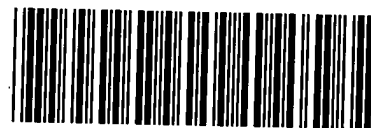


Registered number: 08182235

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

THURSDAY



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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 TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

|  |  |
|--|--|
| <b>Members</b>                         | London Diocesan Fund<br>London Diocesan Board for Schools<br>Mr I Woolf  |
| <b>Trustees</b>                        | Professor D Cumberland, Chairman <sup>1</sup><br>Dr T J Coulson (resigned 30 June 2014)<br>Mrs G M Dale-Skey <sup>1</sup><br>Mrs M Gordon (resigned 31 July 2014)<br>Dame A Hassan <sup>1</sup><br>Mr C J Henry (appointed 29 May 2014, resigned 4 November 2014)<br>Revd Preb C G Pope <sup>1</sup><br>Ms E Wolverson, Chief Executive<br>Mr I Woolf  |
|  | <sup>1</sup> members of the Audit committee  |
| <b>Company registered number</b>       | 08182235   |
| <b>Principal and registered office</b> | London Diocesan Board For Schools<br>London Diocesan House<br>36 Causton Street<br>London<br>SW1P 4AU  |
| <b>Company secretary</b>               | Ms A M Norton  |
| <b>Senior management team</b>          | Mr Simon Knowles, Interim 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<br>Mr A David, Interim Executive Headteacher, Millbrook Park Church of England Primary School, Mill Hill<br>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<br>Ms H Scrase, Head of School, Holy Trinity Church of England Primary School, Tottenham<br>Ms N Dudley, Head of School, Millbrook Park Church of England Primary School, Mill Hill<br>Mr M Lancaster, Head of School, St Ann's Church of England Primary School, Tottenham<br>Ms Lilia Mirtchev, Head of School, St Michael's Church of England Primary School, Wood Green<br>Ms S Ihua-Maduenyi, Deputy Headteacher, St Paul's & All Hallows' Church of England Infant and Nursery School, Tottenham<br>Ms J Belton, Deputy Headteacher, St Paul's & All Hallows' Church of England Junior School, Tottenham |
| <b>Independent auditors</b>            | Williams Giles Limited<br>Chartered Accountants<br>Registered Auditors<br>12 Conqueror Court<br>Sittingbourne<br>Kent<br>ME10 5BH  |

**LDBS ACADEMIES TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Administrative details (continued)**

|                   |   |
|-------------------|---|
| <b>Bankers</b>    | Lloyds Bank plc<br>98 Victoria Street<br>London<br>London                     |
| <b>Solicitors</b> | Winckworth Sherwood<br>Minerva House<br>5 Montague Close<br>London<br>SE1 9BB |

**LDBS ACADEMIES TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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 2014. 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 6 primary academies in across London. Its academies have a combined pupil capacity of 1127 full time equivalent and had a roll of 1070.5 full time equivalent in the school census on 16th January 2014.

**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

**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 2014**

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 holding a senior position 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.

**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) The local governing bodies

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

- 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 governing body (LGB) 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 LGB 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 LGB and to the trustees. The board monitors the LGB reaction to the report and checks that they have acted as a critical friend, where that has not been the case the LGB 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 LGBs is through each local governing body's 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 LGB and the school's performance.

LGBs 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.

(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 governing bodies;
- supporting the local governing body in their work;
- preparing the school development plan and the self-evaluation form with LGB
- 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.

**LDBS ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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. Grow Education Partners Limited delivers the LDBS Clerking Service 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 areas of governance and school development with respect to ensuring there are sufficient experienced senior managers, headteachers and governors within the Trust to provide high quality leadership, strategic direction and effective operational oversight. Directors are implementing policies to develop, retain and recruit suitably skilled people to limit the possible impact of these risks.

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 Governing Body (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.'

**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.



**LDBS ACADEMIES TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**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 2014 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

**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.

**Strategic report**

**Achievements and performance**

The LDBS Academies Trust was incorporated on 16th August 2012. The Trust's Master Funding Agreement was signed on 31st December 2012.

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

development for senior staff but also is the basis for deciding on training and support priorities for the individual schools.

In July 2013 St Paul's and All Hallows' Infant and Nursery school and St Paul's and All Hallows' Junior school both underwent Ofsted inspections which resulted in both being graded as 'Good'. Although four of the original schools are Ofsted graded as good the Trust continues to scrutinise the data and ensures that the quality assurance visits are stepped up where necessary and resources are appropriately targeted.

Holy Trinity, the sponsored school, has developed most since becoming an academy. 100% of children in 2013 and 2014 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.

In St Ann's the results were predicted to be disappointing but the Trust was able to move staff from other schools and bring in an additional teacher in order to give children the best possible chance to succeed.

**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.

**Financial review**

The Trust had an net incoming resources of £618,156 before a revaluation loss of £432,000 on pension schemes; this included a surplus of £137,646 on unrestricted funds.

**a. PRINCIPAL RISKS AND UNCERTAINTIES**

The 5 schools that were part of the Trust in Academic Year 2013/14 are 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 is opening with two forms of entry in September 2014.

**b. RESERVES POLICY**

The LDBS Academies Trust aims to build up unrestricted reserves to the value of one month's operating costs so as to be able to respond to unforeseen items of expenditure which may arise from time to time.

