) and the headteachers.

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Schools

The headteacher of each school is responsible for the daily management and organisation of that school. They are supported by senior leaders and the school business manager/finance officer and are responsible for Key Stage management, standards of attainment, curriculum provision and budget management within the school.

The school management teams develop policies for trustee or local governing board (LGB) approval. They provide information about the standards, curriculum, pupil attainment and attendance for trustee information and monitoring purposes. This is verified by external inspection and monitoring reports. Through performance management, they challenge the senior leadership and hold them to account regarding priorities for improvement set out in the School Improvement Plan.

Each school has a local governing body appointed by the trust board and comprising of people with a range of appropriate skills and elected parent and staff representatives. The local governing board meets at least once each term to receive reports from its leadership team and manage its strategic objectives and matters relating to local finance, premises, staffing, curriculum, standards and the safeguarding, the care of pupils and relations with the community.

### Arrangements for setting pay and remuneration of key management personnel

The trust board has responsibility for the performance management and setting of the remuneration of the chief executive and the finance director. Whilst the CEO is responsible directly for the performance management of the headteachers at the respective schools, the level of remuneration of these post holders will be the responsibility of the trust board. For all other staff, performance management is the responsibility of the headteacher and any additional threshold or main scale payments must be approved by the respective school's pay committee or the trust board. The basis of any awards, so approved, is to be in accordance with the Recommendations on Teachers Pay and Conditions.

### Trade Union facility time

There has been no facilitated time allocated to union representatives during the period.

### Related parties and other connected charities and organisations

Leading Learners MAT is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

## **Objectives and activities**

### Objects and aims

The principal object and activity of the charitable company is the operation of Tyldesley Primary School, Woodside Academy, Reeve Hill Primary School and Worth Valley Primary School to provide a high quality of education for pupils between the ages of 3 – 11 years. To establish, maintain, manage and develop the schools, offering a broad and balanced curriculum for children on roll at each school.

The aims of the trust rest on the following mission statement:

Leading Learners MAT enables every child to develop as an individual in a caring, safe and stimulating learning environment in which children feel secure and happy. In partnership with parents, we motivate children to achieve the highest standards of attainment, within a balanced curriculum of academic, social, cultural, physical and moral teaching. We aim to enable all pupils to become independent, self-confident and respectful individuals who are equipped with the skills for life.

In addition, the trust is committed to continuing professional development and the recruitment, training and development of new teachers through the work of the Forward Together Teaching School Alliance.

### Objectives, strategies and activities

The main objectives for the year have been to continue improving the academic results at the Bradford schools, whilst maintaining the performance at Tyldesley Primary School, and stabilising the financial position of the trust. The academic objectives have been achieved through the focussed deployment of the teaching and learning lead for the trust combined with the work of external consultants and the financial objectives have been achieved through the adoption of a range of measures introduced by the newly appointed finance director.

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Public benefit

The trustees have considered the Charity Commission's guidance on public benefit. The key public benefit delivered by Leading Learners MAT is the maintenance and development of the high quality education provided by the schools to the young people of Wigan and Bradford.

In doing this Leading Learners MAT not only offers a broad-based education but aims to educate the whole individual. A wide-range of extra-curricular activities, educational visits, authors and consultant workshops, including artists and musicians, are commissioned throughout the year.

### **Strategic report**

#### Achievements and performance

There has been a significant focus on the development of a trust wide School Improvement Strategy which is now fully implemented. This has enabled the trust to have consistent systems across the schools. Focused learning networks have been established across the schools enabling teachers to work together to moderate work, share best practice and develop a trust wide assessment system.

The priority areas, in addition to ensuring good rates of progress across each year group, related to:

- Curriculum design
- Developing reading across the trust
- Poverty Proofing (Social Mobility)
- Leadership development

Systems and procedures have been further refined and developed with significant input from senior leaders. The trust has a clear vision for success built around a set of core values. A clear CPD offer is now in place for staff to support their development and to promote positive teacher recruitment and retention.

Non- negotiables relate to:

- Safeguarding procedures
- Clear expectations for teaching and learning linked to teachers' standards, upper pay scale and leadership scale
- Trust assessment and tracking systems
- Performance Management procedures
- Curriculum development
- Moderation of work
- SEF, School Improvement and monitoring and evaluation structures
- Senior Leadership Support
- CPD and extended training

The trust has ensured improvements across the four schools but acknowledge there is still a lot of improvement needed to ensure the schools are in line with National for attainment. From low starting points in the three Bradford schools, progress measures are broadly in line with National representing good progress. The trust schools are improving faster than other Bradford schools and national over the two year period.

