

Company Registration No. 10514293 (England and Wales)

**LEVERHULME ACADEMY CHURCH
OF ENGLAND AND COMMUNITY TRUST**

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019



LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

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LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Wakefield (Resigned 6 March 2019)
C Knowles
J Lomas Baker (Resigned 17 September 2019)
R Gauld
S Horan (Appointed 5 March 2019)

Trustees

D Wakefield (Chairman) (Resigned 5 March 2019)
S Horan (Vice chair (Chair from 5 March 2019))
P Roach (Accounting officer)
E Quigley
J Marsden
C Atkinson
C Knowles
E Steel (Appointed 15 July 2019)
A Rosler (Appointed 15 July 2019)

Senior management team

- Chief Executive / Headteacher	P Roach
- Chief Finance Officer	C Davies
- Head of School	S Gibbs
- Deputy Head Teacher	A Tipney
- Director of Teaching and Learning	J Lyons
- Director of Year 7 inclusions & SEN	A Kirby
- Director of Years 8 and 9	M Atherton
- Director of Years 10 and 11	V Walmsley
- Director of sixth form	P Canning
- Director of Resources	H Monk
- Headteacher	S Gribbon
- Deputy Headteacher	S Cain
- Deputy Headteacher	S Heppenstall
- Assistant Headteacher	C Doherty
- Director of Resources	M Jefferies
- Assistant Headteacher KS3	P Holmes-Patel
- Assistant Headteacher KS4	J Davies
- Assistant Headteacher Achievement & Curriculum	J Gilhooly
- Assistant Headteacher Teaching & Learning	L Newman (Resigned 31 August 2019)

Company registration number

10514293 (England and Wales)

Principal address

Rivington & Blackrod High School
Rivington Lane
Rivington
Bolton
BL6 7RU

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
Harper Green School	Bolton	S Gribbon
Rivington and Blackrod High School	Bolton	P Roach
Central services		

Independent auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
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Bankers	Lloyds Bank Plc Hotel Street Bolton BL1 1DB
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Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 secondary academies in Bolton admitting pupils aged 11 to 18 years. Our academies have a combined pupil capacity of 3,040 age 11 to 16 years and sixth form provision for 320 and had a roll of 2,785 pupils age 11 to 16 years, and 224 students age 16 to 18 in the school census in October 2018.

On 1st March 2017 both schools converted to academy trust status.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Leverhulme Academy Church of England and Community Trust.

The trustees of Leverhulme Academy Church of England and Community Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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 purchased indemnity insurance to protect trustees, governors and officers from claims arising in connection with academy business. The insurance provides governors liability up to £10,000,000 on any one loss and any one membership year. This is purchased through the risk protection arrangement (RPA) provided by the Department for Education.

Method of recruitment and appointment or election of trustees

Each Trustee's role is linked to a core strand of the business, for example secondary education, risk, finance, community engagement etc. Recruitment activity is driven by a recruitment and selection process which includes the formation of role profiles linked to required skill sets or areas of expertise needed.

Applicants are required to demonstrate how they meet the criteria and will be interviewed by a selection panel. A competitive recruitment process will help to ensure the strongest candidates are considered for vacant posts with the intention of adding value to the board.

The articles of association require members of the trust to appoint at least three trustees to be responsible for the statutory and constitutional affairs and the management of the academy.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. All trustees are provided with access to academy documentation on appointment. On site induction training is provided by the chief executive and chief finance officer. Ongoing training is provided through Bolton Council governor services and other appropriate providers.

The clerk to the Trust will disseminate relevant legal and educational updates termly. The trustees will undertake an annual skills audit. The audit results provide a clear picture of training requirements. Appropriate internal and external training is organised to strengthen the trustees' skills.

Organisational structure

The trust is governed by the Board of Trustees, whose members are directors of the charitable company for the purposes of the Companies Act 2006, trustees for the purposes of charity legislation and governors of the academy trust. The organisational structure of the trust consists of five levels: Members, Board of Trustees, Local Governing Body, Executive Management Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Members oversee the achievement of the objectives of the company, take part in annual and extraordinary general meetings, and have the power to ultimately to remove the trustees.

The Board of Trustees is responsible for setting key policies and the strategic direction of the trust. They are responsible for holding school leaders to account and driving forward improvements in performance, attainment and progress.

Local Governing Bodies are the local leaders of the trust. The Board of Trustees has established a Local Governing Body for each academy. Its role is to exercise leadership on behalf of the trust in the running of each individual academy. In line with the overall vision, strategy, ethos and broad policy framework of the trust the Local Governing Body sets the direction for each academy, acts as a critical friend and holds leaders to account for the pace and rate of improvement, and the achievement of all pupils, and meets the needs of parents and the wider local community.

The Trust Board appoint the majority of Governors and the Chair of each Local Governing Body. Parents elect parent Governors and the staff in each academy elects staff Governors.

