

REGISTRAR OF COMPANIES

**London Academy of
Excellence Tottenham**

**Annual Report and Financial
Statements**

31 August 2019

Company Limited by Guarantee Registration Number
08291601 (England and Wales)

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Reference and administrative information

Members	G Aitken K Panja A Pettitt J Pheasant Highgate School
Trustees	G Aitken S Bardouille – resigned 26 September 2019 D Cullen M Dogra – appointed 30 September 2019 M Duncan – appointed 8 November 2018 N Hewlett F King – resigned 13 September 2018 K Panja A Pettitt J Pheasant D Olusesi – appointed 8 November 2018 P Rothwell J Sanchez G Savage P Teulon
Key management personnel	J Balon – Headteacher P Martin – Business Director J Clark – Deputy Head (Pastoral) J Hoddy – Deputy Head (Academic)
Registered office	London Academy of Excellence Tottenham 780 High Road Tottenham London N17 0BX
Company registration number	08291601 (England & Wales)
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 69 Pall Mall SW1Y 5EY

Trustees' report Year to 31 August 2019

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 and Auditors' Report of London Academy of Excellence Tottenham (the Academy) for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 30 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trust comprises a single Academy of the same name which opened on 1 September 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (registration number 08291601) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of London Academy of Excellence Tottenham are also the directors of the company for the purposes of company law.

Members' liability

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

Trustees' indemnities

The Academy has opted into the risk protection arrangement (RPA) for Academy Trusts, which is a mechanism through which the cost of risks that materialise will be covered by government funds. Part of this mechanism protects Trustees and officers from claims arising from the negligent acts, errors or omissions occurring whilst on Academy business. The scheme provides unlimited cover on any one claim and the cost for the period was included in the total costs paid for the risk protection arrangement (RPA) for Academy Trusts.

Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed and articles of association.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Trustees

New Trustees follow an induction plan. As part of this induction, Trustees are provided with relevant information regarding the structure and performance of the Academy. Trustees also undertake a skills audit and are given relevant information about the governance structure of the Trust and given a Trustee mentor.

Organisational structure

The Board of Trustees is responsible for the appointment and appraisal of the Headteacher and is accountable to the Members of the Academy Trust and the Department for Education.

The Headteacher is responsible for all aspects of the day to day management and operations of the Academy Trust and is also the Accounting Officer.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Arrangements for setting pay and remuneration of key management personnel

A remuneration committee, consisting of the Chair of Trustees and members from each of the committees is responsible for the performance management of the Headteacher. The committee is also responsible for agreeing the Headteacher's recommendations regarding the performance management of the Senior Leadership Team. Pay for all senior leaders is set using the agreed LAE Tottenham pay scales, benchmarked against national teacher pay scales.

Trade union facility time

There were no employees who were relevant union officials during the period, so there was no time or percentage of the pay bill spent on facility time. There were no paid trade union activities during the year.

Connected organisations

The school is supported by its principal education sponsor Highgate School and its business sponsor, Tottenham Hotspur Football Club. It also benefits from partnerships with eight further independent schools - Alleyn's, Chigwell, Haberdashers' Aske's Boys', Harrow, John Lyon, North London Collegiate, Mill Hill and St Dunstan's College.

OBJECTIVES AND ACTIVITIES

Objects and aims

The objects of the Academy Trust are to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a 16 to 19 Academy offering a curriculum appropriate to the needs of its students.

London Academy of Excellence Tottenham is the place for academic rigour. The school exists to provide the very best opportunities for our students with a particular focus on developing confident learners who achieve top A Level grades thus opening the door to the best further education available to them. Beyond this, we aim to ensure that once students access the most competitive courses at top universities, they have the confidence and resilience to feel that they belong.

WE BELIEVE IN:

Academic Rigour - "the importance of intellectual challenge"
Social Responsibility - "acting for the benefit of others"

WE FOCUS ON:

- Aspiration
- Endeavour
- Community
- Reflection

OUR BELIEFS

We believe in:

- ...holding high ambitions
- ...working hard to achieve
- ...being rooted in Tottenham
- ...always seeking to improve

OUR ARTEFACTS

We create:

- ...a university driven curriculum containing demanding A Level subjects
- ...a culture which promotes learning as an intrinsic good
- ...partnerships with nine leading independent schools to support the very best academic outcomes possible
- ...a culture in which working hard is the norm
- ...a focus upon homework and independent study
- ...an authentically professional working environment
- ...a co-curriculum that reaches out beyond the school gates
- ...higher academic aspirations in the local community
- ...an authentic student leadership programme
- ...an environment which challenges comfort zones thereby developing confidence and resilience
- ...wide-ranging opportunities for creativity in and beyond the curriculum
- ...a pastoral system in a small school setting in which everyone's individual qualities are celebrated

OBJECTIVES AND ACTIVITIES (continued)

Activities for achieving objectives

In the second full year of operation as the London Academy of Excellence Tottenham, the principal activities have been to continue to ensure a high quality of education and to ensure strong academic outcomes as evidenced by the A Level results of the first cohort, which are likely to be in the top 4% nationally for both attainment and progress. Growth in student recruitment has continued to be a focus as we work towards a breakeven point.

