

**Leigh
Academies
Trust**

**Annual Report and Financial
Statements**

31 August 2014

Company Limited by Guarantee
Registration Number 2336587
(England and Wales)

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Reference and administrative information 31 August 2014

Members	Sir G Leigh (Chairman) Professor T Barnes Mr S Clubb Mr P Carter Professor D Nightingale	Mr R J Findlay
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Directors	Mr R J Findlay (Chairman) Ms A Barritte Mr A F X Green Mr J Kite Professor A Reed Mr B Webb Mr K Ellis	Mr S Beamish Mrs T Davies Professor T Barnes Mr J Dickson Mr G Clewes Mr K Dewey Mr B Laws
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Secretary	Mr R Spencer-Tanner
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Senior Managers	Mr S Beamish Mr N Willis Mrs F McGill Mrs J Collins Mr J Swash Mrs S Waterman Mrs A Davis Mr P Finnegan Ms A O'Donnell Mrs T Trusler Mr N Jones Mrs K Major Mrs L Hollingsworth Mr R Spencer-Tanner Ms S Crocker Mr S Vernoux Mr R Taylor	CEO Deputy CEO Principal – The Leigh Technology Academy Principal – The Leigh Technology Academy Principal – The Leigh Technology Academy Principal – The Leigh Technology Academy Principal – Longfield Academy Principal – Longfield Academy Principal – Longfield Academy Principal - Wilmington Academy Principal - Milestone Academy Principal – York Road Junior Academy Principal - Hartley Primary Academy Finance Director Business Director IT Director HR Director
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Registered office	Green Street Green Road Dartford Kent DA1 1QE
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Company registration number	2336587 (England and Wales)
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Reference and administrative information 31 August 2014

External Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC plc
38 High Street
Dartford
Kent
DA1 1DG

Solicitors T G Baynes
Baynes House
Market Street
Dartford
Kent DA1 1DB

Stone King LLP
16 St John's Lane
London
EC1M 4BS

Actuaries Barnett Waddingham
Cheapside House
138 Cheapside
London
EC2V 6BW

Directors' report 31 August 2014

The Directors present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and constitution

Since February 2012, Leigh Academies Trust has been a multi-academy Trust with Master Funding Agreements (MFA) and separate Supplemental Agreements (SFA) to govern each academy. A separate SFA for The Leigh UTC was issued on 1 October 2013. The Stationers' Crown Wood's College joined the Trust from 1 September 2014.

There are 8 academies currently within the Trust:

- ◆ The Leigh Technology Academy (an 11-19 Secondary School)
- ◆ Longfield Academy (an 11-19 Secondary School)
- ◆ Wilmington Academy (an 11-19 Secondary School)
- ◆ Milestone Academy (a 3-19 Special School)
- ◆ York Road Junior Academy (an 8-11 Junior School)
- ◆ Hartley Primary Academy (a 4-11 Primary School)
- ◆ The Leigh UTC (a 14–19 University Technical college) opened 1 September 2014
- ◆ Stationers' Crown Woods Academy (an 11-19 Secondary School) opened 1 September 2014

The Trust is a company limited by guarantee. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Directors act as the Trustees for the charitable activities of the Academy Trust.

Members of the company are nominated by the sponsors, Sir Geoffrey Leigh, Kent County Council, the University of Kent and the University of Greenwich.

Members' liability

Every Member of the charitable company undertakes to contribute to the assets of the Trust 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors

Directors are appointed to the Board by the Members. Governors are appointed to Academy Boards by the Directors.

During the year under review the Trust Board held four full meetings and eight committee meetings.

Training for all governors across the Trust was delivered in October 2013 and February 2014 by governance specialists from the Specialist Schools and Academies Trust (SSAT). This focussed on the key attributes, systems and structures of outstanding governance and using data to hold Principals and other leaders to account for the performance of their academies. Governors also attended the annual Trust conference taking part in workshops highlighting best practice in primary, secondary and special academy settings. Induction training for the new governing board at Stationers' Crown Woods Academy took place in September 2014. Safeguarding training is taking place for governors throughout the current academic year.

The following Directors of the Trust served throughout the year, except as shown:

Director	Appointed/Resigned	Committees
Mrs A Barritte		Academic Standards
Mr R J Findlay (Chairman)		
Mr A F X Green		
Mr J Kite		Resources
Professor A Reed		Academic Standards (Chairman)
Mr B Webb		Resources
Professor M Went	Resigned 22 January 2014	Academic Standards
Professor T Barnes		
Mrs T Davies		Resources (Chairman)
Mr S Beamish		Resources, Academic Standards
Mr J Dickson		Resources
Mr G Clewes	Appointed 1 September 2013	Resources
Mr K Ellis	Appointed 11 December 2013	
Mr K Dewey	Appointed 1 July 2014	
Mr B Laws	Appointed 1 September 2014	

Organisational Structure

The Board of Directors governs the activities of the Trust and oversees the work of the Academy Boards. The Board of Directors is also ultimately responsible for the strategic direction of the Trust and its overarching policies. Each Academy Board governs the work and outcomes of its assigned academies. Individual Academy Board governors are directly attached to a college within a secondary academy or a single small academy.

The senior managers of the Trust are the CEO, Deputy CEO, Finance Director, Business Director, IT Director and HR Director. They lead and manage the Trust, setting strategy and implementing policy in conjunction with the Board. Principals and Vice-Principals lead and manage the individual colleges and academies.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related party transactions

No Director received any remuneration in respect of their services during the year, nor for any other work undertaken on behalf of the Trust, with the exception of A F X Green (CEO of the Trust until 31 January 2014) and S Beamish (Director and CEO from 1 February 2014). Governors are from sponsoring organisations, employers, local authorities or other organisations which from time to time have dealings with the Trust in the course of their usual work. All transactions between these organisations and the Trust were carried out at arm's length and all material transactions were at standard rates.

Objectives and Activities

The mission of Leigh Academies Trust is to create quality learning networks that achieve excellence in all their services, in an enterprising culture and in partnership with the community.

The principal activity of the Trust is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing schools offering a broad and balanced curriculum.

Key Trust objectives are to:

- ◆ Achieve outstanding educational outcomes for young people through local federations of academies covering the full school age range from 3 to 19.
- ◆ Maximise the use of knowledge, skills, resources, and experience using the best possible learning networks to deliver high quality opportunities and outcomes for all learners.
- ◆ Offer an innovative and challenging curriculum that demonstrates clear personalised progression within and across all key stages, to meet the needs of each learner.
- ◆ Recruit and retain highly skilled and trained staff to provide the best possible teaching and learning.
- ◆ Equip learners with the skills and knowledge to thrive within an increasingly dynamic, technological, global environment.
- ◆ Create outstanding learning communities where everyone is valued, respected and the full spectrum of achievement is celebrated
- ◆ Facilitate anywhere, anytime learning.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Objectives and Activities (continued)

Essential features of the Leigh Academies trust 'brand' found within its academies are:

LAT Values:

- ◆ Removing barriers and providing opportunities to achieve academic excellence for all.
- ◆ A 'can-do' attitude.
- ◆ Creating successful, independent and respectful young adults with high levels of integrity.
- ◆ Developing resilience throughout all members of the organisation.
- ◆ Community focused and outward facing.
- ◆ Continuous improvement and innovation.

LAT Distinctive Features:

- ◆ Small-school, 'human scale' education.
- ◆ An enterprising culture.
- ◆ Close partnerships with industry and other educators.
- ◆ Mixed age learning and a powerful model of all-through education.
- ◆ Transferring information and ideas across academies and building internal capacity to enhance best practice.
- ◆ Forensic analysis of data to personalise educational experiences.

LAT Vision Statement:

Shaping Lives, Transforming Communities.

Public Benefit

In setting the Trust's objectives and planning its activities, the Board of Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Equal opportunities

The Directors recognise that equal opportunities are an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Trust, as well as generally through training and career development.

Leigh Enterprise Company

The Trust owns 100% of the issued ordinary share capital of LAT Enterprise Limited, a company incorporated in England.

The investment is shown in the balance sheet and details are given in note 14 to the financial statements.

STRATEGIC REPORT

Achievements and performance

Overview

Leigh Academies Trust appointed a new Chief Executive, Simon Beamish, who took up post on 1 February 2014. Simon, who had been Principal at both Longfield and The Leigh Academies, took over from Frank Green CBE, who became Schools' Commissioner for England.