**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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**

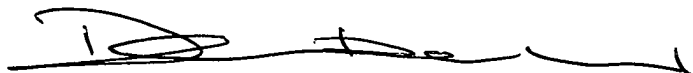
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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 9 December 2014 and signed on the board's behalf by:



**Professor D Cumberland, Chairman**  
**Chair of Trustees**

  
**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 chief executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 to 31 August 2014. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee                          | Meetings attended | Out of a possible |
|----------------------------------|-------------------|-------------------|
| Dr T J Coulson                   | 8                 | 10                |
| Mrs M Gordon                     | 10                | 11                |
| Professor D Cumberland, Chairman | 11                | 11                |
| Dame A Hassan                    | 8                 | 11                |
| Mr C J Henry                     | 3                 | 3                 |
| Mrs G M Dale-Skey                | 8                 | 11                |
| Revd Preb C G Pope               | 9                 | 11                |
| Ms E Wolverson, Chief Executive  | 11                | 11                |
| Mr I Woolf                       | 9                 | 11                |

In January 2014 Mrs M Gordon informed the board of her intention to retire as a trustee at the end of the 2013/14 academic year which was in line with her initial commitment of two years to the role of trustee. In May 2014 Mr C Henry was appointed as a trustee with a similar skills set to that of Mrs M Gordon. Mr C Henry is an Executive Headteacher of an outstanding primary school and is also a Local Leader of Education. In May 2014 Dr T Coulson informed the board of trustees that as a result of accepting a position as a Regional Schools Commissioner he would have to resign from the board of trustees at the end of June 2014 because there would be a conflict of interest if he remained on the board of trustees. The process for recruiting a new trustee with relevant skills is underway.

**Governance reviews:**

In May 2014 the board asked Maggie Hollingsworth, a recently retired HMI who had worked for the DfE, to undertake a review of the effectiveness of the Board of Trustees. This was deemed to be of high importance as the Board was aware of the need to change and develop its own structures as the number of schools grew. The review was comprehensive lasting several days and included interviewing Heads and Trustees as well as attending a Board Meeting. The headline findings were extremely positive and provided the Board with a series of action points which are to be the basis of a new development plan. It was perhaps not surprising that in the early stages of the Trust the review showed that the Board was being over zealous in its scrutiny of the schools and that more could be left to the LGBs.

The review has helped the Board to refine the Trust's practice and also to streamline procedures in order to remove duplication. The next review will be in the 2014 Autumn Term looking at the effectiveness of LGBs. There will be a review of the Board in 2015.

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

**LDBS ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

- 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) | 3                 | 3                 |
| Mr D Cumberland           | 3                 | 3                 |
| Dame A Hassan*            | 0                 | 0                 |
| Mr C G Pope               | 3                 | 3                 |

\*Mrs A Hassan was appointed to the Audit Committee in July 2014.

**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 2013 to 31 August 2014 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 2013 to 31 August 2014 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

**LDBS ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

academy's financial systems. On a termley 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.

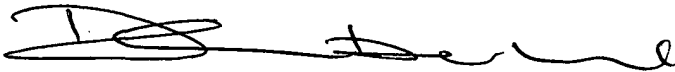
**REVIEW OF EFFECTIVENESS**

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 9 December 2014 and signed on its behalf, by:



**Professor D Cumberland**  
**Chair of Trustees**



**Ms E Wolverson**  
**Accounting Officer**

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**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 (2013).

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 (2013).

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: 9 December 2014

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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 9 December 2014 and signed on its behalf by:



**Dr T J Goulson**  
**Chair of Trustees**

*Prof D. Cumberland*



**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF LDBS ACADEMIES TRUST**

We have audited the financial statements of LDBS Academies Trust for the year ended 31 August 2014 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 2013 to 2014 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 2014 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 2013 to 2014 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 BOARD OF TRUSTEES 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.



Mr A C Crawford FCA (Senior statutory auditor)

for and on behalf of

**Williams Giles Limited**

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date: 22/11/2014

**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 2013 to 2014, 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 2013 to 31 August 2014 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr A C Crawford FCA