Public benefit

The Trustees of the Academy have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy has operated in accordance with its funding agreement as a non-charging, not for profit organisation throughout the period in question.

STRATEGIC REPORT

Key achievements and performance

The school met the student recruitment and retention target for the 2018/19 academic year with a total of 283 students on roll. Meeting the annual admissions targets in the growth plan continues to be one of the significant challenges faced by the Trust but in 2019/20 the target has once again been met with 395 students on roll.

Educational performance has continued to be excellent. Attainment in the first cohort was 31% A*-A, 70% A*-B, with an average points score of nearly 40 (grade B). This places the school in the top 4% of school's nationally for attainment. The unvalidated value added score of +0.41, suggesting students achieved nearly half a grade better than expected based on their starting points. This reflects progress in the top 4% of state schools nationally.

Review of activities

During the year the Trust has built upon the solid foundations from pre-opening, focussed on the academic progress of the students enrolled and the recruitment of students and staff for Year 3.

Key performance indicators

A number of KPIs are used by the Board of Trustees to monitor performance including the recruitment of students, academic progress, attendance and in time the examination results of the student's and students' further destinations. The Trustees also use the financial budgets as a KPI relating to the performance of leadership and management.

The key KPI for the Academy in year two was to increase student recruitment. The Academy recruited 182 Year 12 students in 2018/19, compared to 109 in 2017/18. In 2019/20 the Academy recruited 231 students.

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, and having successfully recruited the target pupil numbers for 2019/20, the Board of Trustees has a reasonable expectation that the school will have adequate resources, supported by the ESFA, to continue in operational existence for the foreseeable future.

A recovery plan relating to the shortfall in students in the 2017/18 academic year is still in the process of being agreed between the Trust and the ESFA. The Trust repaid £236,000 to the ESFA in 2018/19, with a balance of £113,000 repayable as at 31 August 2019. The terms relating to the repayment of the outstanding amount are subject to further negotiation with the ESFA.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy

The Academy Trust has no investments.

Financial Review

The primary sources of funding for the Academy Trust during the Year was the General Annual Grant received from the ESFA and donations and capital grants both in cash and in kind.

The total income for the year was £4,068,000 (2018 – £5,001,000), of which £1,503,000 (2018 – £577,000) is General Annual Grant and £1,484,000 (2018 – £954,000) is other ESFA and Government Grants. In 2019, there was income of £803,000 (2018 – £3,284,000) from donations and capital grants. This includes gifts-in-kind of £414,000 (2018 – £2,145,000), donations of £341,000 (2018 – £408,000) and £48,000 (2018 – £153,055) of other capital grants.

The excess of expenditure over income for the period, excluding the fixed assets fund and the pension reserve was £32,000 (2018 – £313,000).

At 31 August 2019, the Academy had total funds of £10,314,000 (2018 – £10,864,000). This comprised of £10,303,000 (2018 – £10,821,000) of restricted funds and £11,000 (2018 – £43,000) of unrestricted general fund balances. Included within restricted funds is the pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, which was in deficit by £241,000 (2018 – £64,000) at 31 August 2019.

The results for the period are shown on page 21.

STRATEGIC REPORT (continued)

Financial Review (continued)

The financial results for the year and the year-end position are considered by the Trustees to be satisfactory. Financial projections indicate that the Academy Trust has adequate resources to deliver its educational programme in 2019/20 and beyond. The year 12 intake for 2019/20 was 231 taking the total students enrolled to 395.

Additional highly skilled teaching and operations staff were recruited to support the arrival of the third cohort of students and the overall increase in students from 113 in Year 1 to 283 in Year 2 and 395 in Year 3.

Reserves policy

Any reserves held will be in accordance with requirements laid down by the Department for Education. The restricted fixed assets reserves as at 31 August 2019 represents the completed build, which is leased, and equipment.

The Trustees review the cash reserve annually as part of the budget setting process. This review encompasses the nature of current and future income and expenditure streams. In normal circumstances, the Trustees have determined that the appropriate level of free reserves should be equivalent to one month's gross salary expenditure. This is to ensure sufficient working capital to cover delays between spending and receipt of funds and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust is committed to working towards meeting its reserves target from 2020/21 when the breakeven point has been passed.

Principal risks and uncertainties

The Trustees consider that the Academy Trust's financial and internal controls are in compliance with the ESFA Academies Financial Handbook 2018.

The Trustees assess the principal long term risks and uncertainties facing the Academy as follows:

- ◆ Students: Inability to recruit a viable number of suitably qualified students in the long term.
- ◆ Grant income: A material decrease in income affecting provision resulting from the inability to recruit a viable number of students.
- ◆ Staff recruitment: Inability to attract and retain the required specialist academic staff.
- ◆ The withdrawal or reduction in donors financial input.