The Trust continued its commitment to achieving 'Outstanding' for all of its academies. Its primary goal is to provide the very best learning opportunities for its young people. At the same time, it continued to grow carefully and cautiously. As a result of this development, three new academies will join the Trust in academic year 2014-15, significantly increasing the size of the organisation.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Overview (continued)

Underpinning that growth has been effective planning to ensure that the quality of leadership and service provision to academies is maintained and enhanced. This places the Trust on secure foundations to meet its current and future needs. Plans are in place to strengthen the Trust's Human Resources, Finance, Business and IT provision for each of its academies. The Trust is also implementing an Academy Improvement Team to provide high quality support and challenge to its academies in core curriculum areas. As well as this, educational development groups and forums operate across the organisation to support senior leaders in making decisions about educational strategy and direction.

The Trust reaffirmed its commitment to certain core values this year. It continually seeks ways of engaging all of its stakeholders to ensure agreed goals and objectives. These are summarised below.

Leigh Academies Trust Outcomes in Academies

Academic Year: 2013 – 2014

As a result of the very significant changes made to GCSE examination rules in 2014, the Department for Education have published the following advice to schools:

"The changes that have been implemented in 2013-14 have had an impact across all types of schools and it means that it is not possible to make direct comparisons between 2013-14 results and earlier years."

Consequently, no comparisons with GCSE results of previous years are given in the tables that follow in this report.

The Leigh Academy

GCSE Performance at end of Key Stage 4	%	GCE Performance at end of Key Stage	%
% of students achieving 5+A*-C grades, including English & Maths	53	% of grades at A*-A	38 [33]
% of students achieving the English Baccalaureate	16	% of grades at A*-C	75 [75]
% of students achieving Expected Progress in English	77	% of grades at A*-E	97 [99]
% of students achieving Expected Progress in Maths	66	Points score per entry (QCA)	216 [217]
% of students achieving A*- C+ in English	69	Points score per candidate (QCA)	682 [673]
% of students achieving A*-C+ in Maths	64		

(2013 results in [square brackets])

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

The Leigh Academy (continued)

The number of students making expected progress in English has improved significantly and is above the national average as is also the case in Mathematics. The Academy is pleased with the continued success in vocational qualifications as well as the continued strength of Physical Education and the creative subjects. Design and Technology has retained a strong position and remains a specialist learning area of significant renown within the Academy. The strategic entry for students into personalised Science pathways ensured impressive results in Triple Award subjects: Biology, Chemistry and Physics. Other English Baccalaureate subjects also improved significantly, French being worthy of particular recognition as the percentage of students achieving A* - C grades improved by 30 percentage points.

The Academy was pleased that the gap between Pupil Premium Grant students and those who do not qualify for this additional funding has narrowed to 15 percentage points. This was through targeted interventions and effective deployment of the funding available to support disadvantaged students.

The number of A*/A grades achieved at A Level was very impressive, beating the Academy record set last year with 38% of grades this year being at this level. In addition, 100% of our Post 16 students achieving 2 or more A Levels at grade A – E was also a further improvement on last year's achievement.

Significant investment from the Trust during the 2013 –14 academic year has ensured the complete refurbishment of the core IT systems and network over the Summer. This has enabled The Leigh Academy to implement a mobile device scheme for all students, which will transform how students learn in lessons.

A consultation, involving many stakeholders, about restructuring the academy day was completed in January. This has created more opportunities for highly effective professional development for all staff which will positively impact on the quality of teaching and learning. The Leigh Academy now shares with other secondary academies in Dartford an early close on Wednesday afternoons, allowing high-quality training and sharing of best practice to take place across a range of centres at the same time each week.

An exhibition of students' work in Design and Technology in Bluewater was a highlight. This annual event provides an opportunity to showcase the products created by students in all key stages and brought their work to the widest possible audience.

Retaining the national girls' Rugby League title was one of many outstanding sporting achievements of the year. The opportunity for The Leigh Academy's Elite Show Dance Team to perform at the Marlowe Theatre in Canterbury and Disneyland Paris demonstrates that the reputation of the Academy is reaching far and wide.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Longfield Academy

GCSE Performance at end of Key Stage 4, 'Best Entry'		GCE Performance at end of Key Stage 5	
	%		%
% of students achieving 5+A*-C grades, including English & Maths	58	% of grades at A*-A	11 [22]
% of students achieving the English Baccalaureate	3	% of grades at A*-C	55 [70]
% of students achieving Expected Progress in English	71	% of grades at A*-E	98 [99]
% of students achieving Expected Progress in Maths	63	Points score per candidate (QCA)	608 [663]
% of students achieving A*- C+ in English	72	Points score per entry (QCA)	200 [213]
% of students achieving A*-C+ in Maths	65		

(2013 results in [square brackets])

Longfield Academy has enjoyed another year of success and was very proud of the achievements of its students in the Summer examinations. Longfield's GCSE results exceeded its 2013 outcomes when using comparable measures and students performed about half a grade better at Longfield than other schools nationally. At A Level, many students gained access into their first choice of university as a consequence of their examination outcomes.

The quality of Longfield's work was recognised nationally:

- ♦ In June Ofsted inspectors recognised the Academy as "Good" in every category. They identified results had risen dramatically over the previous three years and that the attainment gap between students on free school meals and others had narrowed significantly. Inspectors also recognised leadership across the Academy as strong, and that it works well with the Trust and governors. They also stated that the positive atmosphere throughout the Academy promotes good attitudes to learning.
- ♦ The Academy received The International Schools Award and E-Twinning Award for the quality of its work in opening our students' horizons and developing multicultural links.
- ♦ Retention of the Investors in Careers Award acknowledged the way Longfield prepares students for the world of work.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Longfield Academy

The "Telescope Bistro" continues to thrive. The Academy's professional training facility offers fine dining to members of the community on two days each week. The Telescope received welcome funding again from The Savoy Trust to enhance its industry standard facilities. The Academy is currently looking at introducing an Advanced Apprenticeship programme in 2015-16 linked to this provision.

Important changes were made to the curriculum in the light of national developments. The Academy is well placed to enjoy further success in the years ahead.

Wilmington Academy

GCSE Performance at end of Key Stage 4, 'Best Entry'		GCE Performance at end of Key Stage 5	
	%		%
% of students achieving 5+A*-C grades inc English and Maths	55	% grades at A*-A	33% (40%)
% of students achieving the English Baccalaureate	5	% grades at A*-C	70% (71%)
% of students achieving Expected Progress in English	79	% of grades at A*-E	99% (99%)
% of students achieving Expected Progress in Maths	84	Points score per candidate (QCA)	606 (423)
% of students achieving A*-C in English	67	Points score per entry (QCA)	220 (185)
% of students achieving A*-C in Maths	76		

(2013 results in brackets)

Wilmington students continued to deliver excellent outcomes in public examinations. Almost every student continued to achieve a minimum of 5 or more A*-C at GCSE, and progress in English and Maths was significantly above the national average again.

At Post 16 the Academy achieved its best ever results, with the average points score per candidate increasing by 44 points and points per entry by nearly 20 points. As a consequence of these outcomes around 80% of Year 13 students went on to undertake higher education courses.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Wilmington Academy (continued)

The Academy won the South East Region Pupil Premium Award 2014 in July 2014, recognising the significant progress made by disadvantaged students at the Academy compared to others nationally. It was also awarded Leading Edge status by the Specialist Schools and Academies Trust and designated as a high-performing school. For the third consecutive year, the Academy won a Silver medal at the Chelsea Flower Show and the Horticulture students launched a national campaign for the Royal Horticultural Society.

The academic year saw the completion of the new buildings which have completely transformed the Academy. The 80% rebuild has not only provided new classrooms, Science and Technology spaces, but also a new sports hall and restaurant. Dominic Herrington, South East and South London Regional Schools' Commissioner, was guest of honour at the official opening of the Academy in the Summer.

Stationers' Crown Woods Academy

Stationers' Crown Woods Academy (SCWA) opened on 1 September 2014. Leigh Academies Trust, The Worshipful Company of Stationers and Newspaper Makers, Ravensbourne, University of Greenwich and SCWA have come together to develop enhanced opportunities for all students, particularly through a new 'digital curriculum'.

The Stationers have already begun to contribute significantly to a new mentoring programme, linking students to business mentors, as well as initiating business links to enhance the curriculum. Ravensbourne is supporting the technical developments around new technologies and digital programmes of study.