The Chief Executive is also the Accounting Officer. The Accounting Officer has the responsibility for financial and administrative matters and is personally responsible to the Board of Trustees for Regularity (dealing with all items of income and expenditure in accordance with legislation and any applicable delegated authority), propriety (operating appropriate standards of conduct, behavior and corporate governance including fairness, integrity, avoidance of conflict of interest, even-handedness and open competition) and value for money (efficient and effective use of available resources, avoidance of waste and extravagance, prudent and economical administration of the financial affairs of the academy including the day to day organisation, staffing and management of the academy).

The Chief Financial Officer, is also the Deputy Chief Executive and is responsible for the maintenance of effective systems of internal financial control including the development of appropriate financial regulations to control, disburse and monitor academy trust funds. The management of financial processes including the buying and ordering of academy trust supplies and services to ensure value for money is achieved; the management of the academy trust's financial position at a strategic and operational level, including the development of an annual budget and forecasts for future years as part of the academy trust's three-year plan.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

The Trust Board approves pay policies for all employees annually. Pay recommendations for members of the executive management team are approved by the board.

Performance management reviews are conducted by the chief executive, or delegated, via the Scheme of Delegation, annually for the senior management personnel. The result of these reviews are then provided to the board for approval.

The Trust has a process of annual performance review, appraisal, for all staff. Pay is linked to the outcome of the appraisals to the level indicated on the teaching and support staff contracts and terms and conditions.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.89

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	300
Total pay bill	12,969,746
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

The Trust is presently made up of two academies and does not formally work with any other organisations but is developing links with other schools, academies, colleges and other businesses where these partnerships assist in the Trust's objectives.

Objectives and activities

Objects and aims

The principal object and activity of the trust is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The main aims of the Trust are:

- To ensure that leadership and management at all levels focus on ensuring all students have the learning environment, culture and resources to achieve their full potential. This will be achieved through a clear set of principles that underpin all we do. There will be the opportunity for all leaders to engage in continuous professional development that will enable them to gain a wide range of leadership skills and be self-reflective practitioners.
- To ensure that the curriculum provides all students with a broad range of opportunities that allows them to have the right qualification for further education and employment. It should ensure that the curriculum and extra curriculum opportunities develop the spiritual, moral, social and cultural development of all students.
- To develop teaching and learning that is creative, engaging and inspiring for all students. The learning experience for all students should enable them to acquire knowledge and develop the learning skills for life-long learning and employability.
- To develop a pastoral system across the trust that provides students with a secure and supportive place to learn and develop. It should focus on the needs of the individuals and allow for students to express themselves as unique individuals whilst upholding the core values of the trust.
- As a trust we aim to centralise the core services of the schools. We are currently in the process of centralising the finances and ICT systems. We will look to develop this across other aspects of the trust including procurement, site management and catering.

Public benefit

The trust has complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The academies within the trust converted on 1 March 2017, as such there are no Ofsted judgements over the period since conversion.

Key performance indicators

GCSE results in the summer of 2019 were a continuation of the trend of improving outcomes. The actual results are provided in the table below:

The following data refers to the year 2018/19

School	NOR	Attainment 8	English and maths 4 +	English and maths 5 +	ALPS
Rivington and Blackrod	1684	44.45%	64 %	39 %	6
Harper Green School	1325	38.24%	48 %	28 %	N/A

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

English and maths 4+ indicates the percentage of students who achieved grade 4 and above in four or more GCSE's (Summer 2019)

English and maths 5+ indicates the percentage of students who achieved grade 4 and above in five or more GCSE's (Summer 2019)

ALPS (A Level performance system) score is a national measurement of "A" level performance for value added. An ALPS grade 1 relates to the best performing sixth form college in the country and this gradually decreases to an ALPS grade 9 which is the lowest performing college in the country for progression.

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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets. In accordance with 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) (Effective 1 January 2015) (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total expenditure of £18.028m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds & pension deficits) was £1,068m.

At 31 August 2019 the net book value of tangible fixed assets was £47.6m and movements in fixed assets are shown in notes 13 to the financial statements. The value of fixed assets includes the assets that had previously been "donated" by Bolton MBC as part of the transfer agreements as set out below:

- The leasehold land and buildings at Rivington and Blackrod are occupied under a 125 year lease from the local authority which is in the process of being formalised. These are included in the balance sheet at a value of £25.0m, together with other fixed assets.
- The leasehold land and buildings at Harper Green are occupied under a 125 year lease from the local authority. These are included in the balance sheet at a value of £21.2m, together with other fixed assets.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The major items of expenditure on fixed assets during the year were significant investment in the ICT infrastructure, computers and equipment, classroom remodelling and upgrades at both Harper Green and Rivington and Blackrod. During the year new provision for students with ASD and student reception was built at the Rivington and Blackrod upper school site. This was part funded by Bolton council to support the inclusion of pupils with special needs and to reduce the number of out of Borough placements by the Council.

During 2018/19, the Trust successfully bid for capital improvement funds of £2.7m to contribute towards a major capital build at Harper Green, to replace old temporary buildings. This new build construction is underway and scheduled to be completed by March 2020.

The Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The balance at 31 August 2019 was a net liability of £6.296m. This had increased from the balance at 31 August 2018 which was £3.105m. This increase in deficit was due to a combination of the current market volatility on investments and the general increase in life expectancy.

The deficits in the Local Government Pension Schemes (LGPS) which were inherited on conversion in March 2017 are recognised on the balance sheet in accordance with the provisions of FRS 102.

The Academy Trust understands that its biggest expense is staffing costs and that this must be carefully monitored. The Academy Trust expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2019 staff costs were 72.78% of incoming revenue resources. The Academy Trust benchmarks all revenue expenditure and strives to provide value for money in delivering high quality education for all its students.

The Academy Trust produces monthly budget to actual reports to monitor its on-going progress against target. The financial results for the year were as expected, and continued careful financial management had enabled the Academy Trust to operate with a surplus balance.

At 31 August 2019 balances on the unrestricted and restricted funds excluding pension reserve and fixed asset reserves of £3.426m surplus (2018: £2.358m surplus) were carried forward.

The assets were used exclusively for providing education and the associated support services to the pupils of all the academies.

Reserves policy

The policy of the trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

Individual academies are expected to produce at least breakeven budgets each year, but the trust also recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the ESFA. In these cases, the trust supports those academies in deficit and works with them to return the academy to a surplus position. Reserves of the trust are pooled for the benefit of the trust as a whole and the consolidated trust budget is set as at least a breakeven budget.

The current forecast for the next three years, based on our current delivery model, shows an overall surplus position for 19/20, 20/21 and 21/22.

The reserves of the academy are broken down into Fixed Asset Reserves (restricted), Unrestricted Reserves (free reserves); Restricted General Reserves and the Pension reserves.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Restricted General Reserves

Restricted Income Funds are the restricted general reserves balance from income and costs purely for the provision of education, or to help fund capital projects purely for the better education of students and children. The restricted income funds of the trust as at 31 August 2019 are £2.108m. The trust board are aware that these reserves appear high, but are cognisant of potential future funding reductions as a result of possible changes in the funding formula and, therefore, wish to maintain a reserve against the uncertainty of future funding.

Unrestricted Reserves

Unrestricted income funds are those funds that the trust can spend how they believe appropriate. As at 31 August 2019 the unrestricted reserves of the trust are £1.319m.

Combined Reserves

The combined reserves of the trust for restricted income funds and unrestricted income funds (excluding pension deficits) are £3.426m. The Trust has assessed that it requires approximately £1.0m safety reserves to fund any deficits, allow for any unforeseen conditions and sustain the Trusts' effective delivery model. It also allows for potential capacity building.

Under DfE guidelines, certain academies are only allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the period. The academies within the Trust which converted in March 2017 have no restriction on GAG carried forward.

The pension deficit reserve of £6.296m represents an inherited deficit on conversion in respect of the Local Government Pension Scheme. The trust does not have an obligation to settle the full liability immediately and there are no indications that it will crystallise in the foreseeable future, in addition in July 2013, the Department for Education gave a guarantee concerning LGPS liabilities if an academy were to close.

Investment policy

The general policy objective is to invest the surplus funds prudently, all investments are agreed by the Board of Trustees, which has regard to the Charity Commission guidance in relation to charity investment policy. The trust understands the need to ensure all funds invested are safe and risk free. The trustees have adopted a low risk strategy to its cash holdings. Surplus cash is held in an instant access account to ensure that there is always access to sufficient cash to meet short and medium term requirements. Trustees will further investigate alternative accounts from 30-day notice account to one year fixed term account and the interest rates these accounts attract in respect to accounting flexibility and rewards.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The key risks have been categorised with four broad headings:

- Student / parent experience: for example, risks associated with student attainment / progression / quality of teaching and learning.
- Sustainability: for example, uncertainty in future funding levels, ability to recruit appropriately skilled staff, potential changes in pension deficit due to the demographic risks, mortality and market conditions.
- Regulatory / legal: for example, risks associated with potential failure to comply with legislation, including health and safety legislation.
- Market / reputational: for example, risks which may be associated with the Trust receiving negative reports through the media e.g. safeguarding issue reported in the media.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching and health and safety) and in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls. The risks are formally reviewed by the Audit and Risk Committee and trustees termly. Where significant financial risk still remains the trustees have ensured they have adequate insurance cover.

The internal financial systems are based on the Academies Financial Handbook and are documented in the academy trust's manual of financial procedures. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to the Chief Executive Officer on a regular basis and the Board of Trustees on a termly basis.

Fundraising

The Trust has not undertaken any fundraising activities to generate income for the Trust nor worked with any commercial participators / professional fundraisers.

Plans for future periods

Leverhulme Academy Church of England and Community Trust will continue to work to enhance the educational outcomes of students. Improving the life chances of the students is central to the strategic direction of the academy trust.

