

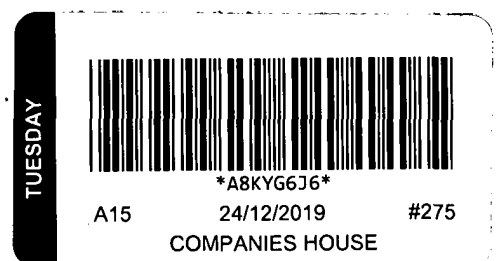
REGISTRAR OF COMPANIES

The Lubavitch Multi-Academy Trust

Annual Report and Financial Statements

31 August 2019

Company Limited by Guarantee
Registration Number
11211005 (England and Wales)



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Reference and administrative information

Members	Yeremi Angyalfi David Arden (resigned 6 November 2018) Paul Efune Lord Stuart Polak (resigned 8 November 2019)
Directors	Fiona Bulmer (Chair) Daniel Duboy Sholom Sudak
Senior Management Team	
Interim CEO	Helena Cohen
Headteacher of Girls Senior School and Accounting Officer	Helen Freeman
Registered address	107-115 Stamford Hill London N16 5RP
Company registration number	11211005
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Business 852-858 High Road Tottenham London N17 DEY
Solicitors	Stone King Boundary House 91 Charterhouse Street London EC1M 6HR

Trustees' Report Year to 31 August 2019

The Trustees of The Lubavitch Multi-Academy Trust ('the Academy Trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year 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 financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 34 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The Lubavitch Multi-Academy Trust incorporated on 16 February 2018 and on 1 April 2018 Lubavitch House School (Senior Girls), Lubavitch Girls Primary School and Lubavitch Junior Boys School converted to Academy status. These three Academies in the London Borough of Hackney form the Lubavitch Multi-Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of The Lubavitch Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Lubavitch Multi-Academy Trust.

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

Governors' Indemnity Insurance (including Professional Liability) is procured via the Department for Education's Risk Protection Arrangement (RPA) which provides cover up to £10,000,000.

Principal activities

As stated in the Articles of Association, the Trust's objects ("the objects") are specifically restricted to the following:

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

The charitable company was created with the objective to advance for the public benefit of education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools with a designated Jewish religious character offering a broad and balanced curriculum conducted as Orthodox Jewish schools under the religious authority of Chabad Lubavitch UK as supervised by Agudas Chasidei Chabad of United States both generally and in particular in relation to arranging for religious education and daily acts of worship.

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2019 and served throughout the accounting period except where shown.

Trustee	Appointed	Resigned	Appointing body
David Arden		23 November 2018	Members
Fiona Bulmer			Members
Samantha Coleman		2 December 2019	Members
Daniel Duboy			Members
Gary Inglis		2 December 2019	Members
Lord Stuart Polak		8 November 2019	Members
Sholom Sudak	2 December 2019		
Lada Sullivan		17 September 2019	Members

Method of recruitment and appointment or election of Trustees

Trustees were appointed by the Members.

Policies and procedures adopted for the induction and training of Trustees

All Trustees have access to training through Hackney Learning Trust and Pajes.

As part of induction new Trustees were given an introduction to the ethos and aims of the Lubavitch Schools.

Organisational structure

Members

Trustees

Interim CEO

Interim Accounting Officer

Head Teacher of Secondary and Interim Head of Primary Boys' Acting Head of Girls' Primary School

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Decisions reserved for Trustees:

- ◆ Adoption of all policies and monitoring of implementation
- ◆ Appointment of Key Leaderships roles
- ◆ Financial – restructuring process, budget monitoring and effectiveness of spending, salaries, contracts which impact across the MAT, monitoring of spending of additional funding – Pupil Premium, Special Educational Needs and Disabilities, grants
- ◆ Premises
- ◆ Approval of improvement plans based on analysis of school performance
- ◆ Safeguarding

Role of Interim CEO

The role is designed to fulfil the DfE requirement for the Trust to appoint a Chief Executive Officer who will be the lead Trust employee for matters regarding the efficient, effective and compliant management and operation of the Trust and the schools within the MAT.

The MAT is established on the principle that each individual school Headteacher will continue to fulfill statutory, regulatory and legal responsibilities for their individual school, whilst also recognising the overarching authority of a Trust Board. The role therefore is regarded as a 'first among equals' with specific responsibility to lead, co-ordinate and liaise as appropriate with the leadership group of individual school Headteachers.

Chair of the Leadership Group

As Chair of the Leadership Group, the role is to ensure that it is an effective body to:

- ◆ Develop and fulfil the Trust's vision, ethos and values;
- ◆ Develop, monitor and achieve the Trust's strategic objectives;
- ◆ Develop, set and monitor measures for the standard of educational provision in member schools including pupil progress and attainment;
- ◆ Ensure effective systems are in place in all schools to ensure all pupils are tracked and make good progress across the curriculum;
- ◆ Plan, implement and monitor effective Trust programmes to raise standards of school, pupil and staff performance;
- ◆ Plan and deliver effective Trust programmes for the professional development of staff in member schools;
- ◆ Identify and implement opportunities for the Trust and member schools to operate more effectively and efficiently for the benefit of pupils, staff and the wider Trust community;
- ◆ Co-ordinate the effective leadership of member schools in the absence of their Headteacher;
- ◆ Raise the profile of the Trust schools within and beyond the community;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Role of Interim CEO (continued)

Chair of the Leadership Group (continued)

- ◆ Ensure good effective communication within the Trust and beyond;
- ◆ Create opportunities for parents to be actively involved in a positive way in the Trust;
- ◆ Work effectively with relevant organisations; and
- ◆ Be an ambassador for the Trust schools.