The Academy will be very well-served by an exceptionally strong board of governors from the local community and new partners. Strong links with the Trust were implemented from the outset. The new Academy is already contributing to all developments across Leigh Academies Trust and sharing in the best practice that the wider organisation has to offer. Michael Murphy, SCWA's Principal has also been charged with developing a South East London 'cluster' around the new Academy to resemble the model already in place in Dartford.

The Leigh UTC

The University Technical College is a new school specifically designed for students between 14 and 18 years of age. It is specialising in Engineering and Computer Science and the brand new building has been equipped with specialist equipment in both of these areas.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

The Leigh UTC (continued)

The Leigh UTC opened its doors to the first cohort of students on Monday 8 September 2014. The building was completed ahead of the original schedule inside just 11 months from the first spade in the ground. The contractors, BAM, will remain at the UTC while they complete variations and snagging across the site. The Leigh UTC has successfully recruited 143 students across Years 10 and 12 by the end of September. The students have come from 22 different schools from across the region, with female students accounting for 21% of the cohort. The UTC has attracted much positive publicity as the first UTC in Kent. In turn, this has attracted much business interest in developing links and providing high quality career paths for many students. The Leigh UTC is planning to offer Level 3 Apprenticeships in Engineering and Computing from January 2015.

An official opening ceremony took place shortly after the new Academy was launched with guests of honour, Lord Baker of Dorking and Richard Noble, OBE, Project Director for Bloodhound SSC.

Hartley Primary Academy

End of Key Stage 2 Results	Reading %	Writing %	SPAG %	Maths %
Level 3+	98	100	100	100
Level 4+	93	90	73	90
Level 5+	64	51	56	53
Level 6	0	5	0	19

End of Key Stage 1 results	Level 2+	Level 2B+	Level 3+	Average Point Score
Reading	93	89	39	17
Writing	89	80	21	16
Maths	93	80	33	17

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Hartley Primary Academy (continued)

Year 1 Phonics Screening: 98% achieved the 'Threshold':

Early Years/Foundation Stage % of children	School	Local Authority
Good Level of Development	80	69
All Learning Goals, Expected progress +	80	68

The Academy has been part of the Trust for almost 18 months and relationships and developments are becoming well established. Evidence of outcomes which are beneficial to all young people can be clearly seen.

Progress from Key Stage 1 to Key Stage 2 was excellent. This cohort of children had a significant number with complex learning and behavioural needs and so whilst their attainment was not as high in general as the 2012-13 cohort, their progress was very pleasing.

Trust funding provided support for the Year 6 cohort in their learning, particularly the 'middle ability' children who were in danger of underachieving and the results demonstrated the success of this project.

The Academy also 'piloted' revision programmes with Trust funding which had a beneficial effect, particularly the SATs Breakfast and 'Wake Up' for brain and body sessions in the week of the tests.

At the end of Key Stage 1 the Academy also recognised a cohort of children who might perform less well than the year before. Additional support was put in place throughout the year and significant progress was made as a consequence.

In Early Years Foundation Stage (EYFS) almost 50% of the cohort were 'Summer Born' and as a consequence there were behavioural and learning challenges. Overall, however, the children in EYFS have performed well. The EYFS team have adopted a new assessment programme called 'Tapestry' which allows parents to contribute via a shared 'cloud' to their child's profile.

Hartley Primary was sad to say goodbye to three experienced and valued members of staff, however, and its teaching profile now has a greater number of new and less experienced staff. This is balanced by their energy, their enthusiasm and the new ideas they have brought to the Academy.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Hartley Primary Academy (continued)

To enhance the programme of support and monitoring throughout the Academy, Hartley Primary has developed a new Middle Leadership Team. This is already proving effective in ensuring planning and curriculum coverage are appropriate. They will, as part of their role, observe in classrooms, scrutinise and sample work and discuss with children their views on their progression and learning.

Students from the Academy undertook successful residential visits again this year, both within the UK and Europe. These have developed their cultural, social and artistic awareness.

During the year, the Trust on behalf of the Academy, submitted a significant capital bid to the Education Funding Agency to replace the boiler and undertake associated environmental works. This project was completed successfully over the Summer.

York Road Junior Academy

2014 SATs results

End of Key Stage 2 Results	Reading %	Writing %	SPAG %	Maths %
Below Level 3	11	11	11	9
Level 3+	89	89	89	91
Level 4+	72	72	53	72
Level 5+	32	20	28	23
Level 6	0	0	1	3

York Road Junior Academy had a successful year with significant improvements in almost all areas from the previous year. Pupils' progress (excluding the Star Centre) is above the national average figure for 2013 in all subjects for the very first time. The Academy's Combined L4+ performance was above national 'Floor Standards', again for the very first time.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

York Road Junior Academy (continued)

The Academy underwent a full Ofsted inspection in January 2014 as well as a visit by the Department of Education in the fortnight prior to this. Ofsted judgements were very encouraging. Overall Effectiveness went up from Grade 4 (Inadequate) at the last inspection prior to joining the Trust to Grade 3 (Requires Improvement). Achievement and Teaching saw the same improvement. Leadership and Behaviour and Safety rose by two grades from Grade 4 to Grade 2 (Good).

Ofsted commented that, "Behaviour is good because senior leaders have introduced a behaviour code which is rigorously applied by all staff.... Pupils enjoy school and this is reflected in the improved attendance since September. One pupil said: 'I just like coming to school; it's fun!.... Behaviour is good in all areas of the school; pupils show equal respect to all members of staff'. In addition, "Senior leaders have moved rapidly and effectively in beginning to address the weaknesses in the school. Inadequate teaching has now been eradicated and pupils' behaviour has improved considerably.... There is a strong focus on improving teaching and learning.... The schools within the Trust work well together to provide guidance and support for all teachers. They develop their skills through a mixture of support, coaching and external training. The effectiveness of this is evident in the improved progress seen since September."

Leadership changed again with the Principal leaving at the end of the year. A new Vice Principal started at Easter 2014 and the Headteacher from York Road's feeder infant school has been appointed Principal of both schools from September 2014. This will provide a consistency of leadership across both schools. St Albans Road Infants and Nursery School joined Leigh Academies Trust at the beginning of November 2014 and the two schools will merge now that approval has been obtained from the Regional Schools' Commissioner, to form Dartford Primary Academy. This Primary Academy will be the biggest primary school in Dartford with a nursery and special needs provision for Speech and Language and Autistic Spectrum Disorders. The aim is for it to rapidly move to "Outstanding".

September also saw a significant change in the teaching personnel. The new staff are all very able practitioners – some from overseas – and the Academy looks forward to the children at York Road making excellent progress as a consequence of improved teaching.

The Trust completed the feasibility process under the EFA's Priority Schools Building Programme for York Road to provide much enhanced facilities. The upshot is that the Academy will receive a one-third rebuild and two-thirds radical refurbishment under the scheme on the same site. Work is likely to begin by Easter 2015 with completion by September 2016, or shortly afterwards.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

York Road Junior Academy (continued)

A range of educational visits have continued to enhance pupils' learning which have included local trips and visitor talks and a Year 6 residential trip. York Road Junior Academy has very strong links with all secondary schools in Leigh Academies Trust, with particular support in a range of areas coming from The Leigh Academy and Milestone Academy. Secondary age students from The Leigh, Longfield and Wilmington Academies have been working with younger pupils on projects such as reading, drama, art and ICT.

Milestone Academy

Combined English and Maths Results 2013-14

End of Key Stage 2	Achieving UQ	Achieving MQ	Achieving LQ
English and Mathematics combined	57%	29%	14%

End of Key Stage 2	Achieving UQ	Achieving MQ	Achieving LQ
English	61%	18%	21%

End of Key Stage 2	Achieving UQ	Achieving MQ	Achieving LQ
English	54%	18%	28%

Milestone Academy is a Special School Academy for some 263 statemented pupils with profound, severe and complex needs which joined Leigh Academies Trust in February 2013.

This past academic year for Milestone has seen the new Principal, with the Senior Leadership Team, taking a methodical introspective examination of standards of pupil progress across the Academy.

Real momentum to this process was added through the year-long association with three external experienced SEN consultants. This was achieved through the Trust's support and funding and undoubtedly brought added capacity into this core work of the Senior Leadership Team last year.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Leigh Academies Trust Outcomes in Academies (continued)

Milestone Academy (continued)

Over the last year the Academy has paid close attention to ensuring progress in all aspects of the curriculum across all Key Stages. This is reflected in the outstanding percentage of students that achieved Upper Quartile progress over the last year.

