

Registered number: 08182235

LDBS ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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LDBS ACADEMIES TRUST
(A company limited by guarantee)

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LDBS ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	London Diocesan Fund London Diocesan Board for Schools Mr I Woolf
Trustees	Professor D Cumberland, Chairman ¹ Mrs G M Dale-Skey ¹ Dame A Hassan ¹ Mr C J Henry (resigned 4 November 2014) Revd Preb C G Pope ¹ Ms E Wolverson, Chief Executive Mr I Woolf Mrs K Hunter (appointed 2 September 2015)
	¹ members of the Audit committee
Company registered number	08182235
Principal and registered office	London Diocesan Board For Schools London Diocesan House 36 Causton Street London SW1P 4AU
Company secretary	Ms A M Norton
Senior management team	Mr Simon Knowles, Executive Headteacher, Holy Trinity Church of England Primary School, Tottenham; St Ann's Church of England Primary School, Tottenham; and St Michael's Church of England Primary School, Wood Green Mr A David, Interim Executive Headteacher, Millbrook Park Church of England Primary School, Mill Hill Mrs S Easton, Headteacher, St Paul's & All Hallows' Church of England Infant and Nursery School, Tottenham and St Paul's & All Hallows' Church of England Junior School, Tottenham Ms H Scrase, Head of School, Holy Trinity Church of England Primary School, Tottenham Ms N Dudley, Head of School, Millbrook Park Church of England Primary School, Mill Hill Mr M Lancaster, Head of School, St Ann's Church of England Primary School, Tottenham Ms Lilia Mirtchev, Head of School, St Michael's Church of England Primary School, Wood Green Ms S Ihua-Maduenyi, Deputy Headteacher, St Paul's & All Hallows' Church of England Infant and Nursery School, Tottenham Ms J Belton, Deputy Headteacher, St Paul's & All Hallows' Church of England Junior School, Tottenham
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers	Lloyds Bank plc 98 Victoria Street London London
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

LDBS ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of LDBS Academies Trust (the academy) for the ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Trust operates 7 primary academies across London. Its academies have a combined pupil capacity of 1530 full time equivalent and had a roll of 1460 full time equivalent in the school census on 16th January 2015.

Structure, governance and management

a. CONSTITUTION

The directors of LDBS Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as LDBS Academies Trust.

Details of the directors who served during the year are included in the Reference and Administrative Details.

The LDBS Academies Trust trades as:

- Holy Trinity Church of England Primary School
- Millbrook Park Church of England Primary School
- St Ann's Church of England Primary School
- St Michael's Church of England Primary School
- St Paul's & All Hallows' Church of England Infant & Nursery School
- St Paul's & All Hallows' Church of England Junior School
- St Andrew & St Francis Church of England Primary School

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The members of the LDBS Academies Trust comprise of the following:

- the London Diocesan Board for Schools, and
- the London Diocesan Fund
- Mr I Woolf

There is also provision in the company's Articles of Association for one person to be appointed as a member by the Secretary of State.

The trustees of the LDBS Academies Trust shall comprise of no less than 3 persons with appointments made as follows:

- Members may appoint such number of directors as they see fit.
- The Chief Executive if appointed.
- The Secretary of State may appoint up to 2 directors.
- Directors may appoint staff directors provided that the total number of directors including the Chief Executive who are employees of the company does not exceed one third of the total number of directors.
- Directors who have not been co-opted as directors may appoint up to 3 co-opted directors
- If the directors have not appointed Local Governing Bodies in respect of the academies, 2 parent directors shall be elected by parents of pupils registered at the academies. (At present this does not apply.)

LDBS ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The term of office of all directors, excluding the Chief Executive or any other director who serves in an executive capacity, is 4 years. Any director may be re-appointed or re-elected providing they remain eligible to be a particular type of director.

The LDBS Academies Trust's approach on recruiting new directors is to ensure that there is an appropriate mixture of skills and experience which is related to the work of schools but also rooted in the world outside. Directors are expected to share our passion for education and for improving the life chances of the children in the schools in the Trust.

There was a clear rationale to the LDBS Academies Trust's appointments of directors and if there were a need to make new appointments the LDBS Academies Trust would seek to appoint on a similar basis. Directors' appointments were based on a consideration of the necessary skills and experience that needed to be present within the LDBS Academies Trust Board to enable the Board to meet the needs of a newly established multi-academy trust and its network of schools, and ensure best practice governance was established from the outset. Members sought to appoint a director with a strong financial background and experience of Human Resources procedures. Members considered it was important that the LDBS Academies Trust was able to be in the forefront of educational initiatives and looked for someone from a university background that also had experience of governing an academy. Members looked for someone working in a local authority that could ensure that the LDBS Academies Trust did not omit any of the legal duties required of academies and could point out the pitfalls the LDBS Academies Trust could fall into. Members appointed a Head from an outstanding school and a retired Head with a strong track record of transforming schools in difficulties. Members then looked for someone who was a priest and understood the ethos the LDBS Academies Trust was seeking to establish and had many decades of experience as a governor and had been used to being moved into schools that were in difficulties in order to work with a Headteacher to sort out the problems.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Directors have established guidance for the induction and training of directors. The approach taken is to develop a flexible and tailored induction plan that takes into account a new director's skills and experience and identifies areas that need to be strengthened so that the new director can become as effective as possible in their role within the shortest practicable time.