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Performance

School	EYFS – GLD	Y1 Phonics	Y2 Phonics re-take
Reevy Hill	50%	40%	67%
Tyldesley Primary	67%	87%	95%
Worth Valley	67%	76%	80%
Woodside	65%	79%	97%

School	KS1 Reading	KS1 Maths	KS1 Writing
Reevy Hill	63%	63%	56%
Tyldesley Primary	88%	88%	78%
Worth Valley	67%	70%	50%
Woodside	75%	78%	59%

School	KS2 Reading	KS2 Maths	KS2 Writing
Reevy Hill	54%	54%	73%
Tyldesley Primary	80%	89%	89%
Worth Valley	81%	73%	73%
Woodside	63%	61%	72%

Further performance information is available on the DfE performance tables.

### Going concern

After making appropriate enquiries, the board of trustees 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 Accounting Policies note of the financial statements.

### Financial review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102 SORP), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The trust's financial position for the year to 31 August 2018 shows total income of £7m with a surplus for the year ended 31 August 2018 of £38,000. The results for the year excluding capital income, depreciation and actuarial gain on the LGPS pension reserve was a deficit of £13,000.

The principal financial management policies adopted by the trust are:

- regular financial reviews of income and expenditure versus planned budgets at Finance and Audit committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The board of trustees acknowledges the defined pension scheme deficit of £1,716,000 (2017: £2,009,000) which is set out at Note 16 to the annual report. It considers that the academy trust is able to meet its known contribution commitments for the foreseeable future.

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The academy held fund balances at 31 August 2018 of £11,674,000 comprising £237,000 unrestricted fund, £13,153,000 restricted fixed asset fund, £nil restricted general fund and a pension reserve deficit of £1,716,000.

The trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

#### Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to at least 1 month of the GAG, approximately £421,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of general restricted and unrestricted funds is £237,000. The trust will be assessing further options to reduce expenditure in 2018/19 to ensure that reserves increase to the appropriate level determined.

#### Investment policy

In a period of financial uncertainty and low interest rates, the academy trust's policy has been to maximise liquidity and minimise risk. The academy had no financial investments during the financial year ended 31 August 2018. The policy will be kept under review.

#### **Principal risks and uncertainties**

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the trust. The trustees have implemented a number of processes and controls to minimise and manage the risks that the trust faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. These include operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, insurance cover has been put in place.

The trustees have identified the following principal risks and uncertainties facing the academy trust:

#### Financial risk

The trust is operating in a period of considerable financial uncertainty with regard to public funding. The trust's activities expose it primarily to cash flow risk. The board of trustees continually monitors cash flows to ensure the trust has sufficient funds available to meet debts as they fall due. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets already projected by central government and further potential reductions resulting from the implementation of the National Funding Formula.

#### Failures in governance and/or management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

#### Reputational risk

The continuing success of the trust depends on maintaining the highest educational standards in order to maintain the current Ofsted rating of outstanding within Tyldesley, drive significant improvement within the Bradford schools and therefore attract pupils to the schools and maximise pupil numbers. Trustees are clearly focused on monitoring and reviewing the achievement and progress of children. Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including behaviour management, safeguarding, health and safety.

#### Safeguarding and child protection risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care.

#### Significant changes in staff

Trustees regularly review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

# LEADING LEARNERS MULTI ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Fundraising**

The trust did not undertake any fundraising activities during the year to 31 August 2018.

### **Plans for future periods**

The immediate plans for the trust are to drive significant improvement in the educational standards within the Bradford schools and to maintain the outstanding provision at Tyldesley. The Forward Together teaching school, based at Tyldesley, will continue to help to support the development of outstanding teachers across the trust and within other schools.

The trust will also focus on ensuring that the central services provided to the schools offers a cost effective, efficient service that is capable of supporting further schools in the future. The trust has plans to expand in the medium term and would welcome the prospect of schools that share the same vision and ethos choosing to join.

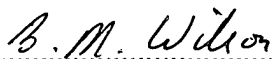
### **Auditors**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps 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 audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:



**B Wilson**

**Chair of trustees**

# LEADING LEARNERS MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Leading Learners Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met nine times during the period. Attendance during the meeting of the full board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
B Wilson (Chair)	9	9
Y Brown (CEO)	7	9
P Addison-Child	8	9
N Fazackerley	6	9
S Quigley	7	9
C Gradwell	8	8

In Autumn 2017 a comprehensive external review of governance was carried out covering strategic leadership, accountability, people, structures and compliance. A number of suggestions for improvements were made, which formed the basis of a governance action plan. The trust completed the improvements identified during the year and will review and update the plan in Autumn 2018.

The finance committee is a sub-committee of the main board of trustees, however for the financial year 2017/18 all trustees were invited to the finance committee meetings as they were dealt with as part of the main trust board agenda.

During the year to 31 August 2018 the finance meeting agendas included the following areas: reviewing and agreeing the budget, monitoring financial performance and expenditure, monitoring financial procedures in line with reports from internal audit, authorising expenditure (when required by scheme of delegation), ensuring all ESFA reporting requirements were met and receiving the reports of the external auditor.