Chief Professional Advisor

As Chief Professional Advisor to the Trust, the role is to:

- ◆ Ensure compliance with the Trust's Memorandum and Articles of Association and associated statutory, regulatory and legal requirements;
- ◆ Ensure compliance with the requirements of the Trust's Master and Supplementary Funding Agreements;
- ◆ Ensure compliance of the Trust Board, Committees and Local Governing Bodies with the Scheme of Delegation and Terms of Reference;
- ◆ Ensure the Trust and member schools have the appropriate statutory policies and oversee their implementation;
- ◆ Ensure the Trust responds effectively and appropriately to new legislation, policy and practice affecting multi-academy trusts and member schools;
- ◆ Present on behalf of the Leadership Group, proposals, plans and policies to enable the Trust to raise standards of academy, pupil and staff performance and to run effectively, efficiently and compliantly;
- ◆ Be the main point of contact for the DfE, ESFA, Local Authority and other key bodies; and
- ◆ Act as the Trust Child Welfare and Safeguarding lead.

Interim Accounting Officer

The Interim Accounting Officer is also the Head Teacher of the Senior Girls' School. The role is to:

- ◆ Fulfil the statutory and regulatory responsibilities as set out in the Academies Finance Handbook and direction provided by the Education Skills Funding Agency;
- ◆ Take personal responsibility for the propriety and regularity of public finances in the Trust's charge;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Role of Interim CEO (continued)

Interim Accounting Officer (continued)

- ◆ Plan, implement and monitor the Trust's internal and external financial reporting with the support of the Trust's financial management advisor;
- ◆ Report to the Trust Board on the Trust's financial governance, management and operation; and
- ◆ Oversee and manage the work of the Trust CFO.

Arrangements for setting pay and remuneration of key management personnel

All salary decisions for Senior Leaders made between 1 September 2018 and 31 August 2019 had to be approved by at least two Trustees.

Salaries for teachers and support staff in all three schools had to be approved by the Interim CEO or Accounting Officer. Guidance was sought from Trustees in some cases.

Connected organisations, including related party relationships

Two of the Members are Trustees of the Lubavitch Foundation, part of whose premises the MAT occupies and who the MAT reimburses for overheads, utility costs and services such as school meals. (note 17).

Two Trustees are members of the Lubavitch Foundation.

One daughter of a Trustee is a member of staff in the secondary school.

The Interim Accounting Officer's daughter is employed in the senior girls' school.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Lubavitch MAT exists to provide an excellent all round education permeated with the ethos of the Lubavitcher Rebbe (Rabbi).

Its mission statement is to raise students with fine character traits and intelligence, imbued with the love of G-d, Torah and one's fellow person, who will grow and make a great contribution to society.

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

Objectives, strategies, activities 1 September 2018 to 31 August 2019

Key objectives

To restructure the leadership, finance and administrative support staff to enable the MAT to run efficiently and effectively.

To work towards the MAT being financially stable and viable by developing and implementing a financial plan including recovery actions and rigorous internal financial procedures.

To ensure strong leadership is in place across the primary phase leading to rapid change and improved outcomes for pupils.

Sustain good provision, particularly in the girls' secondary school.

To ensure the MAT is a safe place for adults and pupils at all times.

To develop the roles of trustees through ongoing training and support.

Increase number of Trustees with the required skill set to drive the MAT forward.

Create opportunities for staff to work and share skills across the MAT.

To begin the process of parents being more involved in the schools.

Public Benefit

In setting the Trust's objectives and planning its activities, the board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Lubavitch Multi Academy Trust aims to provide an education for pupils from nursery through to Year 13.

STRATEGIC REPORT

Achievements and performance

Review of activities

During the year to 31 August 2019 the Lubavitch Multi-Academy Trust achieved the following:

- ◆ Restructuring of leadership team
- ◆ Appointed a strong senior leader to work across the primary phase.

Trustees' Report Year to 31 August 2019

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

- ◆ Appointed full time interim CFO on fixed term contract. Appointment of strong leader for the primary phase, to commence September 2019, with the skills to raise standards across both primary schools
- ◆ Staff working across the MAT and sharing skills
- ◆ Began process of restructuring of finance and administrative support leading to centralised support team for the MAT
- ◆ Following safeguarding audit, acknowledge strengths and put in place action plans to make improvements

Primary end of year data 2019

Key headline data – EYFs Good level of development

Boys School – 86%

Girls School – 68%

The Hackney average was 72%

The National Average was 68%

Next steps: To ensure that children develop their reading and writing skills in both schools – focus to be on early intervention

Focus on writing skills in the boys school

Phonics assessment

Boys School – 80% of the cohort passed the phonics assessment

Girls School – 72% of the cohort passed the phonics assessment

Hackney average is 86%

National Average is 83%

Next steps: Further word-based intervention needed in both classes this new academic year/possible further phonics training

Review of teaching strategies – matter of urgency

KS1 Results - Girls school

Reading – EXS – 70%	15% at GD/National 29%
Writing – EXS – 75%	25% at GD/National 15%
Maths – EXS – 75%	20% at GD/National 22%
Reading EXS+ 70%	Hackney 79% National 75%
Writing EXS+ 75%	Hackney 76% National 69%
Maths EXS+ 75%	Hackney 80% National 76%

Next steps for KS 1 girls

1. Writing interventions - Reading, Writing and Maths
2. Quality first teaching in the core areas
3. Mentoring/Support if needed for Y3 teachers to bring more children up to the National Average post Y2
4. Focus on RWM interventions/extra support as below the Hackney average