The induction process aims to achieve the following:

- a) build an understanding of the nature of the LDBS Academies Trust, its schools and the communities in which it operates;
- b) build a link with the Trust's staff;
- c) build an understanding of the Trust's main relationships;
- d) ensure an understanding of the role of a director; and
- e) ensure an understanding of the framework within which the board operates.

Directors receive briefings at board meetings about educational developments and other matters affecting the communities within which the LDBS Academies Trust schools operate. Directors visit the LDBS Academies Trust schools to see the schools in action and participate in school-based activities. These activities help the directors to keep abreast of changes pertinent to the board's work.

Also, the LDBS Academies Trust has instigated an annual board evaluation process. Any training needs identified from the board evaluation process are timetabled into the board's annual work plan, the Audit committee's annual work plan or, where applicable, into a director's personal training and development plan.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

e. ORGANISATIONAL STRUCTURE

The organisational structure of the LDBS Academies Trust consists of five levels:

- i) The board of trustees
- ii) The chief executive
- iii) Local Academy Committees
- iv) The (Executive) Headteachers of the LDBS Academies Trust Schools
- v) The senior leadership teams of the LDBS Academies Trust Schools

The board of directors is responsible for:

- setting the strategic direction and standards required for the LDBS Academies Trust;
- ensuring statutory policies are in place;
- approving the annual budget for the Trust as a whole;
- ensuring that adequate financial systems and controls are in place;
- entering into contracts with a value greater than £10,000 and
- recruiting and carrying out the performance management of (Executive) Headteachers.

The chief executive is the accounting officer of the LDBS Academies Trust. The chief executive is responsible for:

- managing the daily operations of the LDBS Academies Trust;
- ensuring the Trust's resources are used in accordance with the policies and procedures set by the board of trustees;
- liaising with the (Executive) Headteachers and
- ensuring that the board of trustees receive accurate information in a timely manner for an effective decision making process.

The trustees appoint the (Executive) Headteachers and together with a member of the Local Academy Committee (LAC) undertake performance management. The trustees appoint some of the governors of the LGB and also appoint the Chair of each LGB. The effectiveness of the LAC is reviewed annually and when necessary changes are made. The LGB meets monthly and the minutes are scrutinised by the trustees. Each term the (Executive) Headteachers write a report which goes to the LAC and to the trustees. The board monitors the LAC reaction to the report and checks that they have acted as a critical friend, where that has not been the case the LAC has had an enforced change of personnel and Chair.

In accordance with the company's constitution the power of delegation from the LDBS Academies Trust to the LACs is through each Local Committee scheme of delegation which also includes a delegation checklist outlining where responsibility for making decisions rests. There is a system of earned autonomy, the powers delegated to each local governing body can be varied depending on the effectiveness of the LAC and the school's performance.

LAC's are responsible for:

- holding the (Executive) Headteachers to account;
- monitoring the implementation of policies set by the board of trustees;
- appointing Deputy Headteachers subject to the agreement of the trustees;
- appointing other staff
- working with the (Executive) Headteachers to develop the school development plan and the self-evaluation form;
- monitoring the condition of the buildings and planning improvements and maintenance;
- monitoring and approving the annual budget; and
- entering into contracts under the value of £10,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

(Executive) Headteachers are responsible for:

- the daily management of LDBS Academies Trust schools;
- implementing the policies and procedures set by the board of trustees and / or local academy committees;
- supporting the local academy committee in their work;
- preparing the school development plan and the self-evaluation form with LAC
- appointing staff; and
- authorising spending on items included in the annual budget plan within agreed limits.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The London Diocesan Board for Schools is a member of the LDBS Academies Trust, and as such, has an impact on the operating policies of the Trust.

The Trust's schools work with other diocesan schools in close co-operation sharing training and diocesan wide initiatives.

Grow Education Partners limited, the trading subsidiary of the London Diocesan Board for Schools, provides a number of services to the Academy Trust including school improvement. LDBS delivers the LDBS Clerking Service to Grow Education Partners Limited, which is used to service the Trust's LGB meetings.

g. RISK MANAGEMENT

Directors are responsible for identifying risks faced by the LDBS Academies Trust, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and of the implications of failing to implement them.

Directors have established a system to identify and assess risks faced by the LDBS Academies Trust. These risks have been analysed in terms of their potential impact and probability of occurring. Mitigating measures have been identified and implemented. Responsibility for monitoring the identified risks has been assigned to either officers or directors. This information is summarised within the LDBS Academies Trust's Risk Register which has been shared with LDBS Academies Trust schools and local governing bodies, with their feedback being taken into consideration.