The Trustees are of the view that there is a formal ongoing process for identifying evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Trustees' report Year to 31 August 2019

Plans for future periods

Future developments

The Trustees intend to continue to build upon the successful second year of the London Academy of Excellence Tottenham in line with plans agreed with the Department for Education. Current growth estimates support the medium-term target of 500 students being reached by September 2022.

The first OFSTED monitoring visit is expected in the academic year 2019/20 and the school will be aiming for an outstanding judgement.

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 Trustees have 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.

Fundraising

No direct fundraising was carried out by the Trust during 2018/19.

Donations were made both in cash and kind by the Principal Education Sponsor Highgate School, the Principal Business Sponsor Tottenham Hotspur Football Club and our Partners St Dunstan's College and Mill Hill School.

The Trustees continue to work closely with the independent partner schools who have generously made donations from their own resources to support the delivery of the curriculum and co-curriculum at LAE Tottenham.

Fundraising activities may from time to time be carried out by partners to raise funds which are subsequently donated to the school. These will be carried out in line with their own policies.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2019 and signed on its behalf by:



G Aitken
Trustee

Governance statement 31 August 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Aitken, Chair	4	4
A Pettitt, Vice-Chair	4	4
S Bardouille, Trustee	3	4
D Cullen, Trustee	1	4
M Duncan, Trustee	2	3
N Hewlett, Trustee	4	4
F King, Trustee (Resigned 13/09/18)	0	0
D Olusesi, Trustee	2	3
J Pheasant, Trustee	4	4
K Panja, Trustee	3	4
P Rothwell, Trustee	3	4
J Sanchez, Trustee	2	3
G Savage, Trustee	3	4
P Teulon, Trustee	3	4

The board met less than six times in 2018/19. It has maintained effective oversight of funds with fewer meetings by delegating certain areas to sub-committees, which are described on the following pages.

The Principal during the year under review was J Balon who was appointed in January 2017 as Principal designate to develop and prepare for the opening of the LAET and formally became Principal in September 2017.

Education, Standards and Performance Committee (ESP)

The Education, Standards and Performance Committee is a committee of the main Board of Trustees. Its purpose is set out in the Terms of Reference and in general is to exercise the powers and duties of the Full Governing Body in respect of the curriculum offer and academic performance, except for those items specifically reserved for the Academy Trust and Full Governing Body and those delegated to other staff by the Principal.

For the period 2018/19 the main responsibility was the monitoring of academic attainment data, ensuring the provision of a full academic curriculum and the review of marketing and admissions data.

Trustee	Meetings attended	Out of a possible
P Teulon - Chair	3	3
G Aitken - Trustee	2	3
S Bardouille - Trustee	1	3
M Duncan - Trustee	1	2
A Pettitt - Trustee	3	3
G Savage - Trustee	2	3
J Sanchez - Trustee	1	2

Finance, Resources and Compliance Committee (FRC)

The Finance, Resources and Compliance Committee is a committee of the main Board of Trustees. Its purpose is set out in the Terms of Reference and in general is to exercise the powers and duties of the Full Governing Body in respect of the financial administration of the Academy, except for those items specifically reserved for the Academy Trust and Full Governing Body and those delegated to other staff by the Principal.

For the period 2018/19 the main responsibility was the close monitoring of the school budget, the monitoring of risk and ensuring compliance with legislation and government guidance.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Panja - Chair	2	3
G Aitken - Trustee	3	3
D Cullen – Trustee	1	3
N Hewlett – Trustee	2	3
D Olusesi - Trustee	2	3
J Pheasant – Trustee	2	3
P Rothwell - Trustee	1	3

Review of Value for Money

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

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

- ◆ Reviewing the curriculum offer and required staffing levels;
- ◆ Ensuring the Trust's procurement procedures are diligently followed to ensure products and services are procured at the most competitive rates; and
- ◆ Utilising in-kind support from partners to deliver teaching, learning support and support services.

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 current system of internal control has been in place at the London Academy of Excellence Tottenham for the year 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 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 Accounting Officer of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ Setting targets to measure financial and other performance;
- ◆ Clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ Delegation of authority and segregation of duties; and
- ◆ Identification and management of risks.

The Trust has appointed Buzzacott LLP to undertake a programme of internal checks on the Academy Trust's financial systems and to report their findings to the Board through the Finance, Resources and Compliance Committee. In particular, the checks carried out in the current period included internal controls, budgeting and cash flow forecasting.

Review of Effectiveness

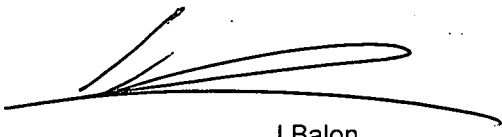
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- ◆ the work of the external auditor;
- ◆ 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 outcome of their review of the systems of internal control and a plan to address areas for improvement is in place.