KS1 Results - boys school

Reading – EXS – 87%	20% at GD/National 29%
Writing – EXS – 67%	7% at GD/National 15%
Maths – EXS – 93%	20% at GD/National 22%
Reading EXS+ 87%	Hackney 79% National 75%
Writing EXS+ 67%	Hackney 76% National 69%
Maths EXS+ 93%	Hackney 80% National 76%

Trustees' Report Year to 31 August 2019

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Primary end of year data 2019 (continued)

Next steps for KS1 boys

1. Quality-first teaching – observations by the Head of School
2. Writing interventions – 1-1 support where needed in writing post KS1
3. Professional Development in writing if needed
4. Mentoring/Support where needed for the Y3 teacher

SEN boys school – KS1

Reading – EXS+ 86%	Hackney 41%	14% GD
Writing – EXS+ 43%	Hackney 34%	0% GD
Maths – EXS+ 100%	Hackney 45%	14% GD

Pupil Premium – 2 children

Reading – 50%	75% Hackney – dip in reading
Writing – 50%	70% Hackney – dip in writing
Maths – 100%	74% Hackney

SEN girls school – KS1

Reading – EXS+ 25%	Hackney 41%	No GD
Writing – EXS+ 25%	Hackney 34%	No GD
Maths – EXS+ 25%	Hackney 45%	No GD

Pupil Premium – 1 child achieved EXS

Reading – 100%	75% Hackney – Strength of the school
Writing – 100%	70% Hackney – Strength of the school
Maths – 100%	74% Hackney – Strength of the school

End of KS2 data – 2019 – boys school

23 boys

Reading, Writing and Maths achieving the expected standard	13%
Reading progress score	-2.0 National Average 0
Writing progress score	-7.9 National Average 0
Maths progress score	-5.2 National Average 0

Average Scaled Score:

Reading	103	100 is pass mark
SPAG	98	100 is pass mark
Maths	99	100 is pass mark

End of KS2 data – 2019 – girls school

19 Girls

Reading, Writing and Maths achieving the expected standard	53%
Reading progress score	3.7 National Average 0
Writing progress score	1.4 National Average 0
Maths progress score	-1.5 National Average 0

Average Scaled Score:

Reading	104	100 is pass mark
SPAG	103	100 is pass mark
Maths	101	100 is pass mark

Expected progress (MAT)

in summary for Lubavitch primary school

Girls school:

74%	Reading
32%	Greater Depth
79%	Writing
0%	Greater Depth

Boys school:

57%
13%
39%
0%

Trustees' Report Year to 31 August 2019

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Primary end of year data 2019 (continued)

58%	Maths	35%
11%	Greater Depth	9%

Key information/next steps

Boys School: RWM Combined	13%
Girls: RWM Combined	53%
Below the floor standard of:	65%

RAPID IMPROVEMENT PLAN

1. 18-24 months to move the schools forward to 'Good'
2. Rapid Improvement Plan – Emphasis with all stakeholders that improvement needs to be rapid in both schools
3. Urgent phonics Intervention/both schools using all support available – review all phonics resources and training/intervention a priority
4. Focus whole school – core skills of literacy and numeracy as a matter of urgency/culture

Senior Girls Department

KS4 Overall Outcomes 2019

	Attainment 8	Progress 8	EBacc [9-4] Achieved	EBacc Entered	English & Maths 4/+	English & Maths 5/+
All	4.91	0.42	32	87.5	76	56
LBH	4.9	-	34.3	58.2	69	47

	English & Maths		English		Maths	
	4/+	5/+	4/+	5/+	4/+	5/+
All	76	56	79	75	79	71
LBH	69	47	82	66	73	53

Commentary

Outcomes for 2019 continue to be positive in relation to both national and Hackney.

The very small cohort (24 students) means that percentages and results are of limited value, as each student disproportionately affects the figures. Having said that, Progress 8 score was average for the country and for the following EBacc subjects, the average point score was in the highest 20% of schools nationally: mathematics (5.2), double science (5.2). The EBacc element of Progress 8 was significantly above the national average and in the highest 20% of all schools in 2019 as well as in 2018.

There was also positive achievement in English, maths and EBacc, which reflects the careful target setting, tracking and intervention work undertaken by teachers and leaders.

The percentage achieving grade 4+ in science (83%), in languages (91%) and in humanities (76%) were all in the highest 20% of all schools in 2019 as well as in 2018.

Progress in Years 7-10 is in line with this level of exam success in year 11.

Trustees' Report Year to 31 August 2019

STRATEGIC REPORT (continued)

Achievements and performance (continued)

KS5 Overall Outcomes 2019

Post -16	Achieved 2019		
	A*B	A*C	A*E
A Level	55	91	100
AS Level	41	45	86

Overall, progress and attainment was pleasing especially the high proportion (55%) of grades awarded as A or A*. Of the 21 students in Year 12, half of them went on to study further abroad and the rest continuing their studies in Year 13. Both students who studied Modern Hebrew A-level achieved As or A*s. Over 90% of students taking A Levels in Biblical Hebrew, Modern Hebrew, English Lit, Psychology and Maths achieved grades A* to C. The pupils' achievements are a testament to their hard work and focus, as well as the efforts of our exceptional teaching staff.

Objectives

- ♦ To continue to deliver a broad and balanced curriculum ensuring that all pupils including PP & SEND are accessing and progressing deeper.
- ♦ Ensure emotional and mental wellbeing of students is a key priority.

Key financial performance indicators

The Lubavitch Multi Academy Trust aims to maintain the Ofsted rating in the both girls' schools and improve the Ofsted ratings of the boys' primary school.

The Lubavitch Multi Academy Trust has had to look at ways to operate in a more efficient manner. Cost savings are beginning to be made and are being incorporated into the Trust's recovery plan. A revised recovery plan is in the process of being approved and will be implemented from January 2020.