**Williams Giles Limited**

Chartered Accountants  
Registered Auditors

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 22/12/2014

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2014**

|   | Note | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Restricted<br>fixed asset<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| <b>INCOMING RESOURCES</b>                                     |      |                                    |                                  |   |                             |                             |
| Incoming resources from generated funds:                      |      |                                    |                                  |   |                             |                             |
| Transfer from local authority on conversion                   | 2    | -                                  | -                                | -   | -                           | 199,745                     |
| Other voluntary income  | 2    | 24,928                             | -                                | 11,500,000                                      | 11,524,928                  | -                           |
| Activities for generating funds                               | 3    | 89,620                             | 256,043                          | -   | 345,663                     | 154,053                     |
| Investment income   | 4    | 2,704                              | -                                | -   | 2,704                       | 532                         |
| Incoming resources from charitable activities                 | 5    | -                                  | 6,718,885                        | 216,898   | 6,935,783                   | 4,242,496                   |
| Other incoming resources                                      | 6    | -                                  | 21,266                           | -   | 21,266                      | 88,322                      |
| <b>TOTAL INCOMING RESOURCES</b>                               |      | <b>117,252</b>                     | <b>6,996,194</b>                 | <b>11,716,898</b>                               | <b>18,830,344</b>           | <b>4,685,148</b>            |
| <b>RESOURCES EXPENDED</b>                                     |      |                                    |                                  |   |                             |                             |
| Charitable activities   |      | -                                  | 6,421,030                        | 84,157  | 6,505,187                   | 4,271,390                   |
| Governance costs  | 7    | -                                  | 44,607                           | -   | 44,607                      | 59,547                      |
| <b>TOTAL RESOURCES EXPENDED</b>                               | 10   | <b>-</b>                           | <b>6,465,637</b>                 | <b>84,157</b>                                   | <b>6,549,794</b>            | <b>4,330,937</b>            |
| <b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>                |      | <b>117,252</b>                     | <b>530,557</b>                   | <b>11,632,741</b>                               | <b>12,280,550</b>           | <b>354,211</b>              |
| Transfers between Funds                                       | 21   | -                                  | (98,743)                         | 98,743  | -                           | -                           |
| <b>NET INCOMING RESOURCES BEFORE REVALUATIONS</b>             |      | <b>117,252</b>                     | <b>431,814</b>                   | <b>11,731,484</b>                               | <b>12,280,550</b>           | <b>354,211</b>              |
| Defined benefit pension scheme transfer on conversion         |      | -                                  | -                                | -   | -                           | (685,000)                   |
| Actuarial gains and losses on defined benefit pension schemes |      | -                                  | (432,000)                        | -   | (432,000)                   | (57,000)                    |
| <b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>                     |      | <b>117,252</b>                     | <b>(186)</b>                     | <b>11,731,484</b>                               | <b>11,848,550</b>           | <b>(387,789)</b>            |
| Total funds at 1 September 2013                               |      | 77,629                             | (687,709)                        | 222,291   | (387,789)                   | -                           |
| <b>TOTAL FUNDS AT 31 AUGUST 2014</b>                          |      | <b>194,881</b>                     | <b>(687,895)</b>                 | <b>11,953,775</b>                               | <b>11,460,761</b>           | <b>(387,789)</b>            |

All activities relate to continuing operations.


The notes on pages 22 to 42 form part of these financial statements.


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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

|  | Note | 2014<br>£          | 2013<br>£          |
|--|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>  |      |                    |                    |
| Tangible assets  | 18   | 11,934,766         | 222,291            |
| <b>CURRENT ASSETS</b>  |      |                    |                    |
| Debtors  | 19   | 213,036            | 385,457            |
| Cash at bank and in hand   |      | 1,631,458          | 1,036,179          |
|  |      | <u>1,844,494</u>   | <u>1,421,636</u>   |
| <b>CREDITORS:</b> amounts falling due within one year              | 20   | <u>(1,142,499)</u> | <u>(1,301,716)</u> |
| <b>NET CURRENT ASSETS</b>  |      | <b>701,995</b>     | <b>119,920</b>     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                       |      | <b>12,636,761</b>  | <b>342,211</b>     |
| Defined benefit pension scheme liability                           | 28   | <u>(1,176,000)</u> | <u>(730,000)</u>   |
| <b>NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITY</b> |      | <b>11,460,761</b>  | <b>(387,789)</b>   |
| <b>FUNDS OF THE ACADEMY</b>  |      |                    |                    |
| Restricted funds:  |      |                    |                    |
| Restricted funds   | 21   | 488,105            | 42,291             |
| Restricted fixed asset funds                                       | 21   | 11,953,775         | 222,291            |
| Restricted funds excluding pension liability                       |      | 12,441,880         | 264,582            |
| Pension reserve  |      | <u>(1,176,000)</u> | <u>(730,000)</u>   |
| Total restricted funds   |      | <b>11,265,880</b>  | <b>(465,418)</b>   |
| Unrestricted funds   | 21   | <u>194,881</u>     | <u>77,629</u>      |
| <b>TOTAL FUNDS/(DEFICIT)</b>                                       |      | <b>11,460,761</b>  | <b>(387,789)</b>   |

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:

  
**Professor D Cumberland**  
**Chair of Trustees**

  
**Ms E Wolverson**  
**Trustee**

The notes on pages 22 to 42 form part of these financial statements.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

|   | Note | 2014<br>£      | 2013<br>£        |
|---|------|----------------|------------------|
| Net cash flow from operating activities         | 23   | 672,310        | 1,157,938        |
| Returns on investments and servicing of finance | 24   | 2,704          | 532              |
| Capital expenditure and financial investment    | 24   | (79,735)       | (143,671)        |
| <b>INCREASE IN CASH IN THE YEAR</b>             |      | <b>595,279</b> | <b>1,014,799</b> |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

|  | 2014<br>£        | 2013<br>£        |
|--|------------------|------------------|
| Increase in cash in the year             | 595,279          | 1,014,799        |
| <b>MOVEMENT IN NET FUNDS IN THE YEAR</b> | <b>595,279</b>   | <b>1,014,799</b> |
| Net funds at 1 September 2013            | 1,036,179        | 21,380           |
| <b>NET FUNDS AT 31 AUGUST 2014</b>       | <b>1,631,458</b> | <b>1,036,179</b> |

The notes on pages 22 to 42 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 2014**

**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 2013 to 2014 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.