Approved by order of the members of the Board of Trustees on 6 December 2019 and signed on their behalf, by:


G Aitken
(Chair of Trustees)


J Balon
(Accounting Officer)

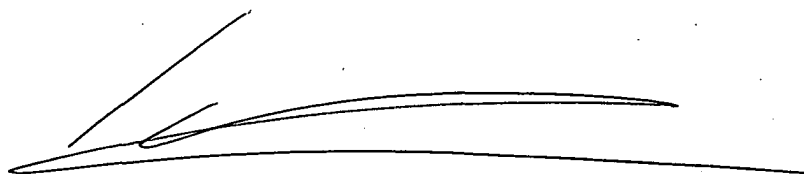
Approved on 6 December 2019

Statement on regularity, propriety and compliance 31 August 2019

As Accounting Officer of London Academy of Excellence Tottenham, I have considered my responsibility to notify the Academy Trust's Board of Trustees and the ESFA of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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

A handwritten signature in black ink, consisting of a series of fluid, connected strokes. The signature is written over the printed name 'J. BALON'.

Accounting Officer

J. BALON

Date: 6 December 2019

Statement of Trustees' responsibilities 31 August 2019

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

Company law requires the 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 Academy Trust and of 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 in the Charities' SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

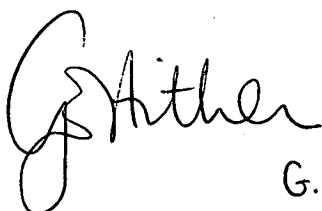
The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy Trust 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 Academy Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Trustees on 6 December 2019 and signed on its behalf by:

Chair



G. AITKEN

Independent auditor's report Year to 31 August 2019

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

Opinion

We have audited the financial statements of London Academy of Excellence Tottenham (the 'charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Material uncertainty related to going concern

The financial statements for the year ended 31 August 2019 have been prepared by the Trustees on a going concern basis. Details relating to the Trustees' assessment of the going concern position is disclosed on page 6 of the Trustees' report, and as part of the principal accounting policies on page 24. We draw your attention to these pages, where it states that the Trust is in the process of agreeing a financial recovery plan with the ESFA.

Independent auditor's report Year to 31 August 2019

Material uncertainty related to going concern (continued)

Our opinion is not modified in respect of this matter.

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

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

Other information (covers the reference and administrative details, the report of the Trustees and strategic report and the governance statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Independent auditor's report Year to 31 August 2019

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; or
- ◆ 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report Year to 31 August 2019

Use of our report

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2019

Independent reporting accountant's report on regularity Year to 31 August 2019

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

In accordance with the terms of our engagement letter dated 15 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by London Academy of Excellence Tottenham during the period from 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of London Academy of Excellence Tottenham's funding agreement with the Secretary of State for Education dated 20 August 2012 and the Academies Financial Handbook 2018, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Independent reporting accountant's report on regularity Year to 31 August 2019

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

- a) the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament; and
- b) the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Reporting Accountant
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

17 December 2019

Statement of financial activities Year to 31 August 2019
(including the income and expenditure account)

	Notes	Restricted funds			2019 Total fund £'000	2018 Total funds £'000
		Unrestricted general funds £'000	Restricted general funds £'000	Fixed asset funds £'000		
Income from:						
Donations and capital grants	1	280	475	48	803	3,284
Charitable activities:						
Funding for the Academy Trust's educational operations	3	—	2,987	—	2,987	1,531
Other trading activities	2	278	—	—	278	186
Total income		558	3,462	48	4,068	5,001
Expenditure on:						
Charitable activities:						
Academy Trust's educational operations	4	562	3,571	373	4,506	5,891
Total expenditure		562	3,571	373	4,506	5,891
Net expenditure before transfers		(4)	(109)	(325)	(438)	(890)
Transfers between funds	13	(28)	44	(16)	—	—
Net expenditure		(32)	(65)	(341)	(438)	(890)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	19	—	(112)	—	(112)	50
Net movement in funds		(32)	(177)	(341)	(550)	(840)
Fund balances brought forward at 1 September 2018		43	(64)	10,885	10,864	11,704
Fund balances carried forward at 31 August 2019		11	(241)	10,544	10,314	10,864

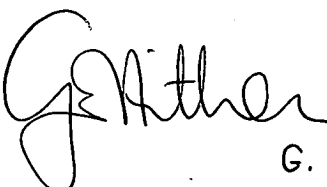
All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

The Academy has no recognised gains or losses other than those shown above.