Financial review

Financial report for the period

The total income for the period was £3,433,000 (2018 – £1,354,000) of which £2,737,000 (2018 – £1,158,000) is General Annual Grant and £338,000 (2018 – £136,000) is other ESFA and Government Grants. Other income from the Academy Trust's educational operations was £233,000 (2018 – £43,000) and income from capital grants was £66,000 (2018 – £17,000).

The net transfer on conversion at 1 April 2018 was a deficit of £440,000. The Trust incurred an operating deficit of £775,000 (2018 – £217,000) during the period. As a result, the Trust is carrying forward a deficit as at 31 August 2019 of £1,489,000 (2018 – £617,000). This is including an actuarial loss on the defined benefit pension scheme of £145,000 (2018 – actuarial gain of £26,000).

Trustees' Report Year to 31 August 2019

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the period (continued)

At 31 August 2019, the balance of unrestricted funds and general restricted funds (excluding the pension reserve and fixed asset reserve) was a deficit of £1,142,000 (2018 – £367,000). The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £430,000 (2018 – £267,000) at 31 August 2019.

The results for the period are shown on page 27.

The Trust is operating with cash advances with the ESFA. The Trust is reliant on these cash advances to support its cash flow and liquidity until the revised recovery plan is implemented.

Financial and risk management objectives and policies

Reserves policy

The trust does not have a formal reserves policy as yet. The Trust's immediate focus is to continue to implement a recovery plan with the ESFA. The Trust will work in line with this recovery plan and the ESFA to eliminate the current deficit and build reserves over time.

Investment policy

The Academy Trust's policy will be to hold any surplus funds in appropriate bank accounts.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources, supported by the ESFA, and after the implementation of a revised recovery plan, to continue in operational existence for the foreseeable future.

The unrestricted fund balance at 31 August 2019 stands at a deficit of £1,142,000 (2018 – £367,000) and an action plan has been put into place to ensure that the Academy Trust can build its reserves going forward. The Academy Trust is in regular dialogue with the ESFA and is in the process of agreeing and implementing actions required as part of the plan going forward. The Academy Trust is dependent upon the support of the ESFA and the agreement of the recovery plan in order to continue.

For this reason, the Academy Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding adoption of the going concern basis can be found in the principal accounting policies.

PRINCIPAL RISKS AND UNCERTAINTIES

Funding

The risk of falling numbers would impact on income and therefore standard of provision.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Ability to implement the recovery plan

There may be factors which impact on the implementation of the recovery plan.

Risk

The Trust may not be in a position to follow through the restructuring which forms part of the recovery plan.

The Trust may not have the leadership capacity to implement a rigorous plan in the timescale identified.

Mitigating actions

Professional team and Trustees will work closely with the ESFA and restructuring specialists to ensure recovery plan is implemented in timescale designated.

Appointment of strong leaders with key skills

The Trust needs to appoint strong leaders, including a permanent CEO, strong senior leaders and a highly skilled Business Manager who will work together to drive forward improvement across the MAT.

Risk

Until August the MAT did not have a permanent CEO/Accounting Officer or permanent Business Manager to drive forward the necessary improvements at the required pace due to the need for senior leaders to address a number of other educational issues impacting on pupils. The lack of skilled financial leadership and support may impact on the performance of the MAT and its ability to be financially stable.

Mitigating actions

- ◆ Trustees have made it a priority to advertise for key senior leaders posts.
- ◆ Appointed experienced financial support on a contract basis in the interim.
- ◆ Looking to appoint a strong, experienced MAT Business Manager from 1 January 2020 on a long term basis.

Ability to recruit permanent staff

The Academy Trust employs a number of agency staff. There are high costs incurred and this also impacts on the ability to drive forward improvement.

Mitigating actions

The professional staff and Trustees plan to take the strongest agency staff onto payroll.

- ◆ Advertise to appoint permanent teachers and support staff.
- ◆ Implement strategies that will encourage teachers and support staff to want to work in the Trust, such as flexible working and opportunities for CPD.

Trustees' Report Year to 31 August 2019

FUNDRAISING

The Academy Trust carries out limited fundraising, mindful of the community within which it operates and its duties under the Charities (Protection and Social Investment) Act 2016. The Academy Trust does not use an outside agency for any form of fundraising. In undertaking fundraising activities, the Academy Trust is aware of its duty to protect the public from undue pressure to donate. The Academy Trust is not aware of any fundraising complaints for the year ended 31 August 2019.

PLANS FOR FUTURE PERIODS

Plans for future period are:

- ◆ to employ a highly skilled leadership team who can drive forward rapid improvement
- ◆ to implement the recovery plan, including the restructuring of the MAT, to ensure financial stability for the long term
- ◆ to put in place strategies to ensure improved outcomes for pupils in the primary schools at all key stage.

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.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of Trustees on _____ and signed on its behalf by:



Fiona Bulmer
Chair of Trustees

Date: 18/12/19

Scope of responsibility

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

The board of Trustees have delegated the day-to-day responsibility to the Headteacher of the Senior Girls' School, as accounting officer, and the CFO 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 the Academy and the Secretary of State for Education. The accounting officer, CFO and Interim CEO 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 ten times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Arden	2	3
Fiona Bulmer	10	10
Samantha Coleman	10	10
Daniel Duboy	8	10
Gary Inglis	9	10
Lord Stuart Polak	8	10
Lada Sullivan	6	10

Governance reviews

The Trustees are supporting the Senior Management Team to implement new policies and controls and make decisions that will improve the governance of the trust.