The impressive set of pupil progress data shown within the table above demonstrates the commitment of the teaching staff and their teams to ensure that the use of data is at the core of Academy improvement strategies. The majority of students have achieved outcomes in the 'Upper Quartile' placing the Academy in a strong position to retain its 'Outstanding' judgement at its next inspection. A reshaping of the leadership structure includes a system of regular College meetings. In these meetings all middle and senior leaders are drawn together under the leadership of the appropriate Vice Principal to analyse the outcomes of the six termly data collection points and put into place effective intervention strategies.

Whilst the past year has seen a focus on measuring English and Maths progress, the Academy is now seeking to construct a 'basket of personal indicators' to track each pupil's personal development. In doing so it will then treat progress in all of these three areas with equal importance.

On a wider front the Trust has enabled the majority of Milestone Post 16 pupils to move to a new, unique and inspirational setting at the front of Wilmington Academy with their class teachers and senior leaders being based there too. This is already proving to be a huge success for those involved and has allowed the expansion of primary and nursery provision on the Milestone site.

In addition to work within the classroom, the Academy is constantly seeking to expand the range of experiences for students across the community. This involves various trips and visits, as well as activities in association with other academies within the Trust.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

STRATEGIC REPORT (continued)

Financial review

Financial report for the year

Most of The Leigh Academies Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2013/14 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the EFA and capital donations from commercial sponsors. In accordance with the Charities SORP, Accounting and Reporting by Charities, such grants are shown in the Statement of Financial Activities as restricted fixed asset funds. The restricted fixed asset funds are reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The net movement in funds for the Trust for the year was an increase of £9,925,000 (2013 – increase of £2,577,000), including depreciation of £2,579,000 (2013 - £2,407,000) and adjustments to pension schemes.

At 31 August 2014 the net book value of fixed assets was £73,828,000 (2013 – £62,973,000) and movements in tangible fixed assets are shown in note 13 to the accounts.

Reserves policy and financial position

Reserves policy

The Directors have reviewed the reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust currently operates on the basis that funding for exceptional repairs and the replacement of major plant and equipment will be funded by separate grants from the DFE or similar bodies. The unrestricted reserves at the year end stood at £1,403,000. Restricted reserves stood at £1,510,000, giving £2,913,000 in total. The Directors have determined that the target level of reserves, not invested in tangible fixed assets or restricted or designated for specific projects, should be a minimum of £1,500,000.

Tangible fixed assets are all held for use by the Trust.

The Trust has a number of restricted funds, the purpose of which is set out in note 17.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy and financial position (continued)

Financial position

The Trust held fund balances at 31 August 2014 of £69,099,000 (2013 – £59,174,000). This consists of unrestricted funds of £1,403,000 (2013 – £1,320,000), restricted general funds of £1,510,000 (2013 – £927,000), the Trust's fixed asset fund of £73,828,000 (2013 – £62,973,000) and the Trust's pension reserve liability of £7,642,000 (2013 – £(6,046,000)). The fund balances are currently adequate to fulfil the known obligations of the Trust.

The Trust is required to include the Local Government Pension Scheme deficit of £7,642,000 on its balance sheet although the Directors have no control over the management of the pension fund, its financial arrangements or investment decisions. The Trust is required to remain a member of the pension scheme. Additionally, the Trust will inherit the pension liability of any new schools that join the Trust, thus increasing the overall liability. The Trust accepts its financial responsibilities, subject to assurance from the Department for Education, and has fully implemented the provisions of FRS17 relating to the Pension Scheme.

The Trust has also received confirmation that, in the unlikely event that the operation of an academy ceased altogether, the Department would undertake discussions with the relevant pension authorities as to the best way in which the deficit could be dealt with, whilst having regard for those staff who are members of the scheme at the time. These discussions would also recognise that the Trust was never funded in order to meet any outstanding pension deficit. 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.

Investment policy

The Trust invests surplus funds in order to maximise interest returns with minimal risk. At least three rates are obtained competitively and sums can be invested short term on money markets or for the longer term on the money market or in bonds.

Principal risks and uncertainties

The Trust has a rolling programme of risk assessment and management through which risks across all areas of the Trust's operations are identified and managed. The risk register is reviewed twice a year by Directors and key members of staff.

STRATEGIC REPORT (continued)

Future Development

The Trust has established an outstanding group of academies within the borough of Dartford. It plans to add further Primary academies to the Dartford group but also to establish similar new clusters of academies elsewhere in the South East.

Key to success is staff leadership and management development, attracting into the Trust high quality teachers and progressing them rapidly through to middle and senior leadership roles where they add to the strengths of the Trust and all its academies. The Trust employs 12 Principals across its academies and the close collaboration of senior staff is among its greatest assets.

The Trust also benefits greatly from the contributions of its sponsors and it hopes to attract new sponsors to accelerate the development of new clusters.

AUDITOR

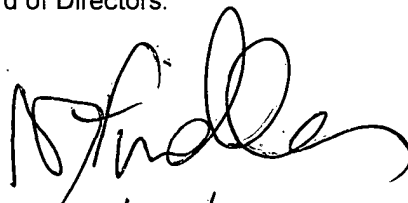
In so far as the Directors are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Directors 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.

Signed on behalf of the Board of Directors:

Mr R J Findlay
Director

Approved by the board on


16/12/10

Scope of responsibility

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

The Directors have delegated the day-to-day responsibility to the Chief Executive Officer, 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 the Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Board of Directors has formally met four times during the year. Attendance at meetings is high and Directors give of their time generously to support committee and working party meetings.

Director	Number of meetings attended	Out of a possible
Mr RJ Findlay (Chairman)	4	4
Ms A Barritte	2	4
Mr AFX Green	3	4
Mr J Kite	4	4
Professor A Reed	3	4
Mr B Webb	3	4
Professor M Went (resigned 22.01.14)	—	2
Professor T Barnes	3	4
Mrs T Davies	4	4
Mr J Dickson	4	4
Mr S Beamish	4	4
Mr G Clewes	4	4
Mr K Ellis	3	3
Mr K Dewey	1	1

Governance reviews

Leigh Academies Trust undertook a thorough review of all facets of its governance structure through the 2013 - 2014 academic year. New Terms of Reference were adopted for each board and committee, and expectations relating to all governance roles fully codified. All documents were compiled together with other valuable information into a Governors' Handbook which now forms the basis for the induction process for all new governors. In response to a growing primary sector the Trust initiated Development Groups for all academies covering the 3 - 11 age group. This allows additional and focussed scrutiny to take place around the Early Years and Foundation Stage, Key Stage 1 and Key Stage 2, with reports being presented to the respective Academy Board.

Governance statement 31 August 2014

Governance (continued)

The Resources Committee is a sub-committee of the main Trust Board. Its purpose is to make decisions which will enable compliance with Directors' approved budgets and policies, legislation and regulation. It is responsible to the Board of Directors. The Resource Committee has formally met four times during the year. Attendance at meetings in the year was as follows:

Committee Member	Number of meetings attended	Out of a possible
Mrs T Davies (Chairman)	3	4
Mr J Kite	2	4
Mr J Carter	4	4
Mrs P Cole	1	4
Mr J Dickson	3	4
Mr G Clewes	2	4
Mrs S Crocker (appointed 11 December 2013)	3	3
Mr R Spencer Tanner (appointed 11 December 2013)	3	3

The Academic Standards Committee is a sub-committee of the main Trust Board. Its purpose is to focus on delivering the Trust and Local Academy curriculum to students and ensure that quality of teaching remains high. It is responsible to the Board of Directors. The Academic Standards Committee has formally met three times during the year. Attendance at meetings in the year was as follows:

Committee Member	Number of meetings attended	Out of a possible
Professor A Reed (Chairman)	3	3
Ms A Barritte	1	3
Mr B Webb	2	3
Ms S Harris	1	3
Mrs J Gall	3	3

The Audit Committee is a sub-committee of the Members. It helps the Board oversee financial and other controls including risk management, in the context of the planned growth in the network. The committee exists to ensure probity, efficiency, and compliance with the requirements of the EFA Academies Financial Handbook. It is responsible to the Members.

The purpose of the system of internal control

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.