Balance sheet 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	10		10,539		10,885
Current assets					
Debtors	11	3,635		3,297	
Cash at bank		341		473	
		<u>3,976</u>		<u>3,770</u>	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(3,960)</u>		<u>(3,727)</u>	
Net current assets			<u>16</u>		<u>43</u>
Total assets less current liabilities			<u>10,555</u>		<u>10,928</u>
Net assets excluding pension scheme liability			10,555		10,928
Pension scheme liability	19		(241)		(64)
Total net assets			<u>10,314</u>		<u>10,864</u>
The funds of the Academy Trust:					
Restricted funds	13				
· Fixed assets fund			10,544		10,885
· Restricted income fund			—		—
· Pension reserve			(241)		(64)
Total restricted funds			<u>10,303</u>		<u>10,821</u>
Unrestricted income funds					
General fund	13		11		43
Total funds			<u>10,314</u>		<u>10,864</u>

The financial statements on page 21 to 44 were approved by the Board of Trustees of London Academy of Excellence Tottenham (Company Registration No. 08291601) (England and Wales) and signed on its behalf by:

Chair  G. AITKEN

Approved on: 6 December 2019

Statement of cash flows Year to 31 August 2019

		2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	A	(154)	(576)
Cash flows from investing activities			
Net cash provided by investing activities	B	22	135
Change in cash and cash equivalents in the year		(132)	(441)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2018		473	914
Cash and cash equivalents at 31 August 2019	C	341	473

A Reconciliation of expenditure to cash flows from operating activities

	2019 £'000	2018 £'000
Net expenditure for the year (as per the statement of financial activities)	(438)	(890)
Adjusted for:		
Depreciation (note 10)	373	521
Impairment	—	1,615
Capital grants from DFE and other capital income	(48)	(1,768)
Defined benefit pension scheme cost less contributions payable (note 19)	62	61
Defined benefit pension scheme finance costs	3	2
Increase in debtors	(338)	(769)
Increase in creditors	232	652
Net cash used in operating activities	(154)	(576)

B Cash flows from investing activities

	2019 £'000	2018 £'000
Purchase of tangible fixed assets (note 10)	(26)	(18)
Capital grants from DfE/ESFA	48	153
Net cash provided by investing activities	22	135

C Analysis of cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank and in hand	341	473
Total cash and cash equivalents	341	473

Principal accounting policies Year to 31 August 2019

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

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 company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees have considered the Academy's future finances and taken into account the financial recovery plan as detailed on the page 6. After making appropriate enquiries, and having successfully made the transformation from Tottenham UTC to the London Academy of Excellence Tottenham (including the successful recruitment of students for the 2019/20 academic year), the Board of Trustees has a reasonable expectation that the school will have adequate resources, supported by the ESFA, to continue in operational existence for the foreseeable future. On this basis, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Principal accounting policies Year to 31 August 2019

Income (continued)

Grants

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

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

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

Donations

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

Other income

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

Donated services and gifts in kind

Where services are provided to the Academy Trust as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as both income and expenditure at its estimated fair value based on the value of the contribution to the Academy Trust.

The value of seconded staff is recognised at the value payable as salary of a similar post-holder had they been directly employed in the period in which they are receivable as income, where the benefit to the Academy Trust can be reliably measured. Donated services including seconded staff are recognised as donations in the period when those services are provided.

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

Principal accounting policies Year to 31 August 2019

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities. All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

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

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

Long-term leasehold property	Over the life of the lease (35 years)
Furniture and equipment	20% straight line
Computer equipment	25% straight line

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

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

Principal accounting policies Year to 31 August 2019

Tangible fixed assets (continued)

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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments were valued at the amount prepaid.

The Academy's leasehold property is held on a 35 year lease, and the annual rental cost increases over the lifetime of the lease. A debtor is recognised in these financial statements, to match the creditor for the annualised rent payable as described below. This is to account for the fact that the ESFA have agreed to fund the lease for the entire lease term, in accordance with a Memorandum of Understanding dated 10 May 2016.

Liabilities

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

The Academy has a leasehold property on a 35 year lease, and the annual rental cost increases over the life of the lease. A creditor is recognised in these financial statements, to annualise the rent payable over the lifetime of the lease.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments.

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

Principal accounting policies Year to 31 August 2019

Financial instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Principal accounting policies Year to 31 August 2019

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability;
- ◆ Estimating the useful economic life of tangible fixed assets for the purpose of calculating depreciation; and
- ◆ Estimating the value of donated goods and services.

Critical areas of judgement

In taking their decision as to whether the Academy Trust is a going concern for the purposes of these financial statements, they have assumed that the major donors will continue to provide support into 2019/20. This assumption is supported by all relevant discussions to date.

Principal accounting policies Year to 31 August 2019

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds and free school meal funding from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use a proportion of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 21.