Finance Committee

The finance committee is a sub-committee of the main board of Trustees. Its purpose is to oversee all financial functions of the MAT, such as:

1. To set the policy for generation of business income at each school.
2. To approve the generation of business income activity.
3. To agree each school's annual funding.
4. To ensure compliance with the Academies Financial Handbook and to ensure the Trust is operating within its funding agreement.

Finance Committee (continued)

5. To determine the cash-flow policy for the Trust.
6. To monitor income and expenditure for the Trust.
7. To set financial targets for each financial year.
8. The determination of any additional financial and reporting targets for the Trust and the schools.
9. To carry out performance management of all staff including the Heads of Schools.
10. To carry out the performance management of the Chief Executive.
11. Insuring of land and buildings.
12. The responsibility for buildings and facilities.
13. The maintenance and review of a fixed asset register.

	Meetings attended	Out of a possible
David Arden	—	1
Samantha Coleman	1	1
Gary Inglis	1	1
Lada Sullivan	1	1

Finance was a focus of a majority of Trustee meetings. See attendance on page 15.

Review of value for Money

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

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

- ◆ a system whereby all costs have been reviewed and approved as appropriate;
- ◆ reviews of contracts, such as telephone cleaning and IT; and
- ◆ a system of Trustee approval for the spending of larger sums.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Trust is continuing to develop its financial reporting processes so that it can report both management information and external financial reporting information as a multi-academy trust. New processes and controls continue to be introduced and, as a result, financial controls and oversight of financial information across the Trust are expected to improve further to meet the requirements of the Academies Financial Handbook over the 2019/20 academic year.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. As detailed above, the Trust was continuing to develop its processes, including its risk management processes during the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. Financial risk is a particular area of focus for the Trust currently, and is an area that the trustees are seeking to develop the ways in which the risk is managed.

The risk and control framework

The 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:

- ◆ budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- ◆ regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing guidelines;
- ◆ the delegation of authority and the segregation of duties; and
- ◆ the identification and management of risks.

The board of Trustees considered the need for a specific internal audit function and appointed Kreston Reeves to carry out an internal audit during the year.

The risk and control framework (continued)

The Trustees have overseen the process of putting in place new controls, financial processes and systems. The internal audit report has given further guidance on steps that need to be taken to ensure all financial controls are in place.

Review of effectiveness

The accounting officer and CFO have responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- ◆ the work of the internal auditor;
- ◆ external reviews by the ESFA.
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the senior management team within the Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of Trustees and signed on their behalf by:



Fiona Bulmer
Chair of Trustees



Helen Freeman
(Accounting Officer)

Approved on: 18/12/19

Statement on regularity, propriety and compliance 31 August 2019

As accounting officer of The Lubavitch Multi-Academy Trust, I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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 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.

The Academy Trust was continue to develop its systems of internal controls, financial reporting and oversight during the period. Further details are provided on page 17. Other than the points highlighted on page 17, I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.

A handwritten signature in black ink, consisting of a stylized 'H' followed by a long horizontal line.

Helen Freeman
Accounting Officer

Date: 18-12-2019

Statement of Trustees' responsibilities 31 August 2019

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

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

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

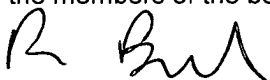
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and enable them to ensure that the financial statements comply with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

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

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

Approved by order of the members of the board of Trustees on
on its behalf by:

and signed



Fiona Bulmer
Chair of Trustees

Independent auditor's report on the financial statements 31 August 2019

Independent auditor's report to the members of The Lubavitch Multi-Academy Trust

Opinion

We have audited the financial statements of The Lubavitch Multi-Academy Trust (the 'charitable company') for the period from 1 September 2018 to 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2018 to 2019.

In our opinion, the financial statements:

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

Basis for opinion

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

Independent auditor's report on the financial statements 31 August 2019

Material uncertainty related to going concern

There is a material uncertainty relating to going concern for The Lubavitch Multi-Academy Trust. The financial statements for the year ended 31 August 2019 have been prepared by the Trustees on the going concern basis. In light of the unrestricted fund balance of a deficit of £1,142,000 which existed at 31 August 2019, we have considered the adequacy of the disclosures made by the Trustees pertaining to the application of the going concern assumption in the preparation of these financial statements and their assessment of the associated uncertainties.

The Trust is operating with cash advances from the ESFA. The Trust is reliant on these cash advances as well as the ongoing support of the ESFA, to support its cash flow and liquidity. Details of the circumstances relating to the Trustees' assessment of the going concern position is disclosed on page 12 of the Trustees' report, and as part of the principal accounting policies on pages 30 to 34. We bring these disclosures to the attention of the members in light of the balance sheet position as at 31 August 2019. Our opinion is not modified in respect of this matter.

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report on the financial statements 31 August 2019

Matters on which we are required to report by exception

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

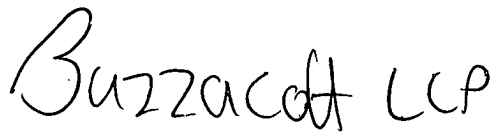
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Independent auditor's report on the financial statements 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.



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

Date: 20 December 2019

Independent reporting accountant's assurance report on regularity to The Lubavitch Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Lubavitch Multi-Academy Trust during the year 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 The Lubavitch Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Lubavitch Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Lubavitch Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Lubavitch Multi-Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Lubavitch Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2018 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 from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Independent reporting accountant's report on regularity 31 August 2019

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

The Academy Trust was continuing to develop its systems of internal controls, financial reporting and oversight during the period. Further details are provided on page 17.

Since the year end the Trust has become aware of a supplier fraud of £22,000 that took place during the period from 1 September 2018 to 31 August 2019 relating to expenditure reported in 31 August 2019 financial statements.