Governance statement 31 August 2014

Capacity to handle risk

The Board of Directors 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. The Directors are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- ◆ regular reviews by the Resources 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 Directors has considered the need for a specific internal audit function and have decided not to appoint an internal auditor, but to commission Buzzacott LLP to perform a range of checks on the Trust's financial systems. Upon receipt of their findings and recommendations, management reports to the Directors on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

Buzzacott LLP delivered their schedule of work as planned. Their findings and recommendations did not include any material control issues.

Review of effectiveness

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

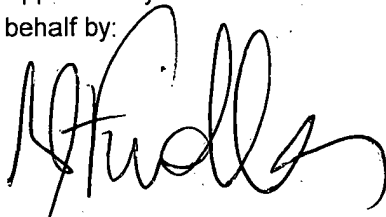
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Leadership Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

Governance statement 31 August 2014

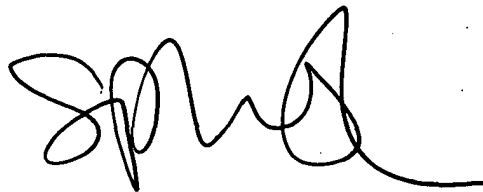
Review of effectiveness (continued)

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

Approved by order of the Board of Directors on 16 December 2014 and signed on their behalf by:



Mr R J Findlay
Chair of Board of Directors



Mr S Beamish
Chief Executive Officer
and Accounting Officer

Approved on

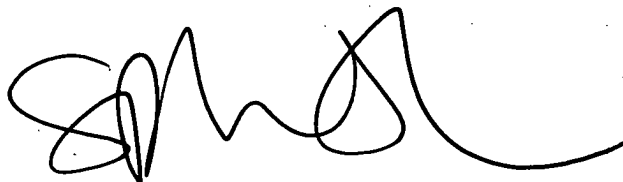
16/12/14

Statement on regularity, propriety and compliance 31 August 2014

As Accounting Officer of Leigh Academies Trust, I have considered my responsibility to notify the Trust Board and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 Directors and the EFA.



Mr S Beamish
Accounting Officer

Date:

16/12/14

Statement of directors' responsibilities 31 August 2014

The Directors (who act as trustees of the Trust for the purposes of charity law and are also the directors of the Trust for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 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 Directors to prepare financial statements for each financial year. Under company law, the Directors 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 Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

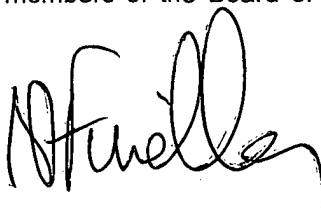
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards 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 Trust will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA have been applied for the purposes intended. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 16 December 2014 and signed on its behalf by:

Mr R J Findlay
Chair of Board of Directors



Date:

16/12/14

Independent auditor's report on the financial statements 31 August 2014

Independent auditor's report on the financial statements to the Board of Directors of Leigh Academies Trust

We have audited the financial statements of Leigh Academies Trust for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charity'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.

Respective responsibilities of Directors and auditor

The Directors act as trustees for the charitable activities of Leigh Academies Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of Directors' responsibilities set out in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Independent auditor's report on the financial statements 31 August 2014

Opinion

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

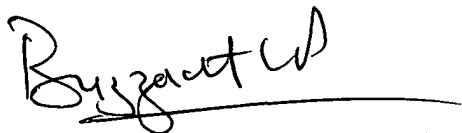
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2014

Independent reporting accountant's report on regularity 31 August 2014

Independent reporting accountant's assurance report on regularity to Leigh Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leigh Academies Trust during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Leigh Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Leigh Academies Trust's funding agreements with the Secretary of State for Education dated 1 February 2012 and 29 April 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent reporting accountant's report on regularity 31 August 2014

Approach (continued)

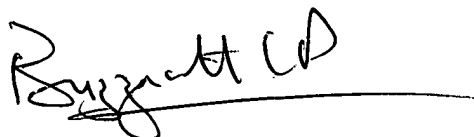
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP, Reporting Accountant
130 Wood Street
London
EC2V 6DL

17 December 2014

Statement of Financial Activities Year to 31 August 2014

		Restricted funds			2014	2013
	Notes	Unrestricted funds £'000	EFA £'000	Other £'000	Fixed assets £'000	Total Funds £'000
Incoming resources						
<i>Incoming resources from</i>						
<i>Generated funds</i>						
. Voluntary income	2	168	—	—	12	180
. Transferred from Kent County Council	19	—	—	—	—	—
. Activities for generating funds	3	316	—	—	—	316
Investment income	4	11	—	—	—	11
<i>Incoming resources from</i>						
<i>charitable activities</i>						
. Funding for the Leigh Academies Trust's educational operations	5	—	26,022	2,532	13,079	41,633
Total incoming resources		495	26,022	2,532	13,091	42,140
Resources expended						
<i>Charitable activities</i>						
. Leigh Academies Trust's educational operations	7	69	25,905	2,487	2,579	31,040
Governance costs	8	—	41	—	—	41
Total resources expended	6	69	25,946	2,487	2,579	31,081
Net incoming/(outgoing) resources before transfers						
		426	76	45	10,512	11,059
Gross transfers between funds	17	(343)	—	—	343	—
Net (outgoing) incoming resources before other recognised gains and losses						
		83	76	45	10,855	11,059
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	9,17	—	(1,134)	—	—	(1,134)
Net movement in funds		83	(1,058)	45	10,855	9,925
Balances brought forward at 1 September 2013						
		1,320	(5,872)	753	62,973	59,174
Balances carried forward at 31 August 2014						
		1,403	(6,930)	798	73,828	69,099

All of the Trust's activities derived from continuing operations during the above two financial periods. There is no difference between the net movement in funds stated above, and its historical cost equivalent. The statement of financial activities analyses all the capital and income resources and expenditures of the Trust during the year and reconciles the movements in funds.

Balance sheet 31 August 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible fixed assets	13		73,828		62,973
Investments	14		—		—
			<u>73,828</u>		<u>62,973</u>
Current assets					
Debtors	15	3,884		829	
Cash at bank and in hand		<u>5,452</u>		<u>4,645</u>	
		9,336		5,474	
Creditors: amounts falling due within one year	16	<u>(6,423)</u>		<u>(3,227)</u>	
Net current assets			<u>2,913</u>		<u>2,247</u>
Total assets less current liabilities			<u>76,741</u>		<u>65,220</u>
Pension scheme liability	9		<u>(7,642)</u>		<u>(6,046)</u>
Net assets including pension liability			<u>69,099</u>		<u>59,174</u>
Funds					
<i>Income funds</i>					
Restricted funds					
. Restricted fixed asset funds	17		73,828		62,973
. Restricted general funds	17		<u>1,510</u>		<u>927</u>
<i>Excluding pension reserve</i>			<u>75,338</u>		<u>63,900</u>
. Pension reserve	17		<u>(7,642)</u>		<u>(6,046)</u>
			<u>67,696</u>		<u>57,854</u>
Unrestricted funds					
. General fund	18		<u>1,403</u>		<u>1,320</u>
			<u>69,099</u>		<u>59,174</u>

Signed on behalf of the board of Directors by:

Mr R J Findlay

Approved by the board on

Leigh Academies Trust – Companies Registration Number 2336587 (England and Wales)

Cash flow statement Year to 31 August 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	21	1,139	2,913
Returns on investments and servicing of finance	22	11	8
Capital expenditure	23	(343)	(242)
Cash transferred from Local Authority		—	127
Increase in cash in the year	24	807	2,806
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		4,645	1,839
Net funds at 31 August 2014		5,452	4,645

Principal accounting policies 31 August 2014

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently is set out below.

Going concern

The Directors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

♦ ***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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

♦ ***Donations***

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

♦ ***Other income***

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

Incoming resources (continued)

♦ ***Donated services and gifts in kind***

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

Expenditure

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category.

♦ ***Allocation of costs***

In accordance with the Charities SORP, expenditure has been analysed between the Trust's charitable activities and governance. All of the Trust's support costs, with the exception of those disclosed separately as governance costs, have been allocated to the academy's single charitable activity, being its educational operations. Governance costs include expenditure on compliance with constitutional and statutory requirements, including internal and external audit. Other support costs have not been apportioned to governance on grounds of immateriality.

♦ ***Charitable activities***

These are costs incurred on the academy trust's educational operations.

♦ ***Governance***

Governance costs include expenditure on administration of the Trust and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

All resources expended are inclusive of irrecoverable VAT.

Funds

The unrestricted funds, being general funds, are those monies which may be used towards meeting the objectives of the Trust at the discretion of the Directors.