**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**1. Accounting Policies (continued)**

**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.

**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.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**1. Accounting Policies (continued)**

**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. 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 or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation 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 |
| L/hold property improvements | - | 10% Straight Line |

**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 2014**

**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 28, 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 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.

**2. Voluntary income**

|   | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Transfer from local authority on conversion | -                                  | -                                | -                           | 199,745                     |
| Donations                                   | 24,928                             | 11,500,000                       | 11,524,928                  | -                           |
| Voluntary income                            | 24,928                             | 11,500,000                       | 11,524,928                  | 199,745                     |

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**3. Activities for generating funds**

|                       | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Catering              | -                                  | 182,961                          | 182,961                     | 89,668                      |
| Letting               | 15,049                             | -                                | 15,049                      | 3,610                       |
| Nusery                | -                                  | 42,467                           | 42,467                      | 18,497                      |
| Other income          | 44,492                             | -                                | 44,492                      | 32,686                      |
| Trips & Clubs         | -                                  | 30,615                           | 30,615                      | 9,592                       |
| Professional Services | 30,079                             | -                                | 30,079                      | -                           |
|                       | <u>89,620</u>                      | <u>256,043</u>                   | <u>345,663</u>              | <u>154,053</u>              |

**4. Investment income**

|               | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 2,704                              | -                                | 2,704                       | 532                         |
|               | <u>2,704</u>                       | <u>-</u>                         | <u>2,704</u>                | <u>532</u>                  |

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**5. Funding for Academy's educational operations**

|                               | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/EFA revenue grants</b> |                                    |                                  |                             |                             |
| General Annual Grant (GAG)    | -                                  | 5,663,187                        | 5,663,187                   | 3,367,366                   |
| Other DfE/EFA grants          | -                                  | 66,030                           | 66,030                      | 109,022                     |
| Pupil Premium                 | -                                  | 457,644                          | 457,644                     | 222,028                     |
| Early years funding           | -                                  | 296,595                          | 296,595                     | 205,094                     |
| Start up grants               | -                                  | -                                | -                           | 65,000                      |
|                               | -                                  | 6,483,456                        | 6,483,456                   | 3,968,510                   |
| <b>Other grants</b>           |                                    |                                  |                             |                             |
| SEN funding                   | -                                  | 112,918                          | 112,918                     | 109,999                     |
| Greig Trust grants            | -                                  | 76,103                           | 76,103                      | 55,333                      |
| Other grants                  | -                                  | 46,409                           | 46,409                      | 3,267                       |
|                               | -                                  | 235,430                          | 235,430                     | 168,599                     |
| <b>Capital funding</b>        |                                    |                                  |                             |                             |
| Devolved formula capital      | -                                  | 38,000                           | 38,000                      | 50,104                      |
| Other capital grants          | -                                  | 178,897                          | 178,897                     | 55,283                      |
|                               | -                                  | 216,897                          | 216,897                     | 105,387                     |
|                               | -                                  | 6,935,783                        | 6,935,783                   | 4,242,496                   |

**6. Other incoming resources**

|                  | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Insurance claims | -                                  | 21,266                           | 21,266                      | 88,322                      |

**7. Governance costs**

|                        | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | -                                  | 25,945                           | 25,945                      | 23,750                      |
| Governance expense     | -                                  | 4,620                            | 4,620                       | 8,620                       |
| Legal & professional   | -                                  | 14,042                           | 14,042                      | 27,177                      |
|                        | -                                  | 44,607                           | 44,607                      | 59,547                      |

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**8. Direct costs**

|                      | Activities<br>£  | Total<br>2014<br>£ | Total<br>2013<br>£ |
|----------------------|------------------|--------------------|--------------------|
| Educational supplies | 143,561          | 143,561            | 50,723             |
| Staff development    | 106,286          | 106,286            | 76,511             |
| Other direct costs   | 19,819           | 19,819             | 107,810            |
| Agency supply        | 147,381          | 147,381            | 151,249            |
| Trips & Clubs        | 50,099           | 50,099             | 39,746             |
| Wages and salaries   | 2,858,324        | 2,858,324          | 1,967,447          |
| National insurance   | 246,787          | 246,787            | 160,908            |
| Pension cost         | 723,348          | 723,348            | 292,544            |
| Depreciation         | 84,157           | 84,157             | 21,380             |
|                      | <u>4,379,762</u> | <u>4,379,762</u>   | <u>2,868,318</u>   |

**9. Support costs**

|                                       | Activities<br>£  | Total<br>2014<br>£ | Total<br>2013<br>£ |
|---------------------------------------|------------------|--------------------|--------------------|
| LGPS costs                            | 11,000           | 11,000             | 14,000             |
| Recruitment and support               | 11,773           | 11,773             | 730                |
| Maintenance of premises and equipment | 322,288          | 322,288            | 170,135            |
| Cleaning                              | 18,598           | 18,598             | 10,504             |
| Rent & rates                          | 13,622           | 13,622             | 6,020              |
| Light & heat                          | 59,193           | 59,193             | 41,692             |
| Insurance                             | 96,890           | 96,890             | 87,829             |
| Security & transport                  | 13,667           | 13,667             | 8,586              |
| Catering                              | 364,901          | 364,901            | 214,370            |
| Computer costs                        | 150,596          | 150,596            | 72,268             |
| Printing, postage and stationery      | 15,143           | 15,143             | 17,342             |
| Legal & professional                  | 181,683          | 181,683            | 204,425            |
| Other support costs                   | 79,164           | 79,164             | 69,304             |
| Agency supply                         | 79,759           | 79,759             | 46,658             |
| Uniform                               | 5,876            | 5,876              | 11,510             |
| Wages and salaries                    | 570,215          | 570,215            | 352,062            |
| National insurance                    | 28,576           | 28,576             | 17,923             |
| Pension cost                          | 102,481          | 102,481            | 57,714             |
|                                       | <u>2,125,425</u> | <u>2,125,425</u>   | <u>1,403,072</u>   |