Attendance at the finance committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
B Wilson (Chair)	3	3
Y Brown (CEO)	1	3
P Addison-Child	3	3
N Fazackerley	3	3
S Quigley	2	3
C Gradwell	3	3

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to oversee risk and control arrangements and review financial reports. The trustees are supported by three external finance professionals.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
B Wilson	2	2
Y Brown (CEO)	1	2
C Gradwell	2	2

# LEADING LEARNERS MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of value for money**

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

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

#### Improving educational results

- Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment.
- We have good tracking systems to record all aspects of student data which includes progress through school; this ensures that interventions and support are targeted to achieve value for money.
- Results at Tyldesley in Early Years, KS1 and KS2 are consistently higher than national average.
- Staffing structure is continually reviewed to target an improved curriculum with additional staff for music and languages.
- Differing needs of pupils are managed by one to one support, catch up and pre teach interventions, booster class and counselling support.

#### Financial governance and oversight

- Trustees play an active role in overseeing financial decisions and evaluate decisions taken in light of their impact on pupil achievement.
- There is an effective system of internal control which is reviewed by the work of the internal audit provision and also external auditors.
- Contracts are reviewed on a regular basis to ensure they are still required, fit for purpose and provide best value.
- All expenditure is challenged to ensure that funds are only spent on necessary expenditure which provides value for money.
- Opportunities have and are being taken to explore and generate additional revenue streams which include being a National Teaching School.

#### Future focus

- Trust wide procurement and economies of scale.

### **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's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place across the trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# LEADING LEARNERS MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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 board of trustees has appointed Salford City Council Internal Audit Department to carry out a programme of internal checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included testing of payroll and purchases. On an annual basis, the reviewer reports to the board of trustees, through the audit committee, on the operation of the systems of control.

For the year ending 31 August 2018, the agreed schedule of work was delivered as planned with no control issues arising from the work.

### Review of effectiveness

As accounting officer, the chief executive officer (Y Brown), has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of internal audit;
- the work of the external auditor;
- the work of the finance director and others within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:



B Wilson  
Chair of trustees



Y Brown  
Accounting officer

# LEADING LEARNERS MULTI ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2018**

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As accounting officer of Leading Learners Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



**Y Brown**

**Accounting officer**

Date: 12 December 2018

# LEADING LEARNERS MULTI ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who also act as governors for Leading Learners Multi Academy Trust and are also the directors of Leading Learners Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 12 December 2018 and signed on its behalf by:



**B Wilson**  
**Chair of trustees**

# LEADING LEARNERS MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEADING LEARNERS MULTI ACADEMY TRUST

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Opinion

We have audited the accounts of Leading Learners Multi Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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)', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

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

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

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# LEADING LEARNERS MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEADING LEARNERS MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# LEADING LEARNERS MULTI ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEADING LEARNERS MULTI ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 12/18.....

# **LEADING LEARNERS MULTI ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING LEARNERS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 18 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leading Learners Multi Academy Trust during the period 1 September 2017 to 31 August 2018 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 Leading Learners Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Leading Learners Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leading Learners Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Leading Learners Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Leading Learners Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# LEADING LEARNERS MULTI ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING LEARNERS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Haines Watts**  
**Reporting Accountant**

Dated: 12/11/18....

# LEADING LEARNERS MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	68	68	92
Donations - transfer from local authority on conversion		-	-	-	-	6,644
Donations - transfer of existing academy into the trust		-	-	-	-	2,669
Charitable activities:						
- Funding for educational operations	3	-	6,477	-	6,477	5,790
Teaching school	3/4/22	47	147	-	194	107
Other trading activities	4	254	-	-	254	333
<b>Total income and endowments</b>		<u>301</u>	<u>6,624</u>	<u>68</u>	<u>6,993</u>	<u>15,635</u>
<b>Expenditure on:</b>						
Raising funds	5	92	-	-	92	161
Charitable activities:						
- Educational operations	5/7	-	7,088	297	7,385	6,873
Teaching School	22	47	90	-	137	137
<b>Total expenditure</b>		<u>139</u>	<u>7,178</u>	<u>297</u>	<u>7,614</u>	<u>7,171</u>
<b>Net income/(expenditure)</b>		162	(554)	(229)	(621)	8,464
Transfers between funds		(175)	188	(13)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	659	-	659	370
<b>Net movement in funds</b>		(13)	293	(242)	38	8,834
<b>Reconciliation of funds</b>						
Total funds brought forward		250	(2,009)	13,395	11,636	2,802
Total funds carried forward		<u>237</u>	<u>(1,716)</u>	<u>13,153</u>	<u>11,674</u>	<u>11,636</u>

