

Registered number: 08182235

LDBS ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

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LDBS ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Trustees	Dr T J Coulson (appointed 3 September 2012) Mr D Cumberland (appointed 3 September 2012) ¹ Mrs G M Dale-Skey (appointed 1 September 2012) ¹ Mrs M Gordon (appointed 3 September 2012) A Hassan (appointed 3 September 2012) Mr C G Pope (appointed 16 August 2012) ¹ Ms E Wolverson, Chief Executive (appointed 16 August 2012) Mr I Woolf (appointed 16 August 2012) ¹ members of the Audit committee
Company registered number	08182235
Principal and registered office	London Diocesan Board For Schools London Diocesan House 36 Causton Street London SW1P 4AU
Company secretary	Miss F N Nwanodi
Senior management team	Mr Simon Knowles, •Executive Headteacher, Holy Trinity Church of England Primary School, Tottenham Mrs Linda Sarr, •Executive Headteacher, St Ann's Church of England Primary School, Tottenham and St Michael's Church of England School, Wood Green Mrs Sharon Easton, •Headteacher, St Paul's & All Hallows Church of England Infant & Nursery School, Tottenham Mrs Sharon Easton, •Headteacher, St Paul's & All Hallows Church of England Junior School, Tottenham Ms Hannah Scrase, •Head of School, Holy Trinity Church of England Primary School, Tottenham Mr Mark Lancaster, •Head of School, St Ann's Church of England Primary School, Tottenham Ms Emma Grohmann, •Head of School, St Michael's Church of England Primary School, Wood Green Ms Susan Ihua-Maduenyi, •Deputy Headteacher, St Paul's & All Hallows Church of England Infant & Nursery School, Tottenham Ms Julie Belton, •Deputy Headteacher, St Paul's & All Hallows Church of England Junior School, Tottenham
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank plc 98 Victoria Street London London

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
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Advisers (continued)

Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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LDBS ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of LDBS Academies Trust (the academy) for the period ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The directors of LDBS Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as LDBS Academies Trust.

Details of the directors who served during the year are included in the Reference and Administrative Details. The LDBS Academies Trust trades as:

- Holy Trinity Church of England Primary School
- St Ann's Church of England Primary School
- St Michael's Church of England Primary School
- St Paul's & All Hallows Church of England Infant & Nursery School
- St Paul's & All Hallows Church of England Junior School

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The members of the LDBS Academies Trust comprise of the following:

- the London Diocesan Board for Schools, and
- the London Diocesan Fund
- Mr Inigo Woolf

There is also provision in the company's Articles of Association for one person to be appointed as a member by the Secretary of State.

The directors of the LDBS Academies Trust shall comprise of no less than 3 persons with appointments made as follows:

- Members may appoint such number of directors as they see fit.
- The Chief Executive if appointed.
- The Secretary of State may appoint up to 2 directors.
- Directors may appoint staff directors provided that the total number of directors including the Chief Executive who are employees of the company does not exceed one third of the total number of directors.
- Directors who have not been co-opted as directors may appoint up to 3 co-opted directors
- If the directors have not appointed Local Governing Bodies in respect of the academies, 2 parent directors shall be elected by parents of pupils registered at the academies. (At present this does not apply.)

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

The term of office of all directors, excluding the Chief Executive or any other director who serves in an executive capacity, is 4 years. Any director may be re-appointed or re-elected providing they remain eligible to be a particular type of director.

The LDBS Academies Trust's approach on recruiting new directors is to ensure that there is an appropriate mixture of skills and experience which is related to the work of schools but also rooted in the world outside. Directors are expected to share our passion for education and for improving the life chances of the children in the schools in the Trust.

There was a clear rationale to the LDBS Academies Trust's appointments of directors and if there were a need to make new appointments the LDBS Academies Trust would seek to appoint on a similar basis. Directors' appointments were based on a consideration of the necessary skills and experience that needed to be present within the LDBS Academies Trust Board to enable the Board to meet the needs of a newly established multi-academy trust and its network of schools, and ensure best practice governance was established from the outset. Members sought out to appoint a director with a strong financial background and experience of Human Resources procedures. Members considered it was important that the LDBS Academies Trust was able to be in the forefront of educational initiatives and looked for someone from a university background that also had experience of governing an academy. Members looked for someone holding a senior position in a local authority that could ensure that the LDBS Academies Trust did not omit any of the legal duties required of academies and could point out the pitfalls the LDBS Academies Trust could fall into. Members appointed a Head from an outstanding school and a retired Head with a strong track record of transforming schools in difficulties. Members then looked for someone who was a priest and understood the ethos the LDBS Academies Trust was seeking to establish and had many decades of experience as a governor and had been used to being moved into schools that were in difficulties in order to work with a head and sort out the problems.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Directors have established guidance for the induction and training of directors. The approach taken is to develop a flexible and tailored induction plan that takes into account a new director's skills and experience and identifies areas that need to be strengthened so that the new director can become as effective as possible in their role within the shortest practicable time.