As a recently formed organisation the academy trust will continue to embed high quality teaching and high aspirations for its students and will continue to grow its family of academies in order to continue to support children, some of whom come from challenging backgrounds.

The Trust aims to provide the highest educational opportunities for all children as well as providing professional development for all teaching and support staff so that each academy continues to be self-developing and self-supporting in the future.

Funds held as custodian trustee on behalf of others

The Academy does not hold funds as Custodian on behalf of others.

Employee consultation and disabled employees

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all our academies and engages in consultation, as required, to ensure that all aspects of the Charitable Company affecting its employees, including financial and economic factor, is discussed, conveyed and consulted on with them.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

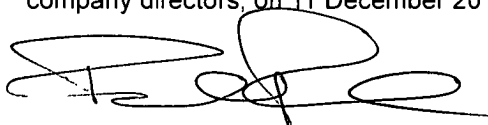
Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



P Roach
Accounting officer

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Leverhulme Academy Church Of England And Community Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Board meetings

Trustees	Meetings attended	Out of possible
D Wakefield (Chairman) (Resigned 5 March 2019)	4	4
S Horan (Vice chair (Chair from 5 March 2019))	5	5
P Roach (Accounting officer)	5	5
E Quigley	4	5
J Marsden	5	5
C Atkinson	5	5
C Knowles	4	5
E Steel (Appointed 15 July 2019)	1	1
A Rosler (Appointed 15 July 2019)	1	1

Mr Wakefield resigned from the Trust in March 2019, following his resignation, Mrs Horan was appointed as Chair of the Trust.

The trustees acknowledge their responsibility to ensure the trust has an effective system to evaluate and monitor the trustees' governance. This included completing a financial management and governance self assessment in July 2017, the outcomes of which were also reported to the Education Funding Agency. At the time of the review the directors identified two areas of governance which they wished to strengthen, these were completed before December 2017.

The trust completed a brief review of its skill mix and effectiveness during 2018/19 prior to the appointment of two new trustees. In particular, the new trustee appointments strengthened the Board's financial and governance skills and knowledge.

The trust intends to use its internal auditors to conduct a governance self-evaluation during 2019/20.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

The finance and general purposes committee is a sub-committee of the main board of trustees.

Its purpose is to review the 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.

Finance and general purpose committee

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Wakefield (Chairman) (Resigned 5 March 2019)	1	2
S Horan (Vice chair (Chair from 5 March 2019))	3	3
P Roach (Accounting officer)	3	3
J Marsden	1	1
C Atkinson	3	3
A Rosler (Appointed 15 July 2019)	1	1

The audit committee is a sub-committee of the main board of trustees.

Its purpose is to review the work undertaken by internal reviews and external auditors and to direct them to reviewing areas that are considered to be higher risk. It is also responsible for reviewing the main risks of the trust as a whole and maintaining and reviewing a risk register.

Audit committee

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P Roach (Accounting officer)	4	4
E Quigley	3	4
J Marsden	3	3
C Knowles	4	4
E Steel (Appointed 15 July 2019)	1	1

Review of value for money

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

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key actions taken by the Trust during the year include transferring the outsourced catering service at Rivington and Blackrod High School (Upper site) to an in house provision with the aim of improving the service quality and value for money. During the academic year 2018 -19 the Trust realigned and restructured both HR support and health and safety advice and support, developing a Trust wide strategic view and vision of future support needs for these two significant aspects of the Trust. Both HR and health and safety advice and support is now more resilient and more consistently delivered across the Trust.

Philosophy and strategy

The vision and values of Leverhulme Academy Church of England and Community Trust is to raise educational standards and aspirations, transforming pupils lives. This applies to all aspects of the Trust and at every level. The academies place students at the centre of everything they do, with a focus on maintaining a culture of success, a positive climate for learning and student attainment, achievement and social and emotional development.

In raising standards for its own students the Trust contributes to the raising of educational standards and achievement generally across the communities we serve through the mutual sharing of knowledge, expertise and resources across the education, business, industry and voluntary sectors in the wider regional context. The chief executive is a national leader of education (NLE) and plays a full and active role in developing a school led, self-improving educational system.

It is the absolute priority that every student, irrespective of their starting point, succeeds and achieves. In order to do this, a high quality educational experience, in an environment which is conducive to learning, is an entitlement for every student at the academies with all parties; parents/carers and the wider stakeholders working together to achieve these goals for young people. Students with special needs are fully included and benefit from the focus on personalised learning and individual plans.

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance and to develop the whole child, whilst at the same time engaging and collaborating with other schools to help improve the life chances of all young people locally, nationally and globally.

In relation to the process of teaching and achieving good outcomes for students, the Trust uses a model for teaching which has been developed and refined over several years. This has been shown to achieve excellent results. The model is continuously developed; one of the many benefits of being a Multi Academy Trust is the ability to draw upon a wide range of teachers and support staff to enhance best practice.