The key risks that directors have identified relate primarily to the provision of high quality teaching staff, which is currently a London wide problem. The provision of governors for LAC's who have the right level of skills also continues to be an issue. Directors are using the resources of the London Diocesan Board of Schools in order to source teachers and governors who have suitable skills. In addition, it has been necessary to recruit a high calibre experienced head for the new academy which as a school was in special measures. LDBS networks were used to make that possible.

The Audit Committee is responsible for monitoring the company's Risk Register on behalf of the Board of Directors whilst the Chief Executive is responsible for ensuring the procedures that have been established to manage the risks identified by the directors are being implemented.

h. TRUSTEES' INDEMNITIES

The LDBS Academies Trust has in place an indemnity policy in accordance with paragraph 136 of its Articles of Association that state, 'Subject to the provisions of the Companies Act 2006 every Director or other officer or auditor of the Company and every member of any Local Academy Committee (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.'

LDBS ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

i. PRINCIPAL ACTIVITIES

The LDBS Academies Trust's principal activity is to establish, maintain, manage and develop Church of England schools that offer a broad and balanced curriculum and are conducted in accordance with the principles, practices and tenets of the Church of England.

Objectives and Activities

a. OBJECTS AND AIMS

The LDBS Academies Trust's principal activity for the public benefit of education is to establish, maintain, manage and develop Church of England schools that offer a broad and balanced curriculum and are conducted in accordance with the principles, practices and tenets of the Church of England. Moreover, in relation to arranging for religious education and daily acts of worship, the LDBS Academies Trust's schools have regard to any advice issued by the London Diocesan Board for Schools.

In areas where there are LDBS Academies Trust schools, the Trust will seek to promote, where appropriate, the provision of facilities for recreation or other leisure time occupation of local residents who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the local residents.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the Trust for the period ended 31st August 2015 are summarised below:

- Embed the necessary systems and support structures for the schools joining the Trust and refine them where necessary
- Develop and implement action plans for the schools within the Trust to support their school development process
- Ensure that the schools provide a high quality education for all of the children
- Plan for, and open, a new school for London Borough of Barnet to open in September 2014
- Develop outstanding leaders for all the schools in the Trust
- Complete negotiations and transfer of St Andrew & St Francis in Brent, into the Trust

c. PUBLIC BENEFIT

The directors have referred to the Charity Commission guidance on public benefit when reviewing the company's objectives and aims and planning future activities and consider that the company's aims are for the public benefit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

The LDBS Academies Trust was incorporated on 16th August 2012. The Trust's new Master Funding Agreement was signed on 28th August 2014.

During 2013 five Church of England (CE) Primary schools in the London Borough of Haringey converted to academies and joined the Trust. On 1st January 2013 the following schools all converted to academies and joined the Trust:

- St Ann's CE Primary school, Tottenham;
- St Michael's CE Primary school, Wood Green;
- St Paul's and All Hallows' Infant and Nursery school, Tottenham; and
- St Paul's and All Hallows' Junior school, Tottenham.

The Green CE Primary school, Tottenham changed its name to Holy Trinity CE Primary school and joined the Trust on 1st February 2013.

Each term the schools receive a quality assurance visit from a retired HMI, (Her Majesty's Inspector of Schools), to ensure that teaching and learning is being delivered to high standards. In schools that are not good or outstanding there are two visits a term. This provides an opportunity for high quality continuing professional development for senior staff but also is the basis for deciding on training and support priorities for the individual schools.

Holy Trinity, the sponsored school, has developed most since becoming an academy. 100% of children in 2013, 2014 and 2015 made expected progress and many did better. Parents, children and staff were delighted with the impact of the changes. The new concentration on learning has proved very effective and attendance figures show children want to be in school. The school was inspected during the year and judged by OFSTED to be a good school.

This means that all 5 of the original schools are now judged to be good. Millbrook Park has yet to be inspected. St Andrew & St Francis was in special measures before their transfer to the Trust on 1st July 2015.

a. GOING CONCERN

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

The Trust had an net incoming resources of £893,802 before a revaluation loss of £12,000 on pension schemes; this included a surplus of £554,916 on unrestricted funds. The unrestricted fund surplus included £426,022 arising from St Andrew & St Francis School joining the Trust. This school also brought into the Trust a pension deficit of £1,138,000.

a. PRINCIPAL RISKS AND UNCERTAINTIES

The 5 schools that were part of the Trust in Academic Year 2013/14 were all located in the London Borough of Haringey. In February 2014 the Trust was asked to help the London Borough of Barnet by opening a new school in September 2014. The school was already under construction but the Borough had withdrawn from a contract with one Academy Trust and was then let down by another group of providers. Using the Trust's policies, structures and appointing an Interim Executive Head from one of the LDBS' Voluntary Aided schools ensured that the Trust, in record time, had the green light from the Department for Education at the readiness for opening meeting and a positive pre-Ofsted. The school is part of a very large housing estate which is under construction for a few more years. It will eventually be a three form entry primary school with a nursery. However, despite the fact that there are many houses still to be built and the school was only advertised to parents the day before the deadline for parents to make a choice it opened with two forms of entry in September 2014.