The induction process aims to achieve the following:

- a) build an understanding of the nature of the LDBS Academies Trust, its schools and the communities in which it operates;
- b) build a link with the Trust's staff;
- c) build an understanding of the Trust's main relationships;
- d) ensure an understanding of the role of a director; and
- e) ensure an understanding of the framework within which the board operates.

Directors receive briefings at board meetings about educational developments and other matters affecting the communities within which the LDBS Academies Trust schools operate. Directors visit the LDBS Academies Trust schools to see the schools in action and participate in school-based activities. These activities help the directors to keep abreast of changes pertinent to the board's work.

Also, the LDBS Academies Trust has instigated an annual board evaluation process. Any training needs identified from the board evaluation process are timetabled into the board's annual work plan, the Audit committee's annual work plan or, where applicable, into a director's personal training and development plan.

e. ORGANISATIONAL STRUCTURE

The organisational structure of the LDBS Academies Trust consists of five levels:

- i) The board of directors
- ii) The chief executive
- iii) The local governing bodies

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

- iv) The (Executive) Headteachers of the LDBS Academies Trust Schools
- v) The senior leadership teams of the LDBS Academies Trust Schools

The board of directors is responsible for:

- setting the strategic direction and standards required for the LDBS Academies Trust;
- ensuring statutory policies are in place;
- approving the annual budget for the Trust as a whole;
- ensuring that adequate financial systems and controls are in place;
- entering into contracts with a value greater than £10,000 and
- recruiting and carrying out the performance management of (Executive) Headteachers.

The chief executive is the accounting officer of the LDBS Academies Trust. The chief executive is responsible for:

- managing the daily operations of the LDBS Academies Trust;
- ensuring the Trust's resources are used in accordance with the policies and procedures set by the board of directors;
- liaising with the (Executive) Headteachers and
- ensuring that the board of directors receive accurate information in a timely manner for an effective decision making process.

The directors appoint the (Executive) Headteachers and together with a member of the local governing body (LGB) undertake performance management. The directors appoint some of the governors of the LGB and also appoint the Chair of each LGB. The effectiveness of the LGB is reviewed annually and when necessary changes are made. The LGB meets monthly and the minutes are scrutinised by the directors. Each term the (Executive) Headteachers write a report which goes to the LGB and to the directors. The board monitors the LGB reaction to the report and checks that they have acted as a critical friend, where that has not been the case the LGB has had an enforced change of personnel and Chair.

In accordance with the company's constitution the power of delegation from the LDBS Academies Trust to the LGBs is through each local governing body's scheme of delegation which also includes a delegation checklist outlining where responsibility for making decisions rests. There is a system of earned autonomy, the powers delegated to each local governing body can be varied depending on the effectiveness of the LGB and the school's performance.

LGBs are responsible for:

- holding the (Executive) Headteachers to account;
- monitoring the implementation of policies set by the board of directors;
- appointing Deputy Headteachers subject to the agreement of the directors;
- appointing other staff
- working with the (Executive) Headteachers to develop the school development plan and the self-evaluation form;
- monitoring the condition of the buildings and planning improvements and maintenance;
- monitoring and approving the annual budget; and
- entering into contracts under the value of £10,000.

(Executive) Headteachers are responsible for:

- the daily management of LDBS Academies Trust schools;
- implementing the policies and procedures set by the board of directors and / or local governing bodies;
- supporting the local governing body in their work;
- preparing the school development plan and the self-evaluation form with LGB
- appointing staff; and
- authorising spending on items included in the annual budget plan within agreed limits.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The London Diocesan Board for Schools is a member of the LDBS Academies Trust, and as such, has an impact on the operating policies of the Trust.

The Trust's schools work with other diocesan schools in close co-operation sharing training and diocesan wide initiatives.

Grow Education Partners limited, the trading subsidiary of the London Diocesan Board for Schools, provides a number of services to the Academy Trust including school improvement.

g. RISK MANAGEMENT

Directors are responsible for identifying risks faced by the LDBS Academies Trust, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and of the implications of failing to implement them.

Directors have established a system to identify and assess risks faced by the LDBS Academies Trust. These risks have been analysed in terms of their potential impact and probability of occurring. Mitigating measures have been identified and implemented. Responsibility for monitoring the identified risks has been assigned to either officers or directors. This information is summarised within the LDBS Academies Trust's Risk Register which has been shared with LDBS Academies Trust schools and local governing bodies, with their feedback being taken into consideration.

The key risks that directors have identified relate primarily to the areas of governance and school development with respect to ensuring there are sufficient experienced senior managers, headteachers and governors within the Trust to provide high quality leadership, strategic direction and effective operational oversight. Directors are implementing policies to develop, retain and recruit suitably skilled people to limit the possible impact of these risks.