Notes to the financial statements Year to 31 August 2019

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	2019 Total funds £'000
Capital grants	—	—	48	48
Gifts-in-kind	—	414	—	414
Other donations	280	61	—	341
	<u>280</u>	<u>475</u>	<u>48</u>	<u>803</u>

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	2018 Total funds £
Capital grants	—	—	153	153
Gifts-in-kind - capital	—	—	1,615	1,615
Other gifts-in-kind	530	—	—	530
Other donations	282	704	—	986
	<u>812</u>	<u>704</u>	<u>1,768</u>	<u>3,284</u>

The Academy Trust has received donated services as gifts-in-kind. These have included a donation of £414,000 in the form of seconded staff from the Lead Education Sponsor (2018 – £381,000). In 2018, there were significant donations of maintenance support from the Lead Business Sponsor and a capital donation from the ESFA to fund the transformation of the building from the UTC to LAET. Gifts-in-kind have been recognised in line with the accounting policy, on the basis of the value of the gift to the Trust, which is the amount the Trust would reasonably expect to pay in the open market for an alternative item that would provide a benefit to the Trust equivalent to the donated item. Valuable contributions are also made in the form of governance and strategic support which cannot be quantified.

2 Other trading activities

	Unrestricted funds	
	2019 Total funds £'000	2018 Total funds £'000
Hire of facilities	137	78
Trip income	9	2
Catering income	131	83
Miscellaneous income	1	23
	<u>278</u>	<u>186</u>

Notes to the financial statements Year to 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
DfE/ESFA grants			
. General Annual Grant (GAG)	—	1,503	1,503
. Start Up Grants	—	152	152
. Other DfE / ESFA grants	—	1,332	1,332
	—	2,987	2,987

	Unrestricted funds £	Restricted funds £	2018 Total funds £
DfE/ESFA grants			
. General Annual Grant (GAG)	—	577	577
. Start Up Grants	—	296	296
. Other DfE / ESFA grants	—	658	658
	—	1,531	1,531

4 Expenditure

	Staff costs (note 7) £'000	Non pay expenditure		2019 Total funds £'000
		Premises £'000	Other costs £'000	
Charitable activities				
. Academy Trust's educational operations				
.. Direct costs	1,789	373	159	2,321
.. Support costs	418	1,528	239	2,185
	2,207	1,901	398	4,506

	Staff costs (note 7) £	Non pay expenditure		2018 Total funds £'000
		Premises £	Other costs £	
Charitable activities				
. Academy Trust's educational operations				
.. Direct costs	1,287	2,136	179	3,602
.. Support costs	384	1,586	319	2,289
	1,671	3,722	498	5,891

Notes to the financial statements Year to 31 August 2019

4 Expenditure (continued)

	2019 Total funds £'000	2018 Total funds £'000
Net expenditure for the year includes:		
Operating lease rentals – Land and buildings	831	675
Depreciation	373	521
Fees payable to auditor		
. Audit	10	10
. Other services	4	3

5 Charitable activities - Academy Trust's educational operations

	2019 Total funds £'000	2018 Total funds £'000
Direct costs	2,321	3,602
Support costs	2,185	2,289
	4,506	5,891

	2019 Total funds £'000	2018 Total funds £'000
Analysis of support costs		
Support staff costs	418	384
Technology costs	61	153
Premises costs	1,529	1,585
Other support costs	158	147
Governance costs	19	20
Total support costs	2,185	2,289

Notes to the financial statements Year to 31 August 2019

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2018 between restricted and unrestricted funds:

	Notes	Unrestricted general funds £'000	Restricted funds		2018 Total funds £'000
			Restricted general funds £'000	Fixed asset funds £'000	
Income from:					
Donations and capital grants	1	812	704	1,768	3,284
Charitable activities:					
Funding for the Academy					
Trust's educational operations	3	—	1,531	—	1,531
Other trading activities	2	186	—	—	186
Total income		998	2,235	1,768	5,001
Expenditure on:					
Charitable activities:					
Academy Trust's educational operations	4	955	2,800	2,136	5,891
Total expenditure		955	2,800	2,136	5,891
Net income (expenditure) before transfers		43	(565)	(368)	(890)
Transfers between funds	13	—	146	(146)	—
Net income (expenditure)		43	(419)	(514)	(890)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	19	—	50	—	50
Net movement in funds		43	(369)	(514)	(840)
Fund balances brought forward at 1 September 2017		—	305	11,399	11,704
Fund balances carried forward at 31 August 2018		43	(64)	10,885	10,864

Notes to the financial statements Year to 31 August 2019

7 Staff

(a) Staff costs

Staff costs during the year were:

	2019 Total funds £'000	2018 Total funds £'000
Wages and salaries	1,359	965
Social security costs	142	105
Pension costs	258	212
	1,759	1,282
Supply teacher costs	34	8
Gifts-in-kind – seconded staff	414	381
	2,207	1,671

(b) Staff numbers

The average number of persons (including the senior management team) employed by the Academy Trust (excluding seconded staff) during the year ended 31 August 2019 was as follows:

Charitable activities	2019 No.	2018 No.
Teachers	17	8
Administration and support	19	16
Management	4	4
	40	28

(c) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	3	2
£90,001 - £100,000	1	1
	4	3

(d) Higher paid staff pension contributions

The three employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff members amounted to £36,270 (2018 – £36,273).