On 1 July 2015, St Andrew & St Francis CE Primary, a LDBS Voluntary Aided School, which was deemed to be 'inadequate' joined the Trust as a sponsored school.

As an Academy Trust there are a number of risks and uncertainties. The principal risks that could affect the Academy are:

- The recruitment of good teachers and in particular the replacement of supply teachers at St Andrew and St Francis school.
- A reduction to the school's funding agreements resulting in increased financial pressure on the Academy Trust.
- The mobility of families with the Trust's catchment areas and the need to support children from homeless families, SEN and EAL backgrounds with very low incomes which far exceeds the national averages.

b. RESERVES POLICY

The LDBS Academies Trust aims to build up unrestricted reserves to the value of one month's, with the view to this becoming three month's, operating costs so as to be able to respond to unforeseen items of expenditure which may arise from time to time. At 31 August 2015, the unrestricted reserves were £749,797 which will be slightly below one month's operating costs when St Andrew & St Francis School is included for a full twelve months.

LDBS ACADEMIES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

a. FUTURE DEVELOPMENTS

The LDBS Academies Trust believes that every child is unique and must be given the chance to flower in a healthy, safe and secure environment and have their individual skills, talents and spiritual development nourished so that they bloom and prosper, enriched by life-long learning and service to others which will offer each one the opportunity to experience life in all its fullness. Moreover the Trust is open to working with both Church of England and Community schools that are seeking to convert to academies. The Trust's primary aim is to deliver excellent education to all of its existing and future pupils.

The Trust's plans for the future are to:

- support present LDBS Academies Trust schools to improve levels of pupils attainment and progress and the quality of teaching and learning;
- enable the Trust's schools to implement action plans based on their latest Ofsted inspection reports;
- consolidate and improve on the quality of internal systems and support structures for schools joining the Trust;
- collaborate with Church of England and Community schools that are seeking to convert to academies and join the Trust; and
- develop the Trust's governance and management structures to accommodate the Trust's projected future growth.

DISCLOSURE OF INFORMATION TO AUDITORS

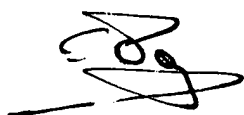
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 26 January 2016 and signed on the board's behalf by:



Revd Preb C G Pope
Trustee



Ms E Wolverson
Trustee

LDBS ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that LDBS Academies 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 Principal, 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 LDBS Academies 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 Trustees' responsibilities statement. The board of trustees has formally met 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Professor D Cumberland, Chairman	11	11
Dame A Hassan	8	11
Mrs G M Dale-Skey	9	11
Revd Preb C G Pope	11	11
Ms E Wolverson, Chief Executive	11	11
Mr I Woolf	11	11

Governance reviews:

The external review carried out by a retired HMI has helped the Board to refine the Trust's practice and also to streamline procedures in order to remove duplication. The review held in the 2014 Autumn Term looked at the effectiveness of LGBs. It resulted in changes being made at LGB level, and under the chairmanship of one of the Trusts directors, Prebendary Guy Pope, St Ann's and St Michael's LGB's came together in order to provide more effective governance. This ceased towards the end of the year, and separate LGB's were re-established when the skill level had risen.

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- reviewing the body's internal and external financial statements and reports to ensure that they reflect best practice;
- reviewing the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- ensuring appropriate procedures are in place for whistleblowing, including making sure that all staff are aware to whom they can report their concerns;
- developing, reviewing and monitoring the academy Trust's risk register;
- reviewing the reports of the Auditor and the Responsible Officer on the effectiveness of the financial procedures and controls. (These reports must also be reported to the full Board of Directors.)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G M Dale-Skey (Chair)	2	2
Mr D Cumberland	2	2
Dame A Hassan	1	2
Mr C G Pope	2	2

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal 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:

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 academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LDBS Academies Trust for the year 1 September 2014 to 31 August 2015 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

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

On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 26 January 2016 and signed on its behalf, by:



Revd Preb C G Pope
Trustee


Ms E Wolverson
Accounting Officer

LDBS ACADEMIES TRUST

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of LDBS Academies Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



Ms E Wolverson
Accounting Officer

Date: 26/01/2016

LDBS ACADEMIES TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of LDBS Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 26 January 2016 and signed on its behalf by:



Revd Preb C G Pope
Trustee

LDBS ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LDBS ACADEMIES TRUST

We have audited the financial statements of LDBS Academies Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

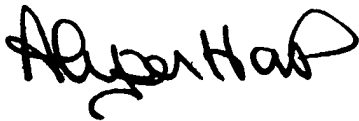
LDBS ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LDBS ACADEMIES TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Alyson Howard FCCA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date:

29 January 2016

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LDBS
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 09/11/2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Academies Trust during the year 1 September 2014 to 31 August 2015 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 LDBS Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LDBS Academies Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LDBS ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of LDBS Academies Trust's funding agreement with the Secretary of State for Education dated 31/12/2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

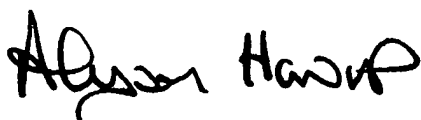
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LDBS
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA, CF