# LEADING LEARNERS MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	11	13,153	13,395
<b>Current assets</b>			
Debtors	12	193	258
Cash at bank and in hand		537	693
		<u>730</u>	<u>951</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(493)	(701)
<b>Net current assets</b>		<u>237</u>	<u>250</u>
<b>Total assets less current liabilities</b>		<u>13,390</u>	<u>13,645</u>
Defined benefit pension liability	16	(1,716)	(2,009)
<b>Net assets</b>		<u>11,674</u>	<u>11,636</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	14		
- Fixed asset funds		13,153	13,395
- Restricted income funds		-	-
- Pension reserve		(1,716)	(2,009)
<b>Total restricted funds</b>		<u>11,437</u>	<u>11,386</u>
<b>Unrestricted income funds</b>	14	<u>237</u>	<u>250</u>
<b>Total funds</b>		<u>11,674</u>	<u>11,636</u>

The accounts were approved by the board of trustees and authorised for issue on 12 December 2018 and are signed on its behalf by:



**B Wilson**  
Chair of trustees

Company Number : 07943227

# LEADING LEARNERS MULTI ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	17	(169)	295
Cash funds transferred on conversion		-	214
		(169)	509
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		-	-
Capital grants from DfE and ESFA		68	92
Payments to acquire tangible fixed assets		(55)	(344)
Proceeds from sales of tangible fixed assets		-	-
		13	(252)
<b>Cash flows from financing activities</b>			
Loan now recognised as income		-	(62)
		-	(62)
<b>Change in cash and cash equivalents in the reporting period</b>		156	195
Cash and cash equivalents at 1 September 2017		693	498
<b>Cash and cash equivalents at 31 August 2018</b>		<u>537</u>	<u>693</u>

# LEADING LEARNERS MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 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.

#### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Leading Learners Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

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

#### 1.4 Income

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

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies**

**1.4 Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

**Expenditure on raising funds**

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

**Charitable activities**

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

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1 Accounting policies**

**1.6 Tangible fixed assets and depreciation**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on 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 trust's depreciation policy.

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

Leasehold buildings	50 years straight line
Leasehold land	125 years straight line
Assets under construction	Not depreciated until brought into use
Computer equipment	4 years straight line
Furniture and equipment	7 years straight line

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

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

**1.7 Liabilities**

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

**1.8 Taxation**

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

**1.9 Pensions benefits**

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

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 Accounting policies**

- 1.9** The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**1.10 Fund accounting**

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

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

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

**1.11 Critical accounting estimates and areas of judgement**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**2 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	68	68	92

**3 Funding for the academy trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,001	5,001	4,391
Start up grants	-	-	-	180
Other DfE / ESFA grants	-	886	886	722
National College grants	-	94	94	69
	-	5,981	5,981	5,362
Other government grants				
Local authority grants	-	590	590	497
Total funding	-	6,571	6,571	5,859

The academy trust received £590,000 from the local authorities in the year (2017: £497,000). This included £492,000 (2017: £482,000) funding for pupils attending the nurseries, £54,000 (2017: £15,000) for Special Educational Needs and Mental Health funding and £44,000 (2017: £nil) other funding. There were no unfulfilled conditions or other contingencies relating to the grants received in the year.

**4 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	27	-	27	28
Catering income	-	21	21	31
Before and After School Club	108	-	108	107
Nursery fees	6	-	6	31
Teaching School	47	53	100	38
Other school activities	92	-	92	136
	280	74	354	371

The income from other trading activities was £354,000 (2017: £371,000) of which £280,000 was unrestricted (2017: £320,000) and £74,000 was restricted (2017: £51,000).

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5 Expenditure**

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2018 £'000	Total 2017 £'000
<b>Academy's educational operations</b>					
- Direct costs	4,364	280	541	5,185	4,677
- Allocated support costs	1,180	350	670	2,200	2,196
	<u>5,544</u>	<u>630</u>	<u>1,211</u>	<u>7,385</u>	<u>6,873</u>
<b>Other expenditure</b>					
Raising funds					
- Direct costs	55	-	37	92	130
- Allocated support costs	-	-	-	-	-
Teaching school	41	-	96	137	168
	<u>41</u>	<u>-</u>	<u>96</u>	<u>137</u>	<u>168</u>
<b>Total expenditure</b>	<u>5,640</u>	<u>630</u>	<u>1,344</u>	<u>7,614</u>	<u>7,171</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2018 £'000</b>	<b>2017 £'000</b>
Fees payable to auditor for:					
- Audit				10	22
- Other services				1	17
Operating lease rentals				26	24
Depreciation of tangible fixed assets				297	295
				<u>297</u>	<u>295</u>

**6 Central Services**

The academy trust has provided the following central services to its academies during the year:

- Educational support services
- Financial services
- Human Resources
- Legal Services

The academy trust charges between 5% and 6% depending on level of educational support required.