Restricted funds comprise grants received from the EFA to be used for specific purposes.

Fixed assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost. Assets other than land and buildings inherited on establishment of the Trust are assumed to be fully depreciated.

Principal accounting policies 31 August 2014

Fixed assets (continued)

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to restricted fixed asset funds (in the statement of financial activities and carried forward in the balance sheet) and are released to the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Equipment, other than computer equipment and IT software, costing less than £250 per individual item or groups of related items is written off in the year of acquisition. All other equipment is capitalised.

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following annual rates:

- ◆ Freehold and leasehold properties 2%
- ◆ Furniture and equipment 20%
- ◆ Computer equipment and software 20-33%
- ◆ Motor vehicles 20%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the 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.

Leased assets

Rentals payable under operating leases are charged to the Statement of Financial Activities and the income and expenditure account as incurred.

Investments

Fixed asset investments are carried at year end market value. For the company's wholly owned subsidiary this has been taken to be the cost of its share capital.

Capital expenditure

Funds received towards capital expenditure by way of grants from the government (and by private donations) are added to restricted fixed asset funds. A transfer is made to the statement of financial activities in respect of depreciation over the estimated useful lives of the fixed assets purchased.

Pension benefits

Academies Trust staff are members of one of two multi employer defined benefit pension schemes. More details of the schemes are given in note 9 to the financial statements.

Pension benefits (continued)

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, is a statutory, contributory, final salary scheme, contracted out of the State Earnings-Related Pension Scheme ('SERPS') and is administered by Teachers' Pensions on behalf of the Department for Education. The assets of TPS are held separately from those of the 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 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 quinquennial valuations using a prospective benefit method. As stated in note 9, the TPS is a multi employer scheme and the Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme on a consistent and reasonable basis. The Trust has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the year.

Local Government Pension Scheme

Non teaching members of staff are able to join the Kent County Council Local Government Pension Scheme (LGPS).

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. The Trust's share of the LGPS assets are measured at fair value as at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method and are discounted at a rate equivalent to the current rate of return on a high quality bond of equivalent term and currency to that of the liabilities. The actuarial valuations are obtained at least triennially. The amounts charged to operating surplus are the current service costs and the gains and losses on settlements and curtailments. They are included as part of the staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Principal accounting policies 31 August 2014

Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a Charitable Company for UK Corporation Tax purposes. Accordingly the Charitable Company is exempt from taxation in respect of income and 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.

Consolidation

The company qualifies for an exemption from preparing group accounts, as defined in the SORP, as the results of the subsidiary are not material to the group. The governors have taken advantage of this exemption and have not prepared group accounts.

Notes to the accounts 31 August 2014

1 General Annual Grant (GAG)

Under the funding agreements with the Secretary of State, five of the academies within the Trust were subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2014.

There were no carry forward limits for Hartley Academy.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Donations	168	12	180	90

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Rent receivable	16	—	16	31
Goals Soccer	38	—	38	29
College Fund	5	—	5	7
Music lessons	19	—	19	26
Educational consultancy	22	—	22	43
Catering	29	—	29	17
Other activities for generating funds	187	—	187	150
	316	—	316	303

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Bank interest receivable	11	—	11	8

5 Funding for the Academy Trust's Educational Operations

	Leigh Tech- nology Academy 2014 £'000	Longfield Academy 2014 £'000	Wilmington Academy 2014 £'000	Milestone Academy 2014 £'000	York Road Academy 2014 £'000	Hartley Academy 2014 £'000	Leigh UTC 2014 £'000	Total 2014 £'000	Total 2013 £'000
EFA grants									
General Annual Grant (GAG) (note 1)	8,122	6,133	4,836	2,982	1,598	1,359	—	25,030	25,744
Capital grant	29	21	21	12	8	5	—	96	77
EFA start up grants	—	—	9	—	—	—	—	9	120
Other EFA grants	303	151	147	94	71	58	159	983	467
	332	172	177	106	79	63	159	1,088	664
Total EFA grants	8,454	6,305	5,013	3,088	1,677	1,422	159	26,118	26,408
Other government grants									
Kent County Council	136	353	5	1,865	90	61	—	2,510	1,234
Kent CC Capital Grant	—	—	12,983	—	—	—	—	12,983	81
National College of School Leadership Grant	—	—	3	19	—	—	—	22	28
	136	353	12,991	1,884	90	61	—	15,515	1,343
Total incoming resources from charitable activities	8,590	6,658	18,004	4,972	1,767	1,483	159	41,633	27,751

6 Resources expended

	Staff costs £'000	Other costs £'000	Depreciation £'000	Total 2014 £'000	Total 2013 £'000
Academies Trust's education operations					
Direct costs	19,348	1,387	2,033	22,768	22,120
Allocated support costs	3,493	4,233	546	8,272	7,577
	22,841	5,620	2,579	31,040	29,697
Governance costs including allocated support costs					
	—	41	—	41	56
	22,841	5,661	2,579	31,081	29,753
Incoming resources for the year include:				2014 £'000	2013 £'000
Operating leases					
Other leases				39	41

7 Charitable activities – Academies Trust’s educational operations

	2014 Total funds £'000	2013 Total funds £'000
Direct costs		
Teaching and educational support staff costs	19,348	18,585
Depreciation	2,033	2,080
Books, apparatus and stationery	439	447
Examination fees	421	507
Educational consultancy	54	44
School trips	19	1
Music lessons	41	50
Staff development	120	125
Pupil transport	32	31
Other direct costs	261	250
	22,768	22,120
Allocated support costs		
Support staff costs	3,493	3,565
Recruitment and other staff costs	249	195
Depreciation	546	327
Books, apparatus and stationery	3	1
Staff development	19	—
Maintenance of premises and equipment	719	538
Cleaning	501	441
Rent and rates	251	217
Heat and light	548	470
Insurance	255	237
Security	38	25
Pupil recruitment and support	274	224
Catering	240	276
Technology costs	606	436
Other support costs	530	625
	8,272	7,577
	31,040	29,697

8 Governance costs

	2014 £'000	2013 £'000
Auditor's remuneration		
· Audit fees		
· Current year audit – Leigh Academies Trust	5	5
· Current year audit – The Leigh Technology Academy	6	6
· Current year audit – Longfield Academy	6	6
· Current year audit – Wilmington Academy	6	6
· Current year audit – Milestone Academy	4	4
· Current year audit – York Road Academy	4	4
· Current year audit – Hartley Academy	3	3
	<u>34</u>	<u>34</u>
· Other services		
· Tax and VAT	2	2
· Other	10	20
· Prior year's over provision	(5)	—
	<u>7</u>	<u>22</u>
	<u>41</u>	<u>56</u>

9 Staff costs

(a) Staff costs

Staff costs during the year were:

	Total 2014 £'000	Total 2013 £'000
Staff costs comprise:		
Wages and salaries	17,732	17,577
Social security costs	1,288	1,315
Pension costs	2,850	2,586
	<u>21,870</u>	<u>21,478</u>
Supply teacher costs	971	672
	<u>22,841</u>	<u>22,150</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £120,458 (2013 – £94,429). Eight of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £26,800, £10,000, £13,500, £18,700, £5,000, £8,154, £20,967, and £13,000.

9 Staff costs (continued)

(c) Staff numbers

The average numbers of persons (including senior management team) employed by the Trust during the year expressed as a full time equivalents was as follows:

	2014	2013
Average numbers of full time equivalent persons employed by the Trust during the year were:		
Teachers and educational support	456	485
Administration	106	116
Management	30	32
Total employees	592	623

(d) Higher paid staff

Twenty four employees earned more than £60,000 per annum during the year (2013 - 15). The total emoluments of these employees were in the following ranges:

	2014	2013
£60,001 - £70,000	13	2
£70,001 - £80,000	3	4
£80,001 - £90,000	5	5
£90,001 - £100,000	1	1
£100,001 - £110,000	—	3
£110,001 - £120,000	2	—

All higher paid employees are members of the defined benefit pension schemes. During the year ended 31 August 2014, pension contributions for these staff amounted to £221,971.

(e) Pension and similar obligations

There are various pension schemes available to employees of the Trust. The Teachers' Pension Scheme with additional employee contributions with Prudential Assurance, and for support staff the Local Government Pension Scheme or a personal pension scheme provided by Scottish Life. Alternately, support staff may choose to have contributions paid to their own provider for their own personal pension plan.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £311,973 were payable to the schemes at 31 August 2014 and are included within creditors.