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 29 January 2016.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from local authority on conversion	2	426,022	(1,138,000)	50,000	(661,978)	-
Other voluntary income	2	4,155	-	-	4,155	11,524,928
Activities for generating funds	3	121,208	240,865	-	362,073	345,663
Investment income	4	3,531	-	-	3,531	2,704
Incoming resources from charitable activities	5	-	8,090,666	1,400,634	9,491,300	6,935,783
Other incoming resources	6	-	33,749	-	33,749	21,266
TOTAL INCOMING RESOURCES		554,916	7,227,280	1,450,634	9,232,830	18,830,344
RESOURCES EXPENDED						
Charitable activities		-	7,845,573	470,873	8,316,446	6,505,187
Governance costs	7	-	22,582	-	22,582	44,607
TOTAL RESOURCES EXPENDED	10	-	7,868,155	470,873	8,339,028	6,549,794
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		554,916	(640,875)	979,761	893,802	12,280,550
Actuarial gains and losses on defined benefit pension schemes		-	12,000	-	12,000	(432,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		554,916	(628,875)	979,761	905,802	11,848,550
Total funds at 1 September 2014		194,881	(687,895)	11,953,775	11,460,761	(387,789)
TOTAL FUNDS AT 31 AUGUST 2015		749,797	(1,316,770)	12,933,536	12,366,563	11,460,761

All activities relate to continuing operations.

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


The notes on pages 23 to 43 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08182235

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	18	12,366,212	11,934,766
CURRENT ASSETS			
Debtors	19	358,362	213,036
Cash at bank and in hand		3,777,593	1,631,458
		<u>4,135,955</u>	<u>1,844,494</u>
CREDITORS: amounts falling due within one year	20	<u>(1,774,604)</u>	<u>(1,142,499)</u>
NET CURRENT ASSETS		<u>2,361,351</u>	<u>701,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,727,563</u>	<u>12,636,761</u>
Defined benefit pension scheme liability	29	<u>(2,361,000)</u>	<u>(1,176,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u><u>12,366,563</u></u>	<u><u>11,460,761</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	21	1,044,230	488,105
Restricted fixed asset funds	21	12,933,536	11,953,775
Restricted funds excluding pension liability		13,977,766	12,441,880
Pension reserve		<u>(2,361,000)</u>	<u>(1,176,000)</u>
Total restricted funds		<u>11,616,766</u>	<u>11,265,880</u>
Unrestricted funds	21	<u>749,797</u>	<u>194,881</u>
TOTAL FUNDS		<u><u>12,366,563</u></u>	<u><u>11,460,761</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 26 January 2016 and are signed on their behalf, by:


Revd Preb C G Pope
Trustee


Ms E Wolverson
Trustee

The notes on pages 23 to 43 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	1,644,289	672,310
Returns on investments and servicing of finance	24	3,531	2,704
Capital expenditure and financial investment	24	498,315	(79,735)
INCREASE IN CASH IN THE YEAR		<u><u>2,146,135</u></u>	<u><u>595,279</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	<u>2,146,135</u>	<u>595,279</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>2,146,135</u>	<u>595,279</u>
Net funds at 1 September 2014	<u>1,631,458</u>	<u>1,036,179</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>3,777,593</u></u>	<u><u>1,631,458</u></u>

The notes on pages 23 to 43 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies (continued)

1.4 Resources expended

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

With the exception of Millbrook Park the Academy's buildings are owned by various trustee bodies and made available to the schools under supplemental agreements. The Directors have decided to regard these agreements as short rather than long term and thus have allocated a zero value to these buildings in the accounts. The Academy Trust is not charged for the use of this land. Due to the restricted use of these assets for educational purposes it is not possible to determine a fair value for the services provided and no amounts have been recorded as income in the SOFA in respect of the use of these assets. Millbrook Park is on a 125 year lease from Barnet Council and the cost has been provided by Barnet Council.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight Line
Leasehold improvements	-	10% Straight Line
Fixtures and fittings	-	20% Straight Line
Computer equipment	-	20% Straight Line

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Conversion into an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from London Borough of Brent to LDBS Academies Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for LDBS Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1.11 Donated services and gifts in kind

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from local authority on conversion	426,022	(1,088,000)	(661,978)	-
Donations	4,155	-	4,155	11,524,928
Voluntary income	430,177	(1,088,000)	(657,823)	11,524,928

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering	-	116,615	116,615	182,961
Letting	42,801	-	42,801	15,049
Nusery	-	58,130	58,130	42,467
Other income	57,799	-	57,799	44,492
Trips & Clubs	-	66,120	66,120	30,615
Professional Services	20,608	-	20,608	30,079
	121,208	240,865	362,073	345,663