	2018 £'000	2017 £'000
Reevy Hill Primary School	61	41
Tyldesley Primary School	61	59
Woodside Academy	112	83
Worth Valley Primary School	53	35
	<u>287</u>	<u>218</u>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7 Charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>All from restricted funds:</b>		
Direct costs - educational operations	5,185	4,677
Support costs - educational operations	2,200	2,196
	<u>7,385</u>	<u>6,873</u>

<b>Analysis of costs</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	4,364	3,889
Staff development	35	38
Depreciation and amortisation	280	265
Educational supplies and services	410	279
Educational consultancy	96	206
	<u>5,185</u>	<u>4,677</u>

<b>Support costs</b>		
Support staff costs	1,180	1,064
Depreciation and amortisation	17	30
Technology costs	91	95
Maintenance of premises and equipment	79	147
Cleaning	11	24
Energy costs	105	61
Rent and rates	49	63
Insurance	72	66
Security and transport	28	20
Catering	292	273
Interest on defined benefit pension scheme	49	42
Other support costs	205	236
Governance costs	22	75
	<u>2,200</u>	<u>2,196</u>

**8 Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	4,158	3,664
Social security costs	350	304
Operating costs of defined benefit pension schemes	927	782
	<u>5,435</u>	<u>4,750</u>
Staff costs		
Supply staff costs	165	232
Staff restructuring costs	40	26
	<u>5,640</u>	<u>5,008</u>

**LEADING LEARNERS MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**8 Staff restructuring costs comprise:**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Redundancy payments	27	-
Severance payments	13	26
	<u>40</u>	<u>26</u>

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £13,000 (2017: £26,000). Individually the payments were £7,200 made in January 2018, £900 made in February 2018 and £5,196 made in July 2018.

**Staff numbers**

The average number of persons employed by the academy trust during the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Teachers	57	49
Administration and support	150	138
Management	5	5
	<u>212</u>	<u>192</u>

**Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	3	1
£70,001 - £80,000	1	0
£100,001 - £110,000	1	1
	<u>5</u>	<u>2</u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) in respect of the services provided to the academy trust by key management personnel was £469,000 (2017: £473,000).

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**9 Trustees' remuneration and expenses**

Staff trustees only receive remuneration in respect of the services they provide undertaking their roles as per their contracts of employment. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year travel and subsistence payments totalling £321 were reimbursed to three trustees (2017: £ nil).

The value of trustees' remuneration was as follows:

Y Brown (CEO and trustee)

Remuneration £105,001 - £110,000 (2017: £100,001- £105,000)

Employer's pension contributions £15,001 - £20,000 (2017: £15,001 - £20,000)

Other related party transactions involving the trustees are set out within the related parties note.

**10 Trustees and officers insurance**

All of the schools within the trust have opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme or the commercial package.

**11 Tangible fixed assets**

	Leasehold buildings	Leasehold land	Fixtures & Fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2017	11,724	2,151	237	183	14,295
Additions	41	-	6	8	55
At 31 August 2018	11,765	2,151	243	191	14,350
<b>Depreciation</b>					
At 1 September 2017	586	35	143	136	900
Charge for the year	235	17	28	17	297
At 31 August 2018	821	52	171	153	1,197
<b>Net book value</b>					
At 31 August 2018	10,944	2,099	72	38	13,153
At 31 August 2017	11,138	2,116	94	47	13,395

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>12 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	18	2
VAT recoverable	26	45
Prepayments and accrued income	149	211
	<u>193</u>	<u>258</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	157	49
Other taxation and social security	88	79
Other creditors	68	71
Accruals and deferred income	180	502
	<u>493</u>	<u>701</u>
<b>Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income included within Creditors due within one year	<u>114</u>	<u>79</u>
Deferred income at 1 September 2017	79	39
Released from previous years	(79)	(39)
Amounts deferred in the year	<u>114</u>	<u>79</u>
<b>Deferred income at 31 August 2018</b>	<b><u>114</u></b>	<b><u>79</u></b>

The deferred income at 31 August 2018 consists of advanced funding received for the Universal Infant Free School Meals of £87,000 (2017: £79,000), Essential Life Skills Grant £13,000, Special Educational Needs funding £9,000 and £5,000 other.

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14 Funds**

	Balance at 1 September 2017	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2018
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	(221)	5,001	(5,189)	409	-
Other DfE / ESFA grants	-	886	(886)	-	-
Other government grants	-	590	(590)	-	-
Other restricted funds	-	147	(147)	-	-
Inherited on conversion	221	-	-	(221)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Funds excluding pensions	-	6,624	(6,812)	188	-
Pension reserve	(2,009)	-	(366)	659	(1,716)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	(2,009)	6,624	(7,178)	847	(1,716)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion or transfer	12,440	-	(245)	-	12,195
DfE / ESFA capital grants	840	68	(19)	(13)	876
Capital expenditure from GAG	115	-	(33)	-	82
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	13,395	68	(297)	(13)	13,153
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total restricted funds</b>	<u>11,386</u>	<u>6,692</u>	<u>(7,475)</u>	<u>834</u>	<u>11,437</u>
<b>Unrestricted funds</b>					
General funds	250	301	(139)	(175)	237
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funds</b>	<u>11,636</u>	<u>6,993</u>	<u>(7,614)</u>	<u>659</u>	<u>11,674</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy trust.