Management of Costs

The largest single element of cost is the payroll cost of teaching and support staff. The Trust undertook a review of the staffing structures during the previous academic year and implemented a restructure to provide a more streamline structure which is fit purpose.

The Trust has introduced a single finance system that operates across the academies and integrates as much administration as possible into this system. The Trust operates electronic ordering and online processes and payments as far as possible.

The Trust continues to review often expensive inherited historic service level agreements and is rolling out the benefits of central procurement processes.

The Trust is constantly examining ways to achieve value for money for the taxpayer.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2019*

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Leverhulme Academy Church Of England And Community Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 appointed UHY Hacker Young as internal auditor.

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

- Bank & Credit Card Reconciliations,
- Payroll & HR,
- Income,
- Budgetary control and accuracy of management accounting information.

In addition they completed follow up to prior period reports in respect of:

- Gifts and Hospitality,
- Business and pecuniary interests,
- Related party transactions,
- Cash Handling.

The auditor reports to the board of trustees, through the risk and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The internal audit reviews concluded that no significant issues or concerns came to their attention, and can confirm that:

- the financial responsibilities of the Trust appear to be being properly discharged;
- resources appear to be managed in an efficient, economical and effective manner;
- sound systems of financial control are being maintained.

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

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

Approved by order of the board of trustees on 11 December 2019 and signed on its behalf by:



S Horan
Vice chair (Chair from 5 March 2019)



P Roach
Accounting officer

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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



P Roach
Accounting Officer

11 December 2019

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES **FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees (who are also the directors of Leverhulme Academy Church of England and Community Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



P Roach
Accounting officer

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Leverhulme Academy Church of England and Community Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST (CONTINUED)

FOR THE YEAR ENDED 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.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

13/12/19

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter 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 Leverhulme Academy Church of England and Community Trust during the period 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 Leverhulme Academy Church of England and Community Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Leverhulme Academy Church of England and Community Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leverhulme Academy Church of England and Community Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Leverhulme Academy Church of England and Community Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Leverhulme Academy Church of England and Community Trust's funding agreement with the Secretary of State for Education dated 23 February 2017 and the Academies Financial Handbook, 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 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Leverhulme Academy Church of England and Community Trust for the period ended 31 August 2018 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST AND THE EDUCATION AND SKILLS 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 period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Stephen Grayson FCCA (Senior Statutory Auditor)
Reporting Accountant
UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Dated:13/12/19

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	6,900	-	888,648	895,548
Charitable activities:					
- Funding for educational operations	4	-	17,869,327	-	17,869,327
Other trading activities	5	708,219	284,369	-	992,588
Investments	6	1,906	-	-	1,906
Total		717,025	18,153,696	888,648	19,759,369
Expenditure on:					
Charitable activities:					
- Educational operations	9	324,371	17,139,247	564,625	18,028,243
Total	7	324,371	17,139,247	564,625	18,028,243
Net income		392,654	1,014,449	324,023	1,731,126
Transfers between funds	18	-	(810,934)	810,934	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(2,719,000)	-	(2,719,000)
Net movement in funds		392,654	(2,515,485)	1,134,957	(987,874)
Reconciliation of funds					
Total funds brought forward		926,092	(1,672,841)	46,351,269	45,604,520
Total funds carried forward		1,318,746	(4,188,326)	47,486,226	44,616,646

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	10,868	-	81,271	92,139
Charitable activities:					
- Funding for educational operations	4	-	17,193,738	-	17,193,738
Other trading activities	5	691,770	159,280	-	851,050
Investments	6	1,348	-	-	1,348
Total		703,986	17,353,018	81,271	18,138,275
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	17,218,594	440,122	17,658,716
Total	7	-	17,218,594	440,122	17,658,716
Net income/(expenditure)		703,986	134,424	(358,851)	479,559
Transfers between funds	18	-	(379,880)	379,880	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	1,363,000	-	1,363,000
Net movement in funds		703,986	1,117,544	21,029	1,842,559
Reconciliation of funds					
Total funds brought forward		222,106	(2,790,385)	46,330,240	43,761,961
Total funds carried forward		926,092	(1,672,841)	46,351,269	45,604,520

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13		47,550,889		46,626,095
Current assets					
Stocks	14	3,971		3,971	
Debtors	15	539,280		455,396	
Cash at bank and in hand		4,471,007		2,367,934	
			5,014,258		2,827,301
Current liabilities					
Creditors: amounts falling due within one year	16	(1,652,501)		(743,876)	
Net current assets			3,361,757		2,083,425
Net assets excluding pension liability			50,912,646		48,709,520
Defined benefit pension scheme liability	20		(6,296,000)		(3,105,000)
Total net assets			44,616,646		45,604,520
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			47,486,226		46,351,269
- Restricted income funds			2,107,674		1,432,159
- Pension reserve			(6,296,000)		(3,105,000)
Total restricted funds			43,297,900		44,678,428
Unrestricted income funds	18		1,318,746		926,092
Total funds			44,616,646		45,604,520