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	3,531	-	3,531	2,704

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,210,654	6,210,654	5,663,187
Other DfE/EFA grants	-	53,933	53,933	66,030
Universal free school meals	-	159,761	159,761	-
Start Up Grant	-	70,000	70,000	-
Schools Direct Funding	-	162,840	162,840	-
Pupil Premium	-	618,577	618,577	457,644
Early years funding	-	337,298	337,298	296,595
	-	7,613,063	7,613,063	6,483,456
Other grants				
SEN funding	-	204,872	204,872	112,918
Greig Trust grants	-	77,000	77,000	76,103
Other grants	-	63,783	63,783	46,409
Growth Funding	-	131,948	131,948	-
	-	477,603	477,603	235,430
Capital funding				
Devolved formula capital	-	31,822	31,822	38,000
Other capital grants	-	687,312	687,312	178,897
Government capital grants	-	681,500	681,500	-
	-	1,400,634	1,400,634	216,897
	-	9,491,300	9,491,300	6,935,783

6. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Insurance claims	-	33,749	33,749	21,266

LDBS ACADEMIES TRUST
(A company limited by guarantee).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	18,430	18,430	25,945
Governance expense	-	-	-	4,620
Legal & professional	-	4,152	4,152	14,042
	<u>-</u>	<u>22,582</u>	<u>22,582</u>	<u>44,607</u>

8. Direct costs

	Activities	Total 2015	Total 2014
Educational supplies	283,533	283,533	143,561
Staff development	120,419	120,419	106,286
Other direct costs	27,440	27,440	19,819
Agency supply	287,992	287,992	147,381
Trips & Clubs	76,287	76,287	50,099
Wages and salaries	3,254,750	3,254,750	2,858,324
National insurance	290,145	290,145	246,787
Pension cost	572,418	572,418	723,348
Depreciation	470,873	470,873	84,157
	<u>5,383,857</u>	<u>5,383,857</u>	<u>4,379,762</u>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. Support costs

	Activities £	Total 2015 £	Total 2014 £
LGPS costs	8,000	8,000	11,000
Recruitment and support	7,567	7,567	11,773
Maintenance of premises and equipment	336,312	336,312	322,288
Cleaning	26,087	26,087	18,598
Rent & rates	14,812	14,812	13,622
Light & heat	78,915	78,915	59,193
Insurance	65,736	65,736	96,890
Security & transport	21,986	21,986	13,667
Catering	414,679	414,679	364,901
Computer costs	125,554	125,554	150,596
Printing, postage and stationery	19,815	19,815	15,143
Legal & professional	338,284	338,284	181,683
Other support costs	191,540	191,540	79,164
Agency supply	126,029	126,029	79,759
Uniform	7,738	7,738	5,876
Wages and salaries	685,406	685,406	570,215
National insurance	35,813	35,813	28,576
Pension cost	428,316	428,316	102,481
	<u>2,932,589</u>	<u>2,932,589</u>	<u>2,125,425</u>

10. Resources expended

	Staff costs 2015 £	Non Pay Expenditure Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	4,425,305	470,873	487,679	5,383,857	4,379,762
Support costs	1,255,564	-	1,677,025	2,932,589	2,125,425
	<u>5,680,869</u>	<u>470,873</u>	<u>2,164,704</u>	<u>8,316,446</u>	<u>6,505,187</u>
Charitable activities	5,680,869	470,873	2,164,704	8,316,446	6,505,187
Governance	-	-	22,582	22,582	44,607
	<u>5,680,869</u>	<u>470,873</u>	<u>2,187,286</u>	<u>8,339,028</u>	<u>6,549,794</u>

11. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	470,873	84,157
Auditors' remuneration	25,945	25,945
	<u>496,818</u>	<u>110,102</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

12. Auditors' remuneration

	2015 £	2014 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	13,250	13,250
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	9,750	9,750
All other non-audit services not included above	2,945	2,945
	<u>13,250</u>	<u>13,250</u>

13. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,940,156	3,428,539
Social security costs	325,958	275,363
Other pension costs (Note 29)	1,000,734	825,829
	<u>5,266,848</u>	<u>4,529,731</u>
Supply teacher costs	414,021	227,139
	<u>5,680,869</u>	<u>4,756,870</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teaching staff	75	50
Support staff	90	59
Management	7	7
	<u>172</u>	<u>116</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. Staff (continued)

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	5	8
In the band £70,001 - £80,000	0	4
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	2	1
In the band £110,001 - £120,000	0	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 august 2015 employer's pension contributions for these staff amounted to £69,330 (2014: £120,309)

14. Central services

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

- Central administrative staff
- School support
- Governance

The academy charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

	2015 £
St Ann's	64,496
St Michael's	57,599
St Paul's Infants	59,339
St Paul's Junior	58,801
Holy Trinity	58,511
Millbrook	21,852
Total	320,598

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £16,765).

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16. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was included in the total insurance cost.

17. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	127,000	93,000
Interest on pension scheme liabilities	(135,000)	(104,000)
	<u>(8,000)</u>	<u>(11,000)</u>

18. Tangible fixed assets

	Long-term leasehold property £	L/hold property improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	11,500,000	180,438	182,515	177,350	12,040,303
Additions	-	299,400	391,300	211,619	902,319
At 31 August 2015	<u>11,500,000</u>	<u>479,838</u>	<u>573,815</u>	<u>388,969</u>	<u>12,942,622</u>
Depreciation					
At 1 September 2014	-	18,044	45,494	41,999	105,537
Charge for the year	230,331	47,984	114,762	77,796	470,873
At 31 August 2015	<u>230,331</u>	<u>66,028</u>	<u>160,256</u>	<u>119,795</u>	<u>576,410</u>
Net book value					
At 31 August 2015	<u>11,269,669</u>	<u>413,810</u>	<u>413,559</u>	<u>269,174</u>	<u>12,366,212</u>
At 31 August 2014	<u>11,500,000</u>	<u>162,394</u>	<u>137,021</u>	<u>135,351</u>	<u>11,934,766</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. Debtors

	2015 £	2014 £
Trade debtors	81,198	-
VAT repayable	78,634	63,377
Other debtors	7,492	7,492
Prepayments and accrued income	191,038	142,167
	<u>358,362</u>	<u>213,036</u>

**20. Creditors:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	161,845	100,430
Payroll creditor	1,209,963	760,871
Other creditors	131,615	41,268
Accruals and deferred income	271,181	239,930
	<u>1,774,604</u>	<u>1,142,499</u>

	£
Deferred income	
Deferred income at 1 September 2014	67,199
Resources deferred during the year	122,895
Amounts released from previous years	<u>(67,199)</u>
Deferred income at 31 August 2015	<u>122,895</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	194,881	554,916	-	-	-	749,797
Restricted funds						
General Annual Grant (GAG)	488,105	6,210,654	(5,689,471)	-	-	1,009,288
Pupil Premium	-	618,577	(618,577)	-	-	-
Other DfE/EFA grants	-	53,933	(53,933)	-	-	-
SEN funding	-	204,872	(204,872)	-	-	-
Other grants	-	63,783	(63,783)	-	-	-
Generated income	-	274,614	(274,614)	-	-	-
Early years funding	-	337,298	(337,298)	-	-	-
Greig Trust grants	-	77,000	(57,833)	-	-	19,167
Start Up Grant	-	70,000	(54,225)	-	-	15,775
Universal Free School Meals	-	159,761	(159,761)	-	-	-
Schools Direct Funding	-	162,840	(162,840)	-	-	-
Growth Funding	-	131,948	(131,948)	-	-	-
Pension reserve	(1,176,000)	(1,138,000)	(59,000)	-	12,000	(2,361,000)
	(687,895)	7,227,280	(7,868,155)	-	12,000	(1,316,770)
Restricted fixed asset funds						
Assets held for depreciation	11,934,766	-	(470,873)	902,319	-	12,366,212
Devolved formula capital	19,009	31,822	-	(50,831)	-	-
Other capital grants	-	737,312	-	(512,723)	-	224,589
Government capital grants	-	681,500	-	(338,765)	-	342,735
	11,953,775	1,450,634	(470,873)	-	-	12,933,536
Total restricted funds	11,265,880	8,677,914	(8,339,028)	-	12,000	11,616,766
Total of funds	11,460,761	9,232,830	(8,339,028)	-	12,000	12,366,563

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. Statement of funds (continued)

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
St Ann's	154,457
St Michael's	108,085
St Paul's Infants	389,947
St Paul's Junior	243,917
Holy Trinity	151,139
Millbrook Park	31,496
St Andrew and St Francis	522,888
Central services	192,098
	<hr/>
Total before fixed asset fund and pension reserve	1,794,027
Restricted fixed asset fund	12,933,536
Pension reserve	(2,361,000)
	<hr/>
Total	12,366,563
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Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Holy Trinity	771,571	193,548	38,122	282,252	1,285,493
St Ann's	740,021	212,292	83,465	423,407	1,459,185
St Michael's	700,109	224,981	27,460	296,830	1,249,380
St Paul's Infants	711,878	205,898	12,880	356,062	1,286,718
St Paul's Junior	812,147	96,430	56,145	390,271	1,354,993
Millbrook Park	194,774	79,815	32,050	209,158	515,797
St Andrew & St Francis	186,813	55,806	33,411	116,178	392,208
Central	-	80,765	-	243,616	324,381
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,117,313	1,149,535	283,533	2,317,774	7,868,155
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	194,881	554,916	-	-	-	749,797
Restricted funds	(687,895)	7,227,280	(7,868,155)	-	12,000	(1,316,770)
Restricted fixed asset funds	11,953,775	1,450,634	(470,873)	-	-	12,933,536
	<u>11,460,761</u>	<u>9,232,830</u>	<u>(8,339,028)</u>	<u>-</u>	<u>12,000</u>	<u>12,366,563</u>

22. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	(159,009)	-	12,525,221	12,366,212	11,934,766
Current assets	908,806	2,818,834	408,315	4,135,955	1,844,494
Creditors due within one year	-	(1,774,604)	-	(1,774,604)	(1,142,499)
Provisions for liabilities and charges	-	(2,361,000)	-	(2,361,000)	(1,176,000)
	<u>749,797</u>	<u>(1,316,770)</u>	<u>12,933,536</u>	<u>12,366,563</u>	<u>11,460,761</u>

23. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	893,802	12,280,550
Returns on investments and servicing of finance	(3,531)	(2,704)
Assets on conversion	1,138,000	-
Donation of assets	-	(11,500,000)
Depreciation of tangible fixed assets	470,873	84,157
Capital grants from DfE	(1,400,634)	(216,897)
(Increase)/decrease in debtors	(145,326)	172,421
Increase/(decrease) in creditors	632,105	(159,217)
FRS 17 adjustments	59,000	14,000
Net cash inflow from operations	<u>1,644,289</u>	<u>672,310</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	3,531	2,704
	<u>3,531</u>	<u>2,704</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(902,319)	(296,632)
Capital grants from DfE	1,400,634	216,897
	<u>498,315</u>	<u>(79,735)</u>
Net cash inflow/(outflow) capital expenditure		

25. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	1,631,458	2,146,135	3,777,593
Net funds	<u>1,631,458</u>	<u>2,146,135</u>	<u>3,777,593</u>

26. Conversion to an academy trust

On 01/07/2015, St Andrew and St Francis Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to LDBS Academies Trust from London Borough of Brent for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other tangible fixed assets	-	-	50,000	50,000
Other assets	426,022	-	-	426,022
LGPS pension surplus/(deficit)	-	(1,138,000)	-	(1,138,000)
Net assets/(liabilities)	<u>426,022</u>	<u>(1,138,000)</u>	<u>50,000</u>	<u>(661,978)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

27. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

28. Capital commitments

At 31 August 2015 the academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>386,526</u>	<u>30,000</u>

29. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Haringey. Both are 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 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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:

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29. Pension commitments (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £331,000 (2014 : £277,000)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

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 2015 was £350,000, of which employer's contributions totalled £280,000 and employees' contributions totalled £70,000. The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	1,699,000	6.30	1,611,000
Bonds	3.80	560,000	2.90	293,000
Property	3.80	254,000	4.50	188,000
Cash	3.80	26,000	3.30	-
Total market value of assets		<u>2,539,000</u>		<u>2,092,000</u>
Present value of scheme liabilities		<u>(4,900,000)</u>		<u>(3,268,000)</u>
Deficit in the scheme		<u>(2,361,000)</u>		<u>(1,176,000)</u>

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29. Pension commitments (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,900,000)	(3,268,000)
Fair value of scheme assets	2,539,000	2,092,000
	<u>(2,361,000)</u>	<u>(1,176,000)</u>
Net liability	<u>(2,361,000)</u>	<u>(1,176,000)</u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(351,000)	(277,000)
Interest on obligation	(135,000)	(104,000)
Expected return on scheme assets	127,000	93,000
	<u>(359,000)</u>	<u>(288,000)</u>
Total	<u>(359,000)</u>	<u>(288,000)</u>
Actual return on scheme assets	<u>96,000</u>	<u>198,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,268,000	2,119,000
Current service cost	351,000	277,000
Interest cost	135,000	104,000
Contributions by scheme participants	74,000	68,000
Actuarial (Gains)/losses	(44,000)	724,000
Liabilities assumed in a business combination	1,138,000	-
Benefits paid	(22,000)	(24,000)
Defined benefit obligation on conversion	-	-
	<u>4,900,000</u>	<u>3,268,000</u>
Closing defined benefit obligation	<u>4,900,000</u>	<u>3,268,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

Movements in the fair value of the academy's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	2,092,000	1,389,000
Expected return on assets	127,000	93,000
Actuarial gains and (losses)	(32,000)	292,000
Contributions by employer	300,000	274,000
Contributions by employees	74,000	68,000
Benefits paid	(22,000)	(24,000)
	<u>2,539,000</u>	<u>2,092,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(477,000) (2014 - £(489,000)).

The academy expects to contribute £376,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	67.00 %	77.00 %
Bonds	22.00 %	14.00 %
Property	10.00 %	9.00 %
Cash	1.00 %	- %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.70 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	21.9	21.9
Females	24.1	24.1
Retiring in 20 years		
Males	24.2	24.2
Females	26.5	26.5

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(4,900,000)	(3,268,000)	(2,119,000)
Scheme assets	2,539,000	2,092,000	1,389,000
Deficit	(2,361,000)	(1,176,000)	(730,000)
Experience adjustments on scheme liabilities	44,000	(724,000)	(125,000)
Experience adjustments on scheme assets	(32,000)	292,000	68,000

30. Operating lease commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	234	17,241
Between 2 and 5 years	54,881	54,881

31. Related party transactions

Owing to the nature of the academy'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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the period the academy had the following related party transactions:

- £59,569 (2014: £17,280) spent with Grow Education a company of which I Woolf, E Wolverson and G Pope, all trustees, are directors.
- £77,000 (2014: £76,103) received from the Grieg Trust of which I Woolf, a trustee, is a trustee
- £54,034 (2014: £24,000) spent with the London Diocesan Board of Schools, a member, in respect of consultancy services.

In entering into the transactions above the trust has complied with the requirements of the EFA's Academies Financial Handbook.