Restricted fixed asset funds are those funds relating to the long term assets of the academy trust used in delivering the objects of the academy trust.

Unrestricted funds are those funds to which the board of trustees may use in pursuance of the academy trust's objectives and are expendable at the discretion of the trustees. This year £175,000 has been transferred to restricted general funds.

There is a transfer of £13,000 between restricted general funds and restricted fixed asset funds to reflect capital income in excess of fixed asset additions made in the year ended 31 August 2018.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**LEADING LEARNERS MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**14 Funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Reevy Hill Primary School	72	49
Tyldesley Primary School	(51)	7
Woodside Academy	283	269
Worth Valley Primary School	61	39
Central services	(128)	(114)
Total before fixed assets fund and pension reserve	237	250
Restricted fixed asset fund	13,153	13,395
Pension reserve	(1,716)	(2,009)
Total funds	11,674	11,636

Central services is carrying a net deficit of £128,000 at year end due to expenditure in excess of the contributions from schools. Central costs will be assessed to identify where savings can be made with a view to eliminating the deficit over an agreed period. Tyldesley Primary School is also carrying a net deficit of £51,000 year end. A staff reduction programme was concluded in the Summer of 2018 with a view to significantly reducing costs and eliminating the deficit over the next few years.

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Reevy Hill Primary School	869	134	104	196	1,303
Tyldesley Primary School	1,331	167	107	422	2,027
Woodside Academy	1,687	247	196	323	2,453
Worth Valley Primary School	833	165	74	163	1,235
Central services	104	103	26	66	299
	4,824	816	507	1,170	7,317

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14 Funds (continued)**

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

	Balance at 1 September 2016	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2017
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	23	4,391	(4,794)	159	(221)
Start up grants	-	180	(180)	-	-
Other DfE / ESFA grants	-	791	(791)	-	-
Other government grants	146	497	(497)	(146)	-
Other restricted funds	17	51	(68)	-	-
Inherited on conversion	-	267	(46)	-	221
	<u>186</u>	<u>6,177</u>	<u>(6,376)</u>	<u>13</u>	<u>-</u>
Funds excluding pensions	186	6,177	(6,376)	13	-
Pension reserve	(725)	(1,352)	(302)	370	(2,009)
	<u>(539)</u>	<u>4,825</u>	<u>(6,678)</u>	<u>383</u>	<u>(2,009)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion or transfer	2,364	10,320	(244)	-	12,440
DfE / ESFA capital grants	620	92	(18)	146	840
Capital expenditure from GAG	42	-	(33)	106	115
	<u>3,026</u>	<u>10,412</u>	<u>(295)</u>	<u>252</u>	<u>13,395</u>
<b>Total restricted funds</b>	<u>2,487</u>	<u>15,237</u>	<u>(6,973)</u>	<u>635</u>	<u>11,386</u>
<b>Unrestricted funds</b>					
General funds	315	398	(198)	(265)	250
<b>Total funds</b>	<u>2,802</u>	<u>15,635</u>	<u>(7,171)</u>	<u>370</u>	<u>11,636</u>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14 Funds (continued)**

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

	Balance at 1 September 2016	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2018
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	23	9,392	(9,983)	568	-
Start up grants	-	180	(180)	-	-
Other DfE / ESFA grants	-	1,677	(1,677)	-	-
Other government grants	146	1,087	(1,087)	(146)	-
Other restricted funds	17	198	(215)	-	-
Inherited on conversion	-	267	(46)	(221)	-
	<u>186</u>	<u>12,801</u>	<u>(13,188)</u>	<u>201</u>	<u>-</u>
Funds excluding pensions	186	12,801	(13,188)	201	-
Pension reserve	(725)	(1,352)	(668)	1,029	(1,716)
	<u>(539)</u>	<u>11,449</u>	<u>(13,856)</u>	<u>1,230</u>	<u>(1,716)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion or transfer	2,364	10,320	(489)	-	12,195
DfE / ESFA capital grants	620	160	(37)	133	876
Capital expenditure from GAG	42	-	(66)	106	82
	<u>3,026</u>	<u>10,480</u>	<u>(592)</u>	<u>239</u>	<u>13,153</u>
<b>Total restricted funds</b>	<u>2,487</u>	<u>21,929</u>	<u>(14,448)</u>	<u>1,469</u>	<u>11,437</u>
<b>Unrestricted funds</b>					
General funds	315	699	(337)	(440)	237
	<u>315</u>	<u>699</u>	<u>(337)</u>	<u>(440)</u>	<u>237</u>
<b>Total funds</b>	<u>2,802</u>	<u>22,628</u>	<u>(14,785)</u>	<u>1,029</u>	<u>11,674</u>

**15 Analysis of net assets between funds**

	Unrestricted funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	13,153	13,153
Current assets	237	493	-	730
Creditors falling due within one year	-	(493)	-	(493)
Defined benefit pension liability	-	(1,716)	-	(1,716)
	<u>237</u>	<u>(1,716)</u>	<u>13,153</u>	<u>11,674</u>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**15 Analysis of net assets between funds (continued)**