In the course of our work, other than the points highlighted above, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

20 December 2019

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

		Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	Year ended 31 August 2019 Total funds £'000	Period from 16 February 2018 to 31 August 2018 Total funds £'000
	Notes					
Income from:						
Donations and capital grants	1	59	—	66	125	17
Charitable activities						
Funding for the Academy Trust's educational operations	2	233	3,075	—	3,308	1,337
Total		292	3,075	66	3,433	1,354
Expenditure on:						
Charitable activities						
Academy Trust's educational operations	4	1,067	3,093	—	4,160	1,557
Transfer from local authority on conversion	14	—	—	—	—	440
Total		1,067	3,093	—	4,160	1,997
Net (expenditure) income		(775)	(18)	66	(727)	(643)
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	17	—	(145)	—	(145)	26
Net movement in funds		(775)	(163)	66	(872)	(617)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2018		(367)	(267)	17	(617)	—
Total fund balances carried forward at 31 August 2019		(1,142)	(430)	83	(1,489)	(617)

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

Balance sheet 31 August 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Current assets					
Debtors	9	155		151	
Cash at bank and in hand		178		63	
		<u>333</u>		<u>214</u>	
Liabilities					
Creditors: amounts falling due within one year	10	(1,392)		(564)	
Net current liabilities			<u>(1,059)</u>		<u>(350)</u>
Total assets less current liabilities			<u>(1,059)</u>		<u>(350)</u>
Pension scheme liability	16		(430)		(267)
Total net assets			<u>(1,489)</u>		<u>(617)</u>
Funds of the Academy Trust					
Restricted funds					
. Fixed assets fund	11		83		17
. Pension reserve	11		(430)		(267)
			<u>(347)</u>		<u>(250)</u>
Unrestricted funds					
. General fund			(1,142)		(367)
Total funds			<u>(1,489)</u>		<u>(617)</u>

The financial statements on page 27 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf by:

Fiona Bulmer
Chair of Trustees

The Lubavitch Multi-Academy Trust
Company Limited by Guarantee
Registration Number: 11211005 (England and Wales)

Statement of cash flows 31 August 2019

	Note	2019 £'000	2018 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	49	46
Cash flows from investing activities	B	66	17
Change in cash and cash equivalents in the period		115	63
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents brought forward		63	—
Cash and cash equivalents at 31 August 2019	C	178	63
A Reconciliation of (expenditure) to net cash provided by operating activities			
		2019 £'000	2018 £'000
Net income (expenditure) for the period (as per the statement of financial activities)		(727)	(643)
Adjusted for:			
Capital grants from DfE and other capital income		(66)	(17)
Defined benefit pension scheme obligation inherited (note 16)		11	290
Defined benefit pension scheme finance cost (note 16)		7	3
(Increase) in debtors		(4)	(151)
Increase in creditors		828	564
Net cash provided by operating activities		49	46
B Cash flows from investing activities			
		2019 £'000	2018 £'000
Capital grants from DfE/ESFA		66	17
Net cash provided by investing activities		66	17
C Analysis of cash and cash equivalents			
		2019 £'000	2018 £'000
Cash at bank and in hand		178	63
Total cash and cash equivalents		178	63

Statement of accounting policies

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

Basis of preparation

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

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

Going concern

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

The unrestricted fund balance at 31 August 2019 stands at a deficit of £1,142,000 (2018 – £367,000) and an action plan has been put into place to ensure that the Academy Trust can build its reserves going forward. The Academy Trust is in regular dialogue with the ESFA and is in the process of agreeing and implementing actions required as part of the plan going forward. The Academy Trust is dependant upon the support of the ESFA and the agreement of the recovery plan in order to continue.

For this reason, the Academy Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding adoption of the going concern basis can be found in the principal accounting policies.

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.

Income (continued)

Grants

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

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

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

Donations

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

Other income

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

Transfer on conversion

Where assets or liabilities are received by the Trust on conversion to an academy, the transferred assets or liabilities are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income or expenditure is recognised as transfer on conversion.

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.

Expenditure (continued)

Charitable activities

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

All expenditure is stated net of recoverable VAT.

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.

Leased assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 10. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy 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.

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency/Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Hackney London Borough Council.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements Year to 31 August 2019

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	31 August 2019 Total funds £'000
Capital grants	—	66	66
Other donations	59	—	59
2019 Total funds	59	66	125

	Unrestricted funds £'000	Restricted fixed assets funds £'000	Period to 31 August 2018 Total funds £'000
Capital grants	—	17	17
2018 Total funds	—	17	17

2 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	31 August 2019 Total funds £'000
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	2,737	2,737
Other DfE / ESFA	—	144	144
	—	2,881	2,881
Other government grants			
Local authority grants	—	194	194
	—	194	194
Other income from the Trust's educational operations	233	—	233
2019 Total funds	233	3,075	3,308

	Unrestricted funds £'000	Restricted funds £'000	Period to 31 August 2018 Total funds £'000
DfE / ESFA revenue grants			
General Annual Grant (GAG)	—	1,158	1,158
Other DfE / ESFA	—	78	78
	—	1,236	1,236
Other government grants			
Local authority grants	—	58	58
	—	58	58
Other income from the Trust's educational operations	43	—	43
2018 Total funds	43	1,294	1,337

Notes to the Financial Statements Year to 31 August 2019

3 Expenditure

	Non pay expenditure			31 August 2019
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds £'000
Charitable activities				
Trust's educational operations				
. Direct costs	2,888	—	170	3,058
. Allocated support costs	330	349	423	1,102
2019 Total funds	3,218	349	593	4,160