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**10. Resources expended**

|                              | Staff costs      | Non Pay Expenditure |                  | Total            | Total            |
|------------------------------|------------------|---------------------|------------------|------------------|------------------|
|                              | 2014             | Depreciation        | Other costs      | 2014             | 2013             |
|                              | £                | £                   | £                | £                | £                |
| Direct costs                 | 4,055,598        | 84,157              | 240,007          | 4,379,762        | 2,868,318        |
| Support costs                | 701,272          | -                   | 1,424,153        | 2,125,425        | 1,403,072        |
| <b>Charitable activities</b> | <b>4,756,870</b> | <b>84,157</b>       | <b>1,664,160</b> | <b>6,505,187</b> | <b>4,271,390</b> |
| <b>Governance</b>            | <b>-</b>         | <b>-</b>            | <b>44,607</b>    | <b>44,607</b>    | <b>59,547</b>    |
|                              | <b>4,756,870</b> | <b>84,157</b>       | <b>1,708,767</b> | <b>6,549,794</b> | <b>4,330,937</b> |

**11. Net incoming resources**

This is stated after charging:

|  | 2014<br>£ | 2013<br>£ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: |           |           |
| - owned by the charity                 | 84,157    | 21,380    |
| Auditors' remuneration                 | 25,945    | 23,750    |

**12. Auditors' remuneration**

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts | 13,250    | 12,800    |
| Fees payable to the academy's auditor and its associates in respect of:                                 |           |           |
| Internal audit services   | 9,750     | 5,850     |
| All other non-audit services not included above   | 2,945     | 5,100     |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**13. Staff**

**a. Staff costs**

Staff costs were as follows:

|                               | 2014<br>£               | 2013<br>£               |
|-------------------------------|-------------------------|-------------------------|
| Wages and salaries            | 3,428,539               | 2,319,509               |
| Social security costs         | 275,363                 | 178,831                 |
| Other pension costs (Note 28) | 825,829                 | 350,258                 |
|                               | <u>4,529,731</u>        | <u>2,848,598</u>        |
| Supply costs                  | 227,139                 | 197,907                 |
|                               | <u><u>4,756,870</u></u> | <u><u>3,046,505</u></u> |

**b. Staff numbers**

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

|                | 2014<br>No. | 2013<br>No. |
|----------------|-------------|-------------|
| Teaching staff | 50          | 43          |
| Support staff  | 59          | 58          |
| Management     | 7           | 7           |
|                | <u>116</u>  | <u>108</u>  |

**c. Higher paid staff**

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

|                                 | 2014<br>No. | 2013<br>No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000   | 8           | 0           |
| In the band £70,001 - £80,000   | 4           | 0           |
| In the band £80,001 - £90,000   | 1           | 0           |
| In the band £90,001 - £100,000  | 1           | 0           |
| In the band £110,001 - £120,000 | 1           | 0           |
|                                 | <u>15</u>   | <u>0</u>    |

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



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**14. Central services**

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

- Central administrative staff

The academy charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

|                   | 2014<br>£     |
|-------------------|---------------|
| St Ann's          | 59,603        |
| St Michael's      | 57,397        |
| St Paul's Infants | 56,990        |
| St Paul's Junior  | 63,635        |
| Holy Trinity      | 60,872        |
|                   | <hr/>         |
| Total             | 298,497 <hr/> |

**15. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration (2013 - £NIL).

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year, Trustees received reimbursement of expenses totaling £16,765.

**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 2014 was included in the total insurance cost.

**17. Other finance income**

|  | 2014<br>£ | 2013<br>£ |
|--|-----------|-----------|
| Expected return on pension scheme assets | 93,000    | 40,000    |
| Interest on pension scheme liabilities   | (104,000) | (54,000)  |
|  | <hr/>     | <hr/>     |
|  | (11,000)  | (14,000)  |
|  | <hr/>     | <hr/>     |

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**18. Tangible fixed assets**

|                          | Long-term<br>leasehold<br>property<br>£ | L/hold<br>property<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|--------------------------|---|---|-------------------------------|----------------------------|------------|
| <b>Cost or valuation</b> |   |   |                               |                            |            |
| At 1 September 2013      | -                                       | -                                       | 140,254                       | 103,417                    | 243,671    |
| Additions                | 11,500,000                              | 180,438                                 | 42,261                        | 73,933                     | 11,796,632 |
| At 31 August 2014        | 11,500,000                              | 180,438                                 | 182,515                       | 177,350                    | 12,040,303 |
| <b>Depreciation</b>      |   |   |                               |                            |            |
| At 1 September 2013      | -                                       | -                                       | 8,819                         | 12,561                     | 21,380     |
| Charge for the year      | -                                       | 18,044                                  | 36,675                        | 29,438                     | 84,157     |
| At 31 August 2014        | -                                       | 18,044                                  | 45,494                        | 41,999                     | 105,537    |
| <b>Net book value</b>    |   |   |                               |                            |            |
| At 31 August 2014        | 11,500,000                              | 162,394                                 | 137,021                       | 135,351                    | 11,934,766 |
| At 31 August 2013        | -                                       | -                                       | 131,435                       | 90,856                     | 222,291    |

The academy's transactions relating to land and buildings included:

- the taking up of leasehold on Millbrook Park over a term of 125 years from the London Borough of Barnet.