	Unrestricted funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	13,395	13,395
Current assets	250	701	-	951
Creditors falling due within one year	-	(701)	-	(701)
Defined benefit pension liability	-	(2,009)	-	(2,009)
	<u>250</u>	<u>(2,009)</u>	<u>13,395</u>	<u>11,636</u>

**16 Pensions and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council for Tyldesley Primary School and by City of Bradford Metropolitan District Council for Reevy Hill Primary School, Woodside Academy Trust and Worth Valley Primary School. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £68,000 were payable to the schemes at 31 August 2018 (2017: £71,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# LEADING LEARNERS MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 16 Pensions and similar obligations

##### 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £327,000 (2017: £258,000).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 are as noted below.

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

##### Tyldesley Primary School (Greater Manchester Pension Fund)

The agreed contribution rates for future years are 5.5% to 9.9% for employees and 19.6% for employers. The estimated value of employer contributions for the forthcoming year is £94,000.

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	94	93
Employees' contributions	30	30
	<hr/>	<hr/>
Total contributions	124	123
	<hr/>	<hr/>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16 Pensions and similar obligations**

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.1	3.2
Rate of increase for pensions in payment	2.3	2.4
Discount rate	2.8	2.5

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

	<b>2018</b>	<b>2017</b>
<i>Retiring today</i>		
Males	21.5	21.5
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	23.7	23.7
Females	26.2	26.2

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31 August 2018</b>	<b>Approximate % increase to employer liability</b>	<b>Approximate monetary amount £000</b>
0.5% decrease in real discount rate	14%	296
0.5% increase in the salary increase rate	2%	41
0.5% increase in the pension increase rate	12%	251

The academy trust's share of the assets in the scheme were:

	<b>2018</b>	<b>2017</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	896	846
Bonds	211	186
Cash	118	58
Property	92	70
<b>Total market value of assets</b>	<b>1,317</b>	<b>1,160</b>
Actual return on scheme assets	66	149

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**16 Pensions and similar obligations**

<b>Amounts recognised in the statement of financial activities</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Current service cost (net of employee contributions)	194	159
Net interest cost	26	16
<b>Total operating charge</b>	<b>220</b>	<b>175</b>
 <b>Changes in the present value of defined benefit obligations</b>	 <b>2018 £'000</b>	 <b>2017 £'000</b>
Obligations at 1 September 2017	2,136	1,643
Current service cost	194	159
Past service costs	27	-
Interest cost	56	36
Employee contributions	30	30
Actuarial (gain) / loss	(233)	298
Benefits paid	(33)	(30)
<b>At 31 August 2018</b>	<b>2,177</b>	<b>2,136</b>
 <b>Changes in the fair value of the academy trust's share of scheme assets</b>	 <b>2018 £'000</b>	 <b>2017 £'000</b>
Assets at 1 September 2017	1,160	918
Interest income	30	20
Actuarial gain (return on plan assets excluding interest income)	36	129
Employer contributions	94	93
Employee contributions	30	30
Benefits paid	(33)	(30)
<b>At 31 August 2018</b>	<b>1,317</b>	<b>1,160</b>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16 Pensions and similar obligations**

**Reevy Hill Primary School, Woodside Academy and Worth Valley Primary School (West Yorkshire Pension Fund)**

The agreed employee contribution rates for future years are 5.5% to 9.9%. The agreed employer contribution rates for future years are 14.7% for Reevy Hill Primary School, 12.2% for Woodside Academy Trust and 14.5% for Worth Valley Primary School. The estimated values of employer contributions for the forthcoming year are £45,000 for Reevy Hill Primary School, £55,000 for Worth Valley Primary School and £99,000 for Woodside Academy.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	189	171
Employees' contributions	78	69
	<hr/>	<hr/>
Total contributions	267	240
	<hr/>	<hr/>

**Principal actuarial assumptions**

	<b>Reevy Hill</b>	<b>Reevy Hill</b>	
	<b>Worth Valley</b>	<b>Worth Valley</b>	<b>Woodside</b>
	<b>Woodside</b>	<b>Woodside</b>	<b>Woodside</b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Rate of increases in salaries	3.25	3.15	3.25
Rate of increase for pensions in payment	2.00	1.90	2.00
Discount rate	2.80	2.50	2.50

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	<b>Approximate</b>
	<b>monetary amount</b>
<b>Change in assumptions at 31 August 2018</b>	<b>£000</b>
0.1% decrease in real discount rate	115
0.1% increase in the salary increase rate	42
0.1% increase in the pension increase rate	71

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

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.1	22.1
- Females	25.3	25.2
Retiring in 20 years		
- Males	23.1	23.0
- Females	27.1	27.0

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**16 Pensions and similar obligations**