	Non pay expenditure			Period to 31 August 2018
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds £'000
Charitable activities				
Trust's educational operations				
. Direct costs	1,043	—	70	1,113
. Allocated support costs	139	84	221	444
2018 Total funds	1,182	84	291	1,557

	31 August 2019 Total funds £'000	Period to 31 August 2018 Total funds £'000
Net income (expenditure) for the period includes:		
Fees payable to auditor		
. Statutory audit	13	10
. Other services	13	2

4 Charitable activities – Academy Trust's educational operations

	31 August 2019 Total funds £'000	Period to 31 August 2018 Total funds £'000
Direct costs	3,058	1,113
Support costs	1,102	444
	4,160	1,557

4 Charitable activities – Academy Trust's educational operations (continued)

	31 August 2019 Total funds £'000	Period to 31 August 2018 Total funds £'000
Analysis of support costs		
Support staff costs	330	139
Technology costs	71	55
Premises costs	349	84
Other support costs	298	133
Governance costs	54	33
Total support costs	1,102	444

5 Staff

(a) Staff costs

Staff costs during the period were:

	31 August 2019 Total funds £'000	Period to 31 August 2018 Total funds £'000
Wages and salaries	2,255	878
Social security costs	171	73
Pension costs	363	145
	2,789	1,096
Supply teacher costs	382	86
Staff restructuring costs	47	—
	3,218	1,182

	31 August 2019 Total funds £'000	Period to 31 August 2018 Total funds £'000
Staff restructuring costs comprise:		
Redundancy payments	39	—
Severance payments	8	—
	47	—

5 Staff (continued)

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	31 August 2019 Total £'000	Period to 31 August 2018 Total £'000
Charitable activities		
Teachers	64	62
Administration and support	50	51
Management	3	7
	117	120

(c) Higher paid staff

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

	31 August 2019 Total £'000	Period to 31 August 2018 Total £'000
£70,001 - £80,000	1	—
£80,001 - £90,000	1	—
£90,001 - £100,000	2	—

(d) 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 employee pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £180,124 (2018 – £177,584).

6 Trustees' remuneration and expenses

During the period from 1 September 2018 to 31 August 2019, £182 travel and subsistence expenses were reimbursed to Trustees (period 16 February 2018 to 31 August 2018 - £nil).

Other related party transactions involving the Trustees are set out in note 17.

Notes to the Financial Statements Year to 31 August 2019

7 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 membership.

8 Central services

Central services including financial services were provided by the Academy Trust to its academies during the period and no central charges arose.

9 Debtors

	2019 £'000	2018 £'000
Trade debtors	3	33
Prepayments and accrued income	72	8
VAT recoverable	80	57
Other debtors	—	53
	155	151

10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	193	132
Taxation and social security	—	4
Amounts due to the ESFA	1,133	413
Accruals and deferred income	66	15
	1,392	564

11 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	—	2,737	(2,737)	—	—
Pupil Premium	—	48	(48)	—	—
Other DfE/EFSA grants	—	290	(290)	—	—
Local authority grants	—	—	—	—	—
Pension reserve	(267)	—	(18)	(145)	(430)
	(267)	3,075	(3,093)	(145)	(430)
Restricted fixed asset funds					
Capital grants	17	66	—	—	83
Total restricted funds	(250)	3,141	(3,093)	(145)	(347)
Unrestricted funds					
General funds	(367)	292	(1,067)	—	(1,142)
	(367)	292	(1,067)	—	(1,142)
Total funds	(617)	3,433	(4,160)	(145)	(1,489)

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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.

Fixed asset fund

These funds relate to unspent capital grants from the ESFA.

Pension reserve

The pension reserve relates to the Academy Trust's share of the Hackney Borough Council Local Government Pension Scheme.

The Academy Trust is carrying a net deficit of £1,142,000 (2018 - net deficit of £367,000) on restricted general funds (excluding pension reserve) plus unrestricted funds due to the net deficit balance transferred on conversion to an Academy Trust. The Trust is establishing a recovery plan with the ESFA and is working to improve its financial position.

11 Funds (continued)**Comparative information**

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

	Balance at 16 February 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	—	1,158	(1,158)	—	—
Pupil Premium	—	19	(19)	—	—
Other DfE/EFSA grants	—	59	(59)	—	—
Local authority grants	—	58	(58)	—	—
Pension reserve	—	—	(293)	26	(267)
	—	1,294	(1,587)	26	(267)
Restricted fixed asset funds					
Capital grants	—	17	—	—	17
Total restricted funds	—	1,311	(1,587)	26	(250)
Unrestricted funds					
General funds	—	43	(410)	—	(367)
	—	43	(410)	—	(367)
Total funds	—	1,354	(1,997)	26	(617)

Total funds analysis by academy:

Fund balances at 31 August 2019 were allocated as follows:

	2019 £'000	2018 £'000
Lubavitch House School (Senior Girls)	(90)	37
Lubavitch Girls' Primary	(457)	(248)
Lubavitch Junior Boys	(393)	(81)
Central Trust	(202)	(75)
Total before fixed asset fund and pension reserve	(1,142)	(367)
Restricted fixed asset fund	83	17
Pension reserve	(430)	(267)
Total funds	(1,489)	(617)

Each of the schools and the central trust are carrying a net deficit. The Academy Trust's net deficit at 31 August 2019 was £1,142,000. The deficit is due to budget deficit transferred from the local authority on conversion and high staffing costs. The Trust is establishing a recovery plan with the ESFA which includes a review of staffing requirements and is working to improve its financial position.