(e) Key management personnel

The key management personnel of the Academy Trust comprise: the Trustees, the Head Teacher, the Business Director, and the Deputy Heads. The total amount of employee benefits (including employer's pension and national insurance contributions) received by key management personnel for their services to the Academy Trust was £366,000 (2018 – £349,914). No payments were made to Trustees as set out in Note 8.

Notes to the financial statements Year to 31 August 2019

8 Trustees' remuneration and expenses

None of the Trustees received any payments, from the Academy Trust in respect of their role as Trustees.

During the year ended 31 August 2019, no payments were made to reimburse Trustees for expenses (2018 – none).

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

9 Trustees' indemnities

In accordance with normal industry practice the Academy Trust has purchased indemnity cover through participation in the government's Risk Protection Arrangement (RPA) Scheme to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provided unlimited cover on any one claim for the year ended 31 August 2019 and the charge for indemnity cover was included as part of a single payment for comprehensive cover.

10 Tangible fixed assets

	Leasehold improve- ments £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 September 2018	13,842	43	667	14,552
Additions	—	19	7	26
At 31 August 2019	13,842	62	674	14,578
Depreciation				
At 1 September 2018	3,000	17	650	3,666
Charge for the year	350	5	18	373
At 31 August 2019	3,349	21	668	4,039
Net book value				
At 31 August 2019	10,492	41	6	10,539
At 31 August 2018	10,842	26	18	10,885

Notes to the financial statements Year to 31 August 2019

11 Debtors

	Total 2019 £'000	Total 2018 £'000
Trade debtors	20	92
VAT recoverable	32	31
ESFA funding for property lease rental	3,423	2,987
Prepayments and accrued income	160	187
	3,635	3,297

Included within debtors is accrued income of £3,422,576 (2018 – £2,986,808) due from the ESFA in relation to the rent-free period on the long term leasehold property. This is to match the creditor (note 12) to annualise the rent payable over the life of the lease.

12 Creditors: amounts falling due within one year

	Total 2019 £'000	Total 2018 £'000
Trade creditors	117	157
Taxation and social security	36	27
Abatement of GAG	113	349
Other creditors	30	21
Lease rental accrued	3,423	2,987
Accruals and deferred income	241	186
	3,960	3,727

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

	Total 2019 £'000	Total 2018 £'000
Deferred income at 1 September 2018	112	—
Released during the year	(112)	—
Resources deferred in the year	139	112
Deferred income at 31 August 2019	139	112

The Academy Trust pays rent on its long-leasehold property (see note 16 disclosing the financial commitment). The cash payments on the lease are lower in the early years and therefore a rent accrual is included in the financial statements in order to spread the costs over the life of the lease. The ESFA is committed to funding the lease and an equivalent debtor is also included in note 11.

Notes to the financial statements Year to 31 August 2019

13 Funds

	At 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 August 2019 £'000
Restricted general funds					
. General Annual Grant	—	1,503	(1,547)	44	—
. Start Up Grant	—	152	(152)	—	—
. Other grants	—	1,332	(1,332)	—	—
. Other restricted funds	—	475	(475)	—	—
. Pension reserve	(64)	—	(65)	(112)	(241)
	<u>(64)</u>	<u>3,462</u>	<u>(3,571)</u>	<u>(68)</u>	<u>(241)</u>
Restricted fixed assets fund					
. DfE/ESFA capital grants	10,885	48	(373)	(16)	10,544
	<u>10,885</u>	<u>48</u>	<u>(373)</u>	<u>(16)</u>	<u>10,544</u>
Total restricted funds	<u>10,821</u>	<u>3,510</u>	<u>(3,944)</u>	<u>(84)</u>	<u>10,303</u>
Unrestricted funds					
. General funds	43	558	(562)	(28)	11
Total unrestricted funds	<u>43</u>	<u>558</u>	<u>(562)</u>	<u>(28)</u>	<u>11</u>
Total funds	<u>10,864</u>	<u>4,068</u>	<u>(4,506)</u>	<u>(112)</u>	<u>10,314</u>

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

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

Capital transfers relate to repairs and maintenance expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Notes to the financial statements Year to 31 August 2019

13 Funds (continued)

Comparative information

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

	At 1 September 2017 £'000	Income £'000	Expenditure £'000	Transfers, gains and losses £'000	At 31 August 2018 £'000
<i>Restricted general funds</i>					
· General Annual Grant	356	577	(1,079)	146	—
· Start Up Grant	—	296	(296)	—	—
· Pupil Premium	—	2	(2)	—	—
· Other grants	—	656	(656)	—	—
· Other restricted funds	—	704	(704)	—	—
· Pension reserve	(51)	—	(63)	50	(64)
	<u>305</u>	<u>2,235</u>	<u>(2,800)</u>	<u>196</u>	<u>(64)</u>
<i>Restricted fixed assets fund</i>					
· DfE/ESFA capital grants	11,399	1,768	(2,136)	(146)	10,885
	<u>11,399</u>	<u>1,768</u>	<u>(2,136)</u>	<u>(146)</u>	<u>10,885</u>
<i>Total restricted funds</i>	<u>11,704</u>	<u>4,003</u>	<u>(4,936)</u>	<u>50</u>	<u>10,821</u>
<i>Unrestricted funds</i>					
· General funds	—	998	(955)	—	43
<i>Total unrestricted funds</i>	<u>—</u>	<u>998</u>	<u>(955)</u>	<u>—</u>	<u>43</u>
<i>Total funds</i>	<u>11,704</u>	<u>5,001</u>	<u>(5,891)</u>	<u>50</u>	<u>10,864</u>