9 Staff costs (continued)

(e) Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- ◆ total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

9 Staff costs (continued)

(e) Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

Teachers' Pension Scheme Changes

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

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

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

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

Teachers' Pension Scheme Changes (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

9 Staff costs (continued)

(e) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2013, updated to 31 August 2014 by a qualified independent actuary.

Assumptions

The major assumptions used by the actuary were:

	31 August 2014 %	31 August 2013 %
Inflation	3.5	3.7
Salary increases	4.5	5.1
Rate of discount	4.0	4.7
Rate of increase in pensions in payment and deferred pensions	2.7	2.9

Assumptions (continued)

The mortality assumptions used were as follows:

	2014 years	2013 years
Longevity at age 65 for current pensioners		
. Men	22.7	20.1
. Women	25.1	24.1
Longevity at age 65 for future pensioners		
. Men	24.9	22.1
. Women	27.4	26.0

9 Staff costs (continued)

(e) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Assumptions (continued)

The assets of the scheme and the weighted average expected rate of return were:

	Long-term rate of return expected 31 August 2014 %	Value at 31 August 2014 £'000s	Long-term rate of return expected 31 August 2013 %	Value at 31 August 2013 £'000s
Equities	6.7%	5,439	6.6%	5,310
Gilts	3.0%	98	3.5%	—
Bonds	3.6%	937	4.4%	885
Property	5.9%	812	4.6%	591
Cash	2.9%	338	0.5%	295
Target Return	5.9%	344	5.0%	295
Total assets		7,968		7,376
Present value of scheme liabilities		(15,610)		(13,422)
Deficit in the scheme		(7,642)		(6,046)

None of the fair values of the assets shown above include any of the Trust's own financial instruments or any property occupied by, or other assets used by, the Trust.

The actual return on scheme assets was £821,000 (2013 - £887,000).

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

Total expenditure recognised in the Statement of Financial Activities

	2014 £000s	2013 £000s
Current service cost (net of contributions)	1,211	1,032
Interest cost	662	445
Expected return on scheme assets	(463)	(305)
Losses (gains) curtailments and settlements	3	36
Total expenditure recognised in SOFA	1,413	1,208

9 Staff costs (continued)

(e) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Assumptions (continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is a net loss of £2,176,000 (2013 – loss of £1,042,000).

Reconciliation of opening and closing balances of the present value of the scheme liabilities were as follows:

	2014 £000s	2013 £000s
Scheme liabilities at 1 September 2013	13,422	10,572
Transfer in of liabilities	—	479
Current service cost	1,211	1,032
Interest cost	662	445
Contributions by scheme participants	286	258
Benefits paid	(189)	(92)
Actuarial losses	215	692
Curtailments and Settlements	3	36
Scheme liabilities at 31 August 2014	15,610	13,422

Contributions

The total contributions made by the employer in the year have been £951,000 (2013 - £886,000). The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 August 2014 is £880,000.

Reconciliation of opening and closing balances of the fair value of the scheme assets

	2014 £000s	2013 £000s
Fair value of scheme assets at 1 September 2013	7,376	5,435
Expected return on scheme assets	463	305
Actuarial (losses) gains	(919)	584
Contributions by employer	951	886
Contributions by scheme participants	286	258
Benefits paid	(189)	(92)
Fair value of scheme assets at 31 August 2014	7,968	7,376

Notes to the accounts 31 August 2014

11 Staff costs (continued)

(e) Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Contributions (continued)

Movement in deficit during the year

	2014 £000s	2013 £000s
Deficit at 1 September	(6,046)	(5,275)
Transfer of opening deficit (note 19)	—	(341)
Current service cost	(1,211)	(1,032)
Contributions	951	886
Interest cost	(199)	(140)
Settlements and Curtailments	(3)	(36)
Actuarial losses	(1,134)	(108)
Deficit at 31 August	(7,642)	(6,046)

	31 August 2014 £'000s	31 August 2013 £'000s	31 August 2012 £'000s	31 August 2011 £'000s	31 August 2010 £'000s
Fair value of assets	7,968	7,376	5,297	3,153	2,074
Present value of scheme liabilities	(15,610)	(13,422)	(10,572)	(4,942)	(3,199)
Deficit in scheme	(7,642)	(6,046)	(5,275)	(1,789)	(1,125)
Experience adjustment on scheme assets	(919)	584	197	58	142
Percentage of scheme assets	11.5%	7.9%	3.7%	1.8%	6.8%
Experience adjustment on scheme liabilities	821	—	—	98	—
Percentage of scheme liabilities	(5.3)%	0.0%	0.0%	2.0%	0.0%

10 Directors' remuneration and expenses

Staff Directors only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Trust in respect of their role as governors. The value of Staff Directors' remuneration was as follows:

	Year to 31 August 2014 £	Year to 31 August 2013 £
S P Beamish	£115,000 - £120,000	£95,000 - £100,000
AFX Green	£60,000 - £65,000	£105,001 - £110,000
M Poulter	—	£105,001 - £110,000

10 Directors' remuneration and expenses (continued)

Employed Directors of the Trust received payment for reimbursement of travel and subsistence expenses incurred in the course of their duties in the current year of £9,999 (2013 - £7,860). No director has any beneficial interest in any contract with the company.

11 Directors', Governors' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Directors, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The cost for 2014 was £1,600 (2013 - £1,469).

The Trust also insures against any losses of money or goods resulting from fraud or dishonesty by its employees. The cost for 2014 was £2,150 (2013 - £1,939).

12 Central services

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

- ♦ Central IT services;
- ♦ Human resources;
- ♦ Financial services;
- ♦ Legal services; and
- ♦ Educational support services.

The Trust has charged for these services on the basis of 3.0% (2013 - 3.5%) of GAG funding per Academy plus central IT costs based on the number of pupils and staff at each Academy. The actual amounts charged during the year were as follows:

	2014 £'000	2013 £'000
The Leigh Technology Academy	477	450
Longfield Academy	335	343
Wilmington Academy	266	276
Milestone Academy	198	189
York Road Academy	90	93
Hartley Academy	79	13
	1,445	1,364

13 Tangible fixed assets

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment and software £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2013	33,786	33,243	2,667	4,926	104	74,726
Additions	12,418	—	141	851	24	13,434
Disposals	—	—	(93)	(2,636)	—	(2,729)
At 31 August 2014	46,204	33,243	2,715	3,141	128	85,431
Depreciation						
At 1 September 2013	1,438	3,757	2,126	4,387	45	11,753
Charge for year	1,081	664	174	620	40	2,579
Disposals	—	—	(93)	(2,636)	—	(2,729)
At 31 August 2014	2,519	4,421	(2,207)	2,371	85	11,603
Net book values						
At 31 August 2014	43,685	28,822	508	770	43	73,828
At 31 August 2013	32,348	29,486	541	539	59	62,973

14 Investments

	2014 £	2013 £
Wholly owned subsidiary	2	2

The Trust owns 100% of the issued ordinary shares of The Leigh Enterprise Company Limited, a company incorporated in England. The principal activities of the subsidiary are the provision of commercial and community IT training as an extension of the facilities made available to students at The Leigh Technology Academy and the letting of leisure and sports facilities to the community.

A summary of the results for the year and position at the year end of The Leigh Enterprises Trading Company Limited is shown below:

	2014 £'000	2013 £'000
Turnover	180	139
Expenditure	(80)	(69)
Profit (loss) on ordinary activities before Gift Aid payment	100	70
Gift Aid payment to the Trust	(101)	(62)
Retained in subsidiary	(1)	8
Balance sheet		
Assets	163	108
Liabilities	(140)	(84)
	23	24
Represented by:		
Called up share capital	—	—
Profit and loss account	23	24
Shareholders' funds	23	24

15 Debtors

	2014 £'000	2013 £'000
Trade debtors	102	102
Other debtors	144	50
UTC Free School development debtors	1,077	8
Prepayments and accrued income	331	344
Capital WIP	872	39
VAT Recoverable	1,358	286
	3,884	829

16 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	888	692
Other creditors	280	252
Amount due to Subsidiary undertaking	1	2
UTC Free School development creditors	2,010	85
Taxation and social security	689	516
Accruals and deferred income	2,432	1,557
VAT Repayable	123	123
	6,423	3,227

	2014 £'000	2013 £'000
Deferred income at 1 September 2013	913	93
Resources deferred in the year	1,203	913
Amounts released from previous years	(731)	(93)
Deferred income at 31 August 2014	1,385	913

At the balance sheet date the Trust was holding funds received in respect of capital grants, pupil premium and other sources, which have been deferred to the financial year ending 31 August 2015.