<b>The academy trust's share of the assets in the scheme</b>	<b>2018 Fair value £'000</b>	<b>2017 Fair value £'000</b>
Equities	2,484	2,235
Government bonds	360	278
Corporate bonds	116	114
Cash	74	43
Property	141	130
Other	156	98
<b>Total market value of assets</b>	<b>3,331</b>	<b>2,898</b>
 Actual return on scheme assets	 186	 226
 <b>Amounts recognised in the statement of financial activities</b>	 <b>2018 £'000</b>	 <b>2017 £'000</b>
Current service cost (net of employee contributions)	379	365
Net interest cost	23	26
<b>Total operating charge</b>	<b>402</b>	<b>391</b>
 <b>Changes in the present value of defined benefit obligations</b>	 <b>2018 £'000</b>	 <b>2017 £'000</b>
Obligations at 1 September 2017 / Obligations transferred in	3,931	3,800
Current service cost	379	365
Interest cost	99	80
Employee contributions	78	69
Actuarial gains	(280)	(367)
Benefits paid	(20)	(16)
<b>At 31 August 2017</b>	<b>4,187</b>	<b>3,931</b>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**16 Pensions and similar obligations**

**Changes in the fair value of the academy trust's share of scheme assets**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2017 / Assets transferred in	2,898	2,448
Interest income	76	54
Return on plan assets (excluding amounts included in net interest): Actuarial gain	110	172
Employer contributions	189	171
Employee contributions	78	69
Benefits paid	(20)	(16)
At 31 August 2017	<u>3,331</u>	<u>2,898</u>

**17 Reconciliation of net income to net cash flows from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net income for the reporting period	(621)	8,464
Adjusted for:		
Net surplus on conversion to academy	-	(9,313)
Capital grants from DfE/ESFA and other capital income	(68)	(92)
Investment income receivable	-	-
Defined benefit pension costs less contributions payable	317	260
Defined benefit pension net finance cost	49	42
Depreciation of tangible fixed assets	297	295
(Increase) in debtors	65	(40)
Increase/(decrease) in creditors	(208)	548
Stocks, debtors and creditors transferred on conversion	-	131
<b>Net cash provided by operating activities</b>	<u>(169)</u>	<u>295</u>

**18 Commitments under operating leases**

At 31 August 2018 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	15	25
Amounts due in two and five years	8	24
	<u>23</u>	<u>49</u>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**19 Capital commitments**

There were no capital commitments at year end.

**20 Related party transactions**

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

No related party transactions took place during the financial year, other than certain trustees' remuneration and expenses which are disclosed in note 9.

**21 Members' liability**

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

<b>22 Teaching school trading account</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Direct income</b>		
NCTL / School Direct funding	147	69
<b>Other income</b>		
Fundraising and other activities	47	38
<b>Total Income</b>	<b>194</b>	<b>107</b>
<b>Expenditure</b>		
Direct staff costs	32	16
Support staff costs	9	4
Other direct costs	96	117
<b>Total expenditure</b>	<b>137</b>	<b>137</b>
<b>Surplus / (Deficit)</b>	<b>57</b>	<b>(20)</b>
<b>Teaching school balances at 31 August 2017</b>	<b>(20)</b>	<b>-</b>
<b>Teaching school balances at 31 August 2018</b>	<b>37</b>	<b>(20)</b>

**LEADING LEARNERS MULTI ACADEMY TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23 Prior Year SOFA**

	Unrestricted Funds £'000	Restricted funds: General    Fixed asset £'000    £'000	Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>				
Donations and capital grants	-	-	92	774
Donations - transfer from local authority on conversion	-	(348)	6,992	-
Donations - transfer of existing academy into the trust	78	(737)	3,328	-
Charitable activities:				
- Funding for educational operations	-	5,790	-	1,653
Teaching school	38	69	-	40
Other trading activities	282	51	-	249
Investments	-	-	-	1
<b>Total income and endowments</b>	<u>398</u>	<u>4,825</u>	<u>10,412</u>	<u>2,717</u>
<b>Expenditure on:</b>				
Raising funds	130	31	-	137
Charitable activities:				
- Educational operations	-	6,578	295	1,834
Teaching School	68	69	-	65
<b>Total expenditure</b>	<u>198</u>	<u>6,678</u>	<u>295</u>	<u>2,036</u>
<b>Net income/(expenditure)</b>	200	(1,853)	10,117	681
Transfers between funds	(265)	13	252	-
<b>Other recognised gains and losses</b>				
Actuarial gains/(losses) on defined benefit pension schemes	-	370	-	(305)
<b>Net movement in funds</b>	(65)	(1,470)	10,369	376
<b>Reconciliation of funds</b>				
Total funds brought forward	<u>315</u>	<u>(539)</u>	<u>3,026</u>	<u>2,426</u>
Total funds carried forward	<u>250</u>	<u>(2,009)</u>	<u>13,395</u>	<u>2,802</u>