The accounts on pages 24 to 47 were approved by the trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:



P Roach
Accounting officer

Company Number 10514293

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		2,701,938		1,393,108
Cash flows from investing activities					
Dividends, interest and rents from investments		1,906		1,348	
Capital grants from DfE Group		365,134		58,619	
Capital funding received from sponsors and others		523,514		22,652	
Purchase of tangible fixed assets		(1,489,419)		(627,156)	
Net cash used in investing activities			(598,865)		(544,537)
Net increase in cash and cash equivalents in the reporting period			2,103,073		848,571
Cash and cash equivalents at beginning of the year			2,367,934		1,519,363
Cash and cash equivalents at end of the year			4,471,007		2,367,934

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 fixed assets

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

Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life on the following bases:

Leasehold buildings	25/125 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	20% reducing balance

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

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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. Prepayments are not financial instruments.

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions benefits

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

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.12 Fund accounting

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

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

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

1.13 Agency arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	888,648	888,648	81,271
Other donations	6,900	-	6,900	10,868
	<u>6,900</u>	<u>888,648</u>	<u>895,548</u>	<u>92,139</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	17,211,392	17,211,392	16,663,982
Other DfE group grants	-	183,901	183,901	34,722
	<u>-</u>	<u>17,395,293</u>	<u>17,395,293</u>	<u>16,698,704</u>
Other government grants				
Local authority grants	-	474,034	474,034	495,034
	<u>-</u>	<u>474,034</u>	<u>474,034</u>	<u>495,034</u>
Total funding	<u>-</u>	<u>17,869,327</u>	<u>17,869,327</u>	<u>17,193,738</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	6,253	-	6,253	7,777
Catering income	582,681	-	582,681	586,659
Restricted trips income	-	284,369	284,369	159,280
Other income	119,285	-	119,285	97,334
	<u>708,219</u>	<u>284,369</u>	<u>992,588</u>	<u>851,050</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	1,906	-	1,906	1,348
	<u>1,906</u>	<u>-</u>	<u>1,906</u>	<u>1,348</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
		£	£	£	£
Academy's educational operations					
- Direct costs	11,357,906	-	1,184,328	12,542,234	12,403,775
- Allocated support costs	2,913,052	1,531,491	1,041,466	5,486,009	5,254,941
	<u>14,270,958</u>	<u>1,531,491</u>	<u>2,225,794</u>	<u>18,028,243</u>	<u>17,658,716</u>

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	13,500	13,500
- Other services	10,303	5,825
Operating lease rentals	15,342	6,475
Depreciation of tangible fixed assets	564,625	440,122
Net interest on defined benefit pension liability	(99,000)	(143,000)
	<u>794,496</u>	<u>772,656</u>

8 Central services

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

- human resources
- financial services
- legal services
- educational support services
- IT

The academy trust charges for these services on a flat 5% of GAG income.

The amounts charged during the year were as follows:	2019	2018
	£	£
Harper Green School	353,664	335,544
Rivington and Blackrod High School	440,832	437,112
Central services	-	-
	<u>794,496</u>	<u>772,656</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	7,422	12,534,812	12,542,234	12,403,775
Support costs				
Educational operations	316,949	5,169,060	5,486,009	5,254,941
	<u>324,371</u>	<u>17,703,872</u>	<u>18,028,243</u>	<u>17,658,716</u>
			2019	2018
			£	£
Analysis of support costs				
Support staff costs			3,039,969	2,891,767
Depreciation			564,625	440,122
Technology costs			205,297	182,607
Premises costs			966,866	973,491
Other support costs			621,303	692,430
Governance costs			87,949	74,524
			<u>5,486,009</u>	<u>5,254,941</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	10,424,884	10,048,783
Social security costs	1,021,867	991,985
Pension costs	2,205,316	2,134,639
Amounts paid to employees	13,652,067	13,175,407
Agency staff costs	582,142	652,887
Staff restructuring costs	36,749	80,452
Amounts paid to staff	14,270,958	13,908,746
Staff development and other staff costs	230,458	262,068
Total staff expenditure	14,501,416	14,170,814

Staff restructuring costs comprise:

Redundancy payments	-	9,536
Severance payments	35,698	38,871
Other restructuring costs	1,051	32,045
	36,749	80,452

Staff numbers

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

	2019 Number	2018 Number
Teachers	196	180
Administration and support	174	178
Management	10	9
	380	367

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	4	1
£70,000 - £80,000	2	2
£80,000 - £90,000	2	3
£90,000 - £100,000	-	1
£140,000 - £150,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £835,163 (2018: £802,031).