The leasehold of Millbrook Park was acquired at the end of the financial year and will not be depreciated until the 1 September 2014.

**19. Debtors**

|                                | 2014<br>£      | 2013<br>£      |
|--------------------------------|----------------|----------------|
| VAT repayable                  | 63,377         | 57,586         |
| Other debtors                  | 7,492          | 185,980        |
| Prepayments and accrued income | 142,167        | 141,891        |
|                                | <u>213,036</u> | <u>385,457</u> |

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

|                  | 2014<br>£        | 2013<br>£        |
|------------------|------------------|------------------|
| Trade creditors  | 100,430          | 500,712          |
| Payroll creditor | 760,871          | 775,156          |
| Other creditors  | 41,268           | 13,968           |
| Accruals         | 239,930          | 11,880           |
|                  | <u>1,142,499</u> | <u>1,301,716</u> |

**Deferred income**

|                                    |               |
|------------------------------------|---------------|
| Resources deferred during the year | <u>67,199</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  
FOR THE YEAR ENDED 31 AUGUST 2014**

**21. Statement of funds**

|                                     | Brought Forward<br>£ | Incoming resources<br>£ | Resources Expended<br>£ | Transfers in/out<br>£ | Gains/ (Losses)<br>£ | Carried Forward<br>£ |
|-------------------------------------|----------------------|-------------------------|-------------------------|-----------------------|----------------------|----------------------|
| <b>Unrestricted funds</b>           |                      |                         |                         |                       |                      |                      |
| Unrestricted funds                  | 77,629               | 117,252                 | -                       | -                     | -                    | 194,881              |
| <b>Restricted funds</b>             |                      |                         |                         |                       |                      |                      |
| General Annual Grant (GAG)          | 42,291               | 5,663,187               | (5,118,630)             | (98,743)              | -                    | 488,105              |
| Pupil Premium                       | -                    | 457,644                 | (457,644)               | -                     | -                    | -                    |
| Other DfE/EFA grants                | -                    | 66,030                  | (66,030)                | -                     | -                    | -                    |
| SEN funding                         | -                    | 112,917                 | (112,917)               | -                     | -                    | -                    |
| Generated income                    | -                    | 277,308                 | (277,308)               | -                     | -                    | -                    |
| Early years funding                 | -                    | 296,595                 | (296,595)               | -                     | -                    | -                    |
| Government grants                   | -                    | 46,410                  | (46,410)                | -                     | -                    | -                    |
| Greig Trust grants                  | -                    | 76,103                  | (76,103)                | -                     | -                    | -                    |
| Pension reserve                     | (730,000)            | -                       | (14,000)                | -                     | (432,000)            | (1,176,000)          |
|                                     | (687,709)            | 6,996,194               | (6,465,637)             | (98,743)              | (432,000)            | (687,895)            |
| <b>Restricted fixed asset funds</b> |                      |                         |                         |                       |                      |                      |
| Assets held for depreciation        | 222,291              | 11,500,000              | (84,157)                | 296,632               | -                    | 11,934,766           |
| Devolved formula capital            | -                    | 38,000                  | -                       | (18,991)              | -                    | 19,009               |
| Other capital grants                | -                    | 178,898                 | -                       | (178,898)             | -                    | -                    |
|                                     | 222,291              | 11,716,898              | (84,157)                | 98,743                | -                    | 11,953,775           |
| Total restricted funds              | (465,418)            | 18,713,092              | (6,549,794)             | -                     | (432,000)            | 11,265,880           |
| Total of funds                      | (387,789)            | 18,830,344              | (6,549,794)             | -                     | (432,000)            | 11,460,761           |

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.

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 2014.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2014 were allocated as follows:

|   | Total<br>£  |
|---|-------------|
| St Ann's  | 52,260      |
| St Michael's                                      | 95,928      |
| St Paul's Infants                                 | 246,435     |
| St Paul's Junior                                  | 155,824     |
| Holy Trinity                                      | 28,449      |
| Central services                                  | 104,090     |
|   | <hr/>       |
| Total before fixed asset fund and pension reserve | 682,986     |
| Restricted fixed asset fund                       | 11,953,775  |
| Pension reserve                                   | (1,176,000) |
|   | <hr/>       |
| Total   | 11,460,761  |
|   | <hr/> <hr/> |