12 Analysis of expenditure by academy

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2019 £'000
Lubavitch House School (Senior Girls)	997	85	37	131	1,250
Lubavitch Girls' Primary	839	163	53	230	1,285
Lubavitch Junior Boys	676	438	77	151	1,342
Central services	—	20	7	256	283
Total carried forward	2,512	706	174	768	4,160

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2018 £'000
Lubavitch House School (Senior Girls)	369	42	31	79	521
Lubavitch Girls' Primary	317	55	27	54	453
Lubavitch Junior Boys	272	129	16	88	505
Central services	—	—	—	78	78
Total carried forward	958	226	74	299	1,557

13 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2019 £'000
Fund balances at 31 August 2019 are represented by:				
Current assets	(75)	325	83	333
Current liabilities	—	(1,392)	—	(1,392)
Pension scheme liability	—	(430)	—	(430)
Total net assets	(75)	(1,497)	83	(1,489)

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:				
Current assets	197	—	17	214
Current liabilities	(564)	—	—	(564)
Pension scheme liability	—	(267)	—	(267)
Total net assets	(367)	(267)	17	(617)

14 Conversion to an academy trust

On 1 April 2018, Lubavitch House School (Senior Girls), Lubavitch Girls Primary and Lubavitch Junior Boys converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Lubavitch Multi Academy Trust from Hackney Borough Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as transfer from local authority on conversion.

The following tables set out the fair values of the identifiable assets and liabilities transferred:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Combined position				
Budget deficit on LA funds	(150)	—	—	(150)
LGPS pension deficit	—	(290)	—	(290)
Net liabilities	(150)	(290)	—	(440)

Each school joined the Trust with a pension deficit in the Local Government Pension Scheme. This has not been disaggregated by school in the conversion balances below.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Lubavitch House School (Senior Girls)				
Budget surplus on LA funds	53	—	—	53
Net assets	53	—	—	53

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Lubavitch Girls Primary				
Budget deficit on LA funds	(203)	—	—	(203)
Net liabilities	(203)	—	—	(203)

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Lubavitch Junior Boys				
Budget surplus on LA funds	—	—	—	—
Net assets	—	—	—	—

A £nil deficit on LA funds was transferred for Lubavitch Junior Boys School on conversion.

15 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

16 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 London Borough of Hackney. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

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

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

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

16 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

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

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

The employer's pension costs paid to TPS in the year amounted to £229,000 (2018 – £93,000).

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year from 1 September 2018 to 31 August 2019 was £144,000 (2018 – £63,000), of which employer's contributions totalled £122,000 (2018 – £56,000) and employees' contributions totalled £22,000 (2018 – £9,000). The agreed contribution rates for future years are 32% for employers.

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

Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.4%	3.4%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.3%	2.3%

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	21.3	22.2
Females	23.3	24.2
<i>Retiring in 20 years</i>		
Males	21.9	23.6
Females	24.3	25.7

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	267	177
Bonds	72	35
Property	40	24
Cash	20	—
Total market value of assets	399	236

	2019 £'000	2018 £'000
Amounts recognised in statement of financial activities		
Current service cost	(120)	(56)
Past service cost	(13)	—
Interest income	9	2
Interest cost	(16)	(5)
Total amount recognised in the SOFA	(140)	(59)

Changes in the present value of defined benefit obligations were as follows:	2019 £'000	2018 £'000
Brought forward	503	—
Transferred in on conversion	—	448
Current service cost	120	56
Past service cost	13	—
Interest cost	16	5
Employee contributions	22	9
Actuarial loss (gain)	155	(15)
At 31 August 2019	829	503

16 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Trust's share of scheme assets:	2019 £'000	2018 £'000
Brought forward	236	—
Upon conversion	—	158
Interest income	9	2
Actuarial gain	10	11
Employer contributions	122	56
Employee contributions	22	9
At 31 August 2019	399	236

17 Related party transactions

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

The following related party transactions took place in the period of account:

The Trust is recharged at cost for a proportion of its fair share usage for utilities and insurance based on the size of occupation by the Lubavitch Foundation, which provides the use of its premises at no cost to all the schools within the Academy Trust. The Trust is also recharged for its use of the swimming pool and catering facilities run by the Lubavitch Foundation. During the year, the Trust was recharged £117,047 for its proportion of the above costs (5 month period to 31 August 2018 - £32,766).

C Duboy, daughter of D Duboy, a Trustee, is employed by the Academy Trust. C Duboy is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. The total amount of employee benefits (including employee pension contributions) received during the year was £5,961 (5 month period to 31 August 2018 - £3,202.)

The academy trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurements procedures. Where, for goods or services exceeding £2,500 cumulatively in the year, the element above £2,500 has been provided at no more than cost.

Notes to the Financial Statements Year to 31 August 2019

18 Comparative statement of financial activities for the period from 16 February 2018 to 31 August 2018

		Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed assets fund £'000	Period from 16 February 2018 to 31 August 2018 Total funds £'000
	Notes				
Income from:					
Donations and capital grants	1	—	—	17	17
Charitable activities					
Funding for the Academy Trust's educational operations	2	43	1,294	—	1,337
Total		43	1,294	17	1,354
Expenditure on:					
Charitable activities					
Academy Trust's educational operations	4	260	1,297	—	1,557
Transfer from local authority on conversion	14	150	290	—	440
Total		410	1,587	—	1,997
Net (expenditure) income		(367)	(293)	17	(643)
Other recognised gains and losses					
Actuarial gains (losses) on defined benefit pension scheme	17	—	26	—	26
Net movement in funds		(367)	(267)	17	(617)
Reconciliation of funds					
Total fund balances brought forward at 16 February 2018		—	—	—	—
Total fund balances carried forward at 31 August 2018		(367)	(267)	17	(617)