11 Trustees' remuneration and expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

P Roach (Chief Executive Officer and Head Teacher):

Remuneration £140,000 - £145,000 (2018: £140,000 - £145,000)

Employer's pension contributions (annual) £20,000 - £25,000 (2018: £20,000 - £25,000)

12 Trustees and officers insurance

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

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Leasehold buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	46,730,612	24,725	252,792	210,748	18,825	47,237,702
Transfer	24,725	(24,725)	-	-	-	-
Additions	1,030,430	155,602	196,603	106,784	-	1,489,419
At 31 August 2019	47,785,767	155,602	449,395	317,532	18,825	48,727,121
Depreciation						
At 1 September 2018	473,865	-	97,049	36,928	3,765	611,607
Charge for the year	362,612	-	149,741	48,507	3,765	564,625
At 31 August 2019	836,477	-	246,790	85,435	7,530	1,176,232
Net book value						
At 31 August 2019	46,949,290	155,602	202,605	232,097	11,295	47,550,889
At 31 August 2018	46,256,747	24,725	155,743	173,820	15,060	46,626,095

14 Stocks

2019
£

2018
£

Catering stock	3,971	3,971
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15 Debtors

2019
£

2018
£

Trade debtors	5,295	38,695
VAT recoverable	206,542	150,435
Prepayments and accrued income	327,443	266,266
	539,280	455,396

16 Creditors: amounts falling due within one year

2019
£

2018
£

Trade creditors	278,334	33,900
Other creditors	1,313	1,783
Accruals and deferred income	1,372,854	708,193
	1,652,501	743,876

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	1,144,147	64,868
	Deferred income at 1 September 2018	64,868	-
	Released from previous years	(64,868)	-
	Resources deferred in the year	1,144,147	64,868
	Deferred income at 31 August 2019	1,144,147	64,868

At the balance sheet date the academy trust was holding funds received in advance for catering income £9,221 (2018: £8,053), LA higher needs £Nil (2018: £27,046), rates relief £37,338 (2018: £Nil), ring-fenced bursary £6,361 (2018: £11,679), CIF funding £1,039,070 (2018: £Nil) and school fund £52,157 (2018: £18,090) for the autumn term 2020.

18	Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
	Restricted general funds					
	General Annual Grant (GAG)	159,471	17,211,392	(15,784,156)	(810,934)	775,773
	Other DfE / ESFA grants	-	183,901	(183,901)	-	-
	Other government grants	-	474,034	(474,034)	-	-
	Other restricted funds	1,272,688	284,369	(225,156)	-	1,331,901
	Pension reserve	(3,105,000)	-	(472,000)	(2,719,000)	(6,296,000)
		(1,672,841)	18,153,696	(17,139,247)	(3,529,934)	(4,188,326)
	Restricted fixed asset funds					
	DfE group capital grants	46,351,269	888,648	(564,625)	810,934	47,486,226
	Total restricted funds	44,678,428	19,042,344	(17,703,872)	(2,719,000)	43,297,900
	Unrestricted funds					
	General funds	913,581	710,125	(324,371)	-	1,299,335
	Other funds	12,511	6,900	-	-	19,411
		926,092	717,025	(324,371)	-	1,318,746
	Total funds	45,604,520	19,759,369	(18,028,243)	(2,719,000)	44,616,646

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academy.
- (ii) The other government grants fund is used to track grants provided by local and central government departments.
- (iii) The other restricted fund tracks grants, donations and other income arising from sources other than grants provided by central and local government departments.
- (iv) The pensions reserve is a restricted fund to account for the liability arising under the Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward as well as the current fixed assets held.

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.

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	160,207	16,663,982	(16,814,594)	149,876	159,471
Other DfE / ESFA grants	-	34,722	-	(34,722)	-
Other government grants	-	495,034	-	(495,034)	-
Other restricted funds	1,113,408	159,280	-	-	1,272,688
Pension reserve	(4,064,000)	-	(404,000)	1,363,000	(3,105,000)
	<u>(2,790,385)</u>	<u>17,353,018</u>	<u>(17,218,594)</u>	<u>983,120</u>	<u>(1,672,841)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>46,330,240</u>	<u>81,271</u>	<u>(440,122)</u>	<u>379,880</u>	<u>46,351,269</u>
Total restricted funds	<u>43,539,855</u>	<u>17,434,289</u>	<u>(17,658,716)</u>	<u>1,363,000</u>	<u>44,678,428</u>
Unrestricted funds					
General funds	220,463	693,118	-	-	913,581
Other funds	<u>1,643</u>	<u>10,868</u>	<u>-</u>	<u>-</u>	<u>12,511</u>
	<u>222,106</u>	<u>703,986</u>	<u>-</u>	<u>-</u>	<u>926,092</u>
Total funds	<u>43,761,961</u>	<u>18,138,275</u>	<u>(17,658,716)</u>	<u>1,363,000</u>	<u>45,604,520</u>

Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Harper Green School	1,228,293	840,858
Rivington and Blackrod High School	993,537	633,609
Central services	-	-
Central services	<u>1,204,590</u>	<u>883,784</u>
Total before fixed assets fund and pension reserve	<u>3,426,420</u>	<u>2,358,251</u>
Restricted fixed asset fund	47,486,226	46,351,269
Pension reserve	<u>(6,296,000)</u>	<u>(3,105,000)</u>
Total funds	<u>44,616,646</u>	<u>45,604,520</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Harper Green School	5,065,526	1,150,179	369,947	884,178	7,469,830	7,397,560
Rivington and Blackrod High School	6,280,528	1,606,542	699,434	942,128	9,528,632	9,478,116
Central services	-	-	-	-	-	-
Central services	115,391	283,246	11,411	55,109	465,157	342,918
	<u>11,461,445</u>	<u>3,039,967</u>	<u>1,080,792</u>	<u>1,881,415</u>	<u>17,463,619</u>	<u>17,218,594</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	47,550,889	47,550,889
Current assets	1,318,746	3,695,512	-	5,014,258
Creditors falling due within one year	-	(1,587,838)	(64,663)	(1,652,501)
Defined benefit pension liability	-	(6,296,000)	-	(6,296,000)
Total net assets	<u>1,318,746</u>	<u>(4,188,326)</u>	<u>47,486,226</u>	<u>44,616,646</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	46,626,095	46,626,095
Current assets	926,092	1,901,209	-	2,827,301
Creditors falling due within one year	-	(469,050)	(274,826)	(743,876)
Defined benefit pension liability	-	(3,105,000)	-	(3,105,000)
Total net assets	<u>926,092</u>	<u>(1,672,841)</u>	<u>46,351,269</u>	<u>45,604,520</u>

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The employers contribution will increase to 23.6% from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,346,781 (2018: £1,322,276).

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and 5.5 - 12% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	411,000	461,000
Employees' contributions	161,000	156,000
Total contributions	572,000	617,000

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.1	3.1
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.3	2.3

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

	2019 Years	2018 Years
Retiring today		
- Males	20.6	21.5
- Females	23.1	24.1
Retiring in 20 years		
- Males	22.0	23.7
- Females	24.8	26.2

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Sensitivity analysis

	Approx. increase to Defined Benefit Obligation HG/RB %	Approx. monetary amount HG/RB £000
0.5% decrease in the real discount rate	15 / 14	893 / 1,449
0.5% increase in the salary increase rate	3 / 3	190 / 395
0.5% increase in the pension increase rate	12 / 10	680 / 1069

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

	2019 Fair value £	2018 Fair value £
Equities	6,996,520	6,296,120
Bonds	1,543,350	1,481,440
Property	823,120	648,130
Cash	926,010	833,310
Total market value of assets	10,289,000	9,259,000

The actual return on scheme assets was £458,000 (2018: £463,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	802,000	978,000
Past service cost	180,000	30,000
Interest income	(191,000)	(251,000)
Interest cost	92,000	108,000
Total operating charge	883,000	865,000

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations

	2019 £
At 1 September 2018	12,364,000
Current service cost	802,000
Interest cost	359,000
Employee contributions	161,000
Actuarial loss/(gain)	2,719,000
Past service cost	180,000
At 31 August 2019	16,585,000

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

	2019 £
At 1 September 2018	9,259,000
Interest income	267,000
Actuarial gain	191,000
Employer contributions	411,000
Employee contributions	161,000
At 31 August 2019	10,289,000

21 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	1,731,126	479,559
Adjusted for:		
Capital grants from DfE and other capital income	(888,648)	(81,271)
Investment income receivable	(1,906)	(1,348)
Defined benefit pension costs less contributions payable	571,000	547,000
Defined benefit pension scheme finance income	(99,000)	(143,000)
Depreciation of tangible fixed assets	564,625	440,122
(Increase) in stocks	-	(3,971)
(Increase)/decrease in debtors	(83,884)	115,940
Increase in creditors	908,625	40,077
Net cash provided by operating activities	2,701,938	1,393,108

LEVERHULME ACADEMY CHURCH OF ENGLAND AND COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	18,032	20,599
Amounts due in two and five years	9,460	25,401
	<u>27,492</u>	<u>46,000</u>

23 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	<u>1,039,070</u>	<u>24,725</u>

24 Related party transactions

Catchpenny Associates Limited, a company in which T Colluney (Governor of Harper Green) has an interest, provided counselling services to students from the academy trust totalling £2,389 (2018: £2,625). There were no amounts outstanding at 31 August 2019.

C Atkinson (Trustee) is also a Trustee of The Bolton Impact Trust and therefore has an interest. During the year Leverhulme Academy paid £NIL (2018: £2,640) in relation to the pupil referral unit. There were no amounts outstanding at 31 August 2019.

S Foster (Governor at Rivington and Blackrod) is also Managing Director of The Education Training Partnership and therefore has an interest. During the year Leverhulme paid £NIL (2018: £1,064) in relation to alternative curriculum. There were no amounts outstanding at 31 August 2019.

In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

25 Members' liability

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

26 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy received £30,455 (2018 - £28,722) and disbursed £35,773 (2018 - £17,043) from the fund. An amount of £6,361 is included in other creditors relating to undistributed funds that may be repayable to ESFA if not disbursed in the forthcoming twelve months.