**Analysis of academies by cost**

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

|                   | Teaching<br>and<br>educational<br>support staff<br>costs<br>£ | Other<br>support staff<br>costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>£  |
|-------------------|---|--------------------------------------|------------------------------|---|-------------|
| St Anne's         | 854,203   | 133,712                              | 20,598                       | 359,787                                       | 1,368,300   |
| St Michael's      | 781,386   | 112,641                              | 13,105                       | 279,002                                       | 1,186,134   |
| St Paul's Infants | 683,142   | 130,093                              | 4,898                        | 297,394                                       | 1,115,527   |
| St Paul's Junior  | 809,703   | 59,840                               | 29,530                       | 367,174                                       | 1,266,247   |
| Holy Trinity      | 697,025   | 161,458                              | 75,430                       | 352,949                                       | 1,286,862   |
| Central services  | -   | 103,528                              | -                            | 125,039                                       | 228,567     |
|                   | <hr/>   | <hr/>                                | <hr/>                        | <hr/>   | <hr/>       |
|                   | 3,825,459   | 701,272                              | 143,561                      | 1,781,345                                     | 6,451,637   |
|                   | <hr/> <hr/>   | <hr/> <hr/>                          | <hr/> <hr/>                  | <hr/> <hr/>                                   | <hr/> <hr/> |

**Summary of funds**

|                                 | Brought<br>Forward<br>£ | Incoming<br>resources<br>£ | Resources<br>Expended<br>£ | Transfers<br>in/out<br>£ | Gains/<br>(Losses)<br>£ | Carried<br>Forward<br>£ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| General funds                   | 77,629                  | 117,252                    | -                          | -                        | -                       | 194,881                 |
| Restricted funds                | (687,709)               | 6,996,194                  | (6,465,637)                | (98,743)                 | (432,000)               | (687,895)               |
| Restricted fixed<br>asset funds | 222,291                 | 11,716,898                 | (84,157)                   | 98,743                   | -                       | 11,953,775              |
|                                 | <hr/>                   | <hr/>                      | <hr/>                      | <hr/>                    | <hr/>                   | <hr/>                   |
|                                 | (387,789)               | 18,830,344                 | (6,549,794)                | -                        | (432,000)               | 11,460,761              |
|                                 | <hr/> <hr/>             | <hr/> <hr/>                | <hr/> <hr/>                | <hr/> <hr/>              | <hr/> <hr/>             | <hr/> <hr/>             |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Analysis of net assets between funds**

|  | Unrestricted<br>funds<br>2014<br>£ | Restricted<br>funds<br>2014<br>£ | Restricted<br>fixed asset<br>funds<br>2014<br>£ | Total<br>funds<br>2014<br>£ | Total<br>funds<br>2013<br>£ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets                  | -                                  | -                                | 11,934,766                                      | 11,934,766                  | 222,291                     |
| Current assets                         | 194,881                            | 1,630,604                        | 19,009  | 1,844,494                   | 1,421,636                   |
| Creditors due within one year          | -                                  | (1,142,499)                      | -   | (1,142,499)                 | (1,301,716)                 |
| Provisions for liabilities and charges | -                                  | (1,176,000)                      | -   | (1,176,000)                 | (730,000)                   |
|  | <u>194,881</u>                     | <u>(687,895)</u>                 | <u>11,953,775</u>                               | <u>11,460,761</u>           | <u>(387,789)</u>            |

**23. Net cash flow from operations**

|   | 2014<br>£      | 2013<br>£        |
|---|----------------|------------------|
| Net incoming resources before revaluations      | 12,280,550     | 354,211          |
| Returns on investments and servicing of finance | (2,704)        | (532)            |
| Assets on conversion                            | -              | (100,000)        |
| Donation of assets                              | (11,500,000)   | -                |
| Depreciation of tangible fixed assets           | 84,157         | -                |
| Capital grants from DfE                         | (216,897)      | -                |
| Decrease/(increase) in debtors                  | 172,421        | (385,457)        |
| (Decrease)/increase in creditors                | (159,217)      | 1,301,716        |
| FRS 17 adjustments                              | 14,000         | (12,000)         |
| <b>Net cash inflow from operations</b>          | <u>672,310</u> | <u>1,157,938</u> |

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

|  | 2014<br>£       | 2013<br>£        |
|--|-----------------|------------------|
| <b>Returns on investments and servicing of finance</b> |                 |                  |
| Interest received                                      | <u>2,704</u>    | <u>532</u>       |
| <b>Capital expenditure and financial investment</b>    |                 |                  |
| Purchase of tangible fixed assets                      | (296,632)       | (143,671)        |
| Capital grants from DfE                                | 216,897         | -                |
| <b>Net cash outflow capital expenditure</b>            | <u>(79,735)</u> | <u>(143,671)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. Analysis of changes in net funds**

|                           | 1 September<br>2013<br>£ | Cash flow<br>£ | 31 August<br>2014<br>£ |
|---------------------------|--------------------------|----------------|------------------------|
| Cash at bank and in hand: | 1,036,179                | 595,279        | 1,631,458              |
| <b>Net funds</b>          | <b>1,036,179</b>         | <b>595,279</b> | <b>1,631,458</b>       |

**26. 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.

**27. Capital commitments**

At 31 August 2014 the academy had capital commitments as follows:

|   | 2014<br>£ | 2013<br>£ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | 30,000    | -         |

**28. 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.

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**28. Pension commitments (continued)**

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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 (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and



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**28. Pension commitments (continued)**