14 Analysis of net assets between funds

	Restricted funds			
	Unrestricted funds £'000	Restricted general funds £'000	Fixed assets fund £'000	Total 2019 £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	10,539	10,539
Current assets	11	3,960	5	3,976
Current liabilities	—	(3,960)	—	(3,960)
Pension liability	—	(241)	—	(241)
Total net assets	<u>11</u>	<u>(241)</u>	<u>10,544</u>	<u>10,314</u>

15 Capital commitments

The Academy Trust had no capital commitments at 31 August 2019 (2018 – none).

Notes to the financial statements Year to 31 August 2019

16 Financial commitments

Operating leases

At 31 August 2019, the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was as follows:

	2019 £'000	2018 £'000
Amounts due within one year	1,127	824
Amounts due between two and five years inclusive	4,785	4,669
Amounts due after five years	22,438	23,681
	28,349	29,173

17 Contingent liabilities

The Academy Trust had no contingent liabilities at 31 August 2019 (2018 – none).

18 Members' liability

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

19 Pension and similar obligations

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

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

Contributions amounting to £22,149 were payable to the schemes at 31 August 2019 (2018 – £18,341) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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 under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Notes to the financial statements Year to 31 August 2019

19 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Academy Trust has set out above the information available on the plan and the implications for the Academy Trust in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £128,000 (2018 – £86,000).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total employer's contributions for the year ended 31 August 2019 totalled £68,000 (2018 – £65,000).

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

Notes to the financial statements Year to 31 August 2019

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2019	At 31 August 2018
Principal Actuarial Assumptions		
Rate of increase in salaries	2.9%	2.9%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	20.9	21.8
Females	23.2	24.1
<i>Retiring in 20 years</i>		
Males	22.2	23.8
Females	24.5	26.0

	Approx increase to defined benefit obligation %	Approx monetary value £'000
Sensitivity analysis for the year ended 31 August 2019		
0.5% decrease in real discount rate	17%	105
0.5% increase in CPI rate	17%	104

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	238	166
Other bonds	94	61
Property	22	15
Alternative assets	7	10
Total market value of assets	361	252
Less: liabilities	(602)	(316)
Deficit in the scheme	(241)	(64)

Notes to the financial statements Year to 31 August 2019

19 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in the statement of financial activities	2019 £'000	2018 £'000
Current service cost	(125)	(126)
Interest income	8	5
Interest cost	(11)	(7)
Total amount recognised in the SOFA	(122)	(128)

Changes in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
At 1 September 2018	316	208
Current service cost	124	126
Interest cost	11	7
Employee contributions	21	19
Actuarial loss (gain)	124	(44)
Past service cost	5	—
At 31 August 2019	602	316

Changes in the fair value of the Academy Trust's share of scheme assets:	2019 £'000	2018 £'000
At 1 September 2018	252	157
Interest income	8	5
Actuarial gain	12	6
Employer contributions	68	65
Employee contributions	21	19
At 31 August 2019	361	252

20 Related party transactions

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

The following related party transactions took place in the year:

During the year, no Trustees donated to the Trust (2018 – £500 by one Trustee).

During the year, donations totalling £628,830 including gift-in-kind services (2018 – £890,536) were received from sponsors, where Trustees of London Academy of Excellence Tottenham were also Trustees or senior management. Lettings income of £134,744 was also received from a sponsor in the year (2018 - £75,884).

Notes to the financial statements Year to 31 August 2019

20 Related party transactions (continued)

During the year, payments to the Trust's business sponsor, Tottenham Hotspur Football Club (THFC) were £77,350 (2018 – £nil) for its share of costs including electricity and waste collection, and security costs. Due to their nature, these were provided at cost. £47,350 was outstanding at the year end (2018 – £nil). The Trust has complied with the requirements of the Academies Financial Handbook in connection with these transactions.

The Academy Trust did not enter into any other related party transactions in the year (2018 – none).

21 Agency arrangements

The Academy Trust distributes 16-19 bursary funds and free school meal funding to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Academy disbursed £77,800 (2018 – £51,475). The Academy received £86,340 (2018 – £51,475) during the year and an amount of £23,322 (2018 – £14,782) is included in other creditors relating to undistributed funds that is repayable to the ESFA.