17 Restricted funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Other adjustments £'000	Balance at 31 August 2014 £'000
Restricted EFA funds					
General Annual Grant (GAG)	—	25,030	(25,030)	—	—
Start up grants	53	9	(62)	—	—
Other funded grants	121	983	(392)	—	712
	174	26,022	(25,484)	—	712
Pension reserve	(6,046)	—	(462)	(1,134)	(7,642)
	(5,872)	26,022	(25,946)	(1,134)	(6,930)
Other					
Other government grants	753	2,532	(2,487)	—	798
Fixed assets					
Fixed asset fund	62,973	13,091	(2,579)	343	73,828
Total restricted funds	57,854	41,645	(31,012)	(791)	67,696

At 31 August 2014 the pension reserve deficit for the Leigh Technology Academy was £2,181,000, which increased by £1,382,000 during 2013/14. At 31 August 2014 the pension reserve deficit for Longfield Academy was £1,556,000, which increased £556,000 during 2013/14. At 31 August 2014 the pension reserve deficit for Wilmington Academy was £1,054,000, which decreased £330,000 during 2013/14. At 31 August 2014 the pension reserve deficit for Hartley Primary Academy was £351,000, which increased £20,000 during 2013/14. At 31 August 2014 the pension reserve deficit for York Road Academy was £648,000, which decreased £146,000 during 2013/14. At 31 August 2014 the pension reserve deficit for Milestone Academy was £1,852,000, which increased £114,000 during 2013/14.

General Annual Grant (GAG) must be used for the normal running costs of the Academy including salaries and related costs, overheads, repairs and maintenance and insurance.

General Annual Grant (GAG)

Under the funding agreements with the Secretary of State, the Trust was subject to limits on the amount of GAG that it could carry forward at 31 August 2014. Note 1 discloses whether the limit was exceeded.

Five of the Academies are allowed by EFA to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of total GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes. One Academy is not subject to a carry forward limit.

The transfers relate to fixed assets purchased from unrestricted funds and actuarial losses on defined benefit pension schemes.

Notes to the accounts 31 August 2014

17 Restricted funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	2014 £'000
The Leigh Technology Academy	-
Longfield Academy	-
Wilmington Academy	295
Milestone Academy	-
York Road Academy	-
Hartley Academy	-
Leigh UTC	-
Trust	1,215
Total before fixed assets and pension reserve	1,510
Restricted fixed asset fund	73,828
Pension reserve	(7,642)
Total	67,696

Analysis of academies by cost

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff costs £'000	Educational Supplies £'000	Other Costs (Excluding Depreciation) £'000	Total 2014 £'000
The Leigh Technology Academy	5,788	574	509	1,065	7,936
Longfield Academy	4,275	525	345	1,005	6,150
Wilmington Academy	3,440	400	239	722	4,801
Milestone Academy	3,659	282	165	492	4,598
York Road Academy	1,164	225	58	214	1,661
Hartley Academy	1,022	151	63	204	1,440
Leigh UTC	—	74	—	135	209
Trust	—	1,262	8	437	1,707
	19,348	3,493	1,387	4,274	28,502

18 Unrestricted funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
General funds	1,320	495	(69)	(343)	1,403

19 Funds transferred from Kent County Council

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	2014 £'000	2013 £'000
Hartley Primary Academy					
Fixed assets	—	—	—	—	4,500
Cash at bank and in hand	—	—	—	—	127
Pension scheme liability	—	—	—	—	(341)
	—	—	—	—	4,286

As at 1 May 2013, the Hartley Primary Academy became part of the Leigh Academies Trust. The funds shown above were transferred from Kent County Council to the Trust.

20 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £'000	Restricted general Funds £'000	Restricted fixed asset fund £'000	Total £'000
Tangible fixed assets	—	—	73,828	73,828
Current assets	1,403	7,933	—	9,336
Current liabilities	—	(6,423)	—	(6,423)
<i>Excluding pension liability</i>	1,403	1,510	73,828	76,577
Pension scheme liability	—	(7,642)	—	(7,642)
	1,403	(6,132)	73,828	69,099

21 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2014 £'000	2013 £'000
Surplus on continuing operations	11,059	2,685
Depreciation (note 13)	2,579	2,407
Capital grants from DfE and other capital income	(108)	(209)
Building transferred from Local Authority	(12,983)	(4,500)
Cash transferred from Local Authority	—	(127)
Pension Liability transferred from Local Authority	—	341
Interest receivable (note 4)	(11)	(8)
FRS 17 pension cost less contributions payable (note 9)	260	146
FRS 17 pension finance income (note 9)	199	140
Losses on curtailments and settlements	3	36
(Increase) decrease in debtors	(3,055)	982
Increase in creditors	3,196	1,020
Net cash inflow from operating activities	1,139	2,913

22 Returns on investments and servicing of finance

	2014 £'000	2013 £'000
Interest received	11	8
Net cash inflow from returns on investment and servicing of finance	11	8

23 Capital expenditure and financial investment

	2014 £'000	2013 £'000
Purchase of tangible fixed assets	(451)	(451)
Capital grants received	108	77
Capital funding received from sponsors and others	—	132
Net cash outflow from capital expenditure and financial investment	(343)	(242)

24 Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	4,645	807	5,452

25 Operating lease commitments

At 31 August 2014 the Leigh Academies Trust had commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Operating leases which expire:		
. Within two to five years	41	39
	41	39

26 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Trust shall, if it does not reinvest the proceeds, repay to the Secretary of State for Schools, Children and Families the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreements, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- (a) The value at the time of the Academies' sites and premises and other assets held for the purpose of the Trust; and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

27 Related party transactions

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

During the year ended 31 August 2014, staff costs of £44,768 (2013 - £34,410) were receivable by Leigh Academies Trust from The Leigh Enterprise Company Ltd. In addition, the Leigh Enterprise Company Ltd paid Leigh Academies Trust £101,374 as a gift aid donation in respect of the year ended 31 August 2014 and £62,101 in respect of the year ended 31 August 2013. At 31 August 2014 £10,926 (2013 - £9,868) of trade creditors and £11,265 (2013 - £nil) of accruals was owed to Leigh Academies Trust by The Leigh Enterprise Company Ltd.

Kent and Medway Training (KMT) is a school-centred initial teacher training programme which is run as a partnership between 26 schools. S Beamish, CEO of the Leigh Academies Trust is Chairman of KMT and KMT operates from the Leigh Academies site. During the year ended 31 August 2014 KMT was charged with rent of £20,000 (2013 - £20,000) and £128,591 (2013 - £63,181) in recharged salaries. As at 31 August 2014 KMT owed Leigh Academies Trust £26,238 (2013 - £14,932).

During the year ended 31 August 2014, Leigh Academies Trust was charged £23,059 (2013 - £2,723) by C E Burch Services for premises and maintenance work. At the year end £nil (2013 - £nil) was due to the company. C E Burch, owner of the company, is a Governor at one of the Trust's academies.

During the year ended 31 August 2014, Leigh Academies Trust was charged £11,917 (2013 - £nil) by K M Group for advertising. G Allinson, a governor at one of the Trust's academies, is a shareholder of K M Group.

28 Events after the balance sheet date

After the year end, both Stationers' Crown Woods Academy and The Leigh UTC opened in September 2014. In addition, St Alban's Road Infants and Nursery School joined the Trust at the beginning of November 2014.

Stationers' Crown Woods Academy is subject to a contract under the Private Finance Initiative (PFI). Under this contract the Academy premises are maintained and managed for a period of 25 years by the PFI-Contractor subject to contractual annual fees paid by the Academy. Upon expiry of the PFI contract, the residual benefit of the premises passes to the Academy as a result of a 125 year lease granted to the Academy.

In future financial periods, these transactions will be accounted for as a leasing transaction. As the Academy only enjoys the benefit of the Premises subject to the restrictions under the PFI agreement, in the opinion of the Board of Directors, the Academy does not hold substantially all of the risks and rewards of ownership of the premises and the property will therefore be accounted for as an operating lease. The premises will not therefore be recognised as an asset in the Trust's financial statements. The annual charges under the PFI agreement are subject to fixed formula but will vary over time.