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 2014 was £342,000, of which employer's contributions totalled £274,000 and employees' contributions totalled £68,000. 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<br>return at<br>31 August<br>2014<br>% | Fair value at<br>31 August<br>2014<br>£ | Expected<br>return at<br>31 August<br>2013<br>% | Fair value at<br>31 August<br>2013<br>£ |
|-------------------------------------|---|---|---|---|
| Equities                            | 6.30  | 1,611,000                               | 6.60  | 1,098,000                               |
| Bonds                               | 2.90  | 293,000                                 | 3.50  | 194,000                                 |
| Property                            | 4.50  | 188,000                                 | 4.70  | 84,000                                  |
| Cash                                | 3.30  | -                                       | 3.60  | 13,000                                  |
| Total market value of assets        |   | <u>2,092,000</u>                        |   | <u>1,389,000</u>                        |
| Present value of scheme liabilities |   | <u>(3,268,000)</u>                      |   | <u>(2,119,000)</u>                      |
| (Deficit)/surplus in the scheme     |   | <u><u>(1,176,000)</u></u>               |   | <u><u>(730,000)</u></u>                 |

The amounts recognised in the Balance sheet are as follows:

|                                     | 2014<br>£                 | 2013<br>£               |
|-------------------------------------|---------------------------|-------------------------|
| Present value of funded obligations | (3,268,000)               | (2,119,000)             |
| Fair value of scheme assets         | <u>2,092,000</u>          | <u>1,389,000</u>        |
| Net liability                       | <u><u>(1,176,000)</u></u> | <u><u>(730,000)</u></u> |

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

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

|                                    | 2014<br>£          | 2013<br>£        |
|------------------------------------|--------------------|------------------|
| Current service cost               | (277,000)          | (131,000)        |
| Interest on obligation             | (104,000)          | (54,000)         |
| Expected return on scheme assets   | 93,000             | 40,000           |
| <b>Total</b>                       | <b>(288,000)</b>   | <b>(145,000)</b> |
| <br>Actual return on scheme assets | <br><b>198,000</b> | <br><b>-</b>     |

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

|   | 2014<br>£        | 2013<br>£        |
|---|------------------|------------------|
| Opening defined benefit obligation        | 2,119,000        | -                |
| Current service cost                      | 277,000          | 131,000          |
| Interest cost                             | 104,000          | 54,000           |
| Contributions by scheme participants      | 68,000           | 39,000           |
| Actuarial Losses                          | 724,000          | 125,000          |
| Benefits paid                             | (24,000)         | -                |
| Defined benefit obligation on conversion  | -                | 1,770,000        |
| <b>Closing defined benefit obligation</b> | <b>3,268,000</b> | <b>2,119,000</b> |

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

|   | 2014<br>£        | 2013<br>£        |
|---|------------------|------------------|
| Opening fair value of scheme assets       | 1,389,000        | -                |
| Expected return on assets                 | 93,000           | 40,000           |
| Actuarial gains and (losses)              | 292,000          | 68,000           |
| Contributions by employer                 | 274,000          | 157,000          |
| Contributions by employees                | 68,000           | 39,000           |
| Benefits paid                             | (24,000)         | -                |
| Fair value of scheme assets on conversion | -                | 1,085,000        |
| <b>Fair value of scheme assets</b>        | <b>2,092,000</b> | <b>1,389,000</b> |

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

The academy expects to contribute £198,000 to its Defined benefit pension scheme in 2015.

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**28. Pension commitments (continued)**

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

|          | 2014    | 2013    |
|----------|---------|---------|
| Equities | 77.00 % | 79.00 % |
| Bonds    | 14.00 % | 14.00 % |
| Property | 9.00 %  | 6.00 %  |
| Cash     | - %     | 1.00 %  |

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

|  | 2014   | 2013   |
|--|--------|--------|
| Discount rate for scheme liabilities                 | 3.70 % | 4.60 % |
| Expected return on scheme assets at 31 August        | 5.70 % | 6.00 % |
| Rate of increase in salaries                         | 4.50 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.80 % |

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

|                      | 2014 | 2013 |
|----------------------|------|------|
| Retiring today       |      |      |
| Males                | 21.9 | 21.9 |
| Females              | 24.1 | 24.7 |
| Retiring in 20 years |      |      |
| Males                | 24.2 | 23.3 |
| Females              | 26.5 | 26.1 |

Amounts for the current and previous period are as follows:

**Defined benefit pension schemes**

|  | 2014<br>£   | 2013<br>£   |
|--|-------------|-------------|
| Defined benefit obligation                   | (3,268,000) | (2,119,000) |
| Scheme assets                                | 2,092,000   | 1,389,000   |
| Deficit                                      | (1,176,000) | (730,000)   |
| Experience adjustments on scheme liabilities | (724,000)   | (125,000)   |
| Experience adjustments on scheme assets      | 292,000     | 68,000      |

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**29. Operating lease commitments**

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

|                       | 2014<br>£ | 2013<br>£ |
|-----------------------|-----------|-----------|
| <b>Expiry date:</b>   |           |           |
| Within 1 year         | 17,241    | 1,670     |
| Between 2 and 5 years | 156,207   | 80,593    |

**30. 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 trustee 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:

- £17,280 (2013: £30,566) spent with Grow Education a company of which I Woolf, E Wolverson and G Pope, all trustees, are directors.
- £76,103 (2013: £41,999) received from the Grieg Trust of which I Woolf, a trustee, is a trustee
- £24,000 (2013: £nil) 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.