The Audit committee is responsible for monitoring the company's Risk Register on behalf of the Board of Directors whilst the Chief Executive is responsible for ensuring the procedures that have been established to manage the risks identified by the directors are being implemented.

h. TRUSTEES' INDEMNITIES

The LDBS Academies Trust has in place an indemnity policy in accordance with paragraph 136 of its Articles of Association that state, 'Subject to the provisions of the Companies Act 2006 every Director or other officer or auditor of the Company and every member of any Local Governing Body (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.'

i. PRINCIPAL ACTIVITIES

The LDBS Academies Trust's principal activity is to establish, maintain, manage and develop Church of England schools that offer a broad and balanced curriculum and are conducted in accordance with the principles, practices and tenets of the Church of England.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Objectives and Activities

a. OBJECTS AND AIMS

The LDBS Academies Trust's principal activity for the public benefit of education is to establish, maintain, manage and develop Church of England schools that offer a broad and balanced curriculum and are conducted in accordance with the principles, practices and tenets of the Church of England. Moreover, in relation to arranging for religious education and daily acts of worship, the LDBS Academies Trust's schools have regard to any advice issued by the London Diocesan Board for Schools.

In areas where there are LDBS Academies Trust schools, the Trust will seek to promote, where appropriate, the provision of facilities for recreation or other leisure time occupation of local residents who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the local residents.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the Trust for the period ended 31st August 2013 are summarised below:

- Establish a multi-academy trust
- Set up the necessary systems and support structures for the schools joining the Trust
- Support the conversion of five CE Primary schools to academies to join the Trust
- Develop and implement action plans for the schools within the Trust to support their school development process
- Ensure that the schools provide a high quality education for all of the children

c. PUBLIC BENEFIT

The directors have referred to the Charity Commission guidance on public benefit when reviewing the company's objectives and aims and planning future activities and consider that the company's aims are for the public benefit.

Achievements and performance

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

During 2013 five Church of England (CE) Primary schools in the London Borough of Haringey converted to academies and joined the Trust. On 1st January 2013 the following schools all converted to academies and joined the Trust:

- St Ann's CE Primary school, Tottenham;
- St Michael's CE Primary school, Wood Green;
- St Paul's and All Hallows' Infant and Nursery school, Tottenham; and
- St Paul's and All Hallows' Junior school, Tottenham.

The Green CE Primary school, Tottenham changed its name to Holy Trinity CE Primary school and joined the Trust on 1st February 2013.

Each term the schools receive a quality assurance visit from a retired HMI, (Her Majesty's Inspector of Schools), to ensure that teaching and learning is being delivered to high standards. In schools that are not good or outstanding there are two visits a term. This provides an opportunity for high quality continuing professional development for senior staff but also is the basis for deciding on training and support priorities for the individual schools.

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In July 2013 St Paul's and All Hallows' Infant and Nursery school and St Paul's and All Hallows' Junior school both underwent Ofsted inspections which resulted in both being graded as 'Good'.

a. GOING CONCERN

After making appropriate enquiries, the board of directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The 2012/13 financial year was a shortened year for the LDBS Academies Trust with 4 schools converting on 1st January 2013 and the fifth being sponsored and opening on 1st February 2013. Surplus funds brought to the Trust on conversion were £99,745. The financial position at year end 31st August 2013 showed the Trust having a surplus of £119,920. This surplus consisted of an in-year surplus on both restricted £42,291 and unrestricted funds £77,629. The fixed asset element of the restricted fund showed a surplus of £113,869. There was limited depreciation as the majority of assets were new to the Trust in the later part of the year. Two schools had successful applications – roofing, security, oil storage - to the Academies Capital Maintenance Fund for a total of £128,362 .

a. PRINCIPAL RISKS AND UNCERTAINTIES

The 5 schools that currently make up the Trust are all located in the London Borough of Haringey which is in a transition period regarding funding of the Early Years provision. Schools that have a nursery attached will see funding reduced over the next 2 years as the local authority makes adjustments to the full time nursery place allocation that schools have historically had, and the subsequent take up of part-time places. There is also the unknown future of government funding post 2015 ie Pupil Premium.

b. RESERVES POLICY

The Academy Trust aims to build up unrestricted reserves to between £200,000 and £300,000 so as to be able to respond to unforeseen items of expenditure which may arise from time to time.

Plans for the future

a. FUTURE DEVELOPMENTS

The LDBS Academies Trust believes that every child is unique and must be given the chance to flower in a healthy, safe and secure environment and have their individual skills, talents and spiritual development nourished so that they bloom and prosper, enriched by life-long learning and service to others which will offer each one the opportunity to experience life in all its fullness. Moreover the Trust is open to working with both Church of England and Community schools that are seeking to convert to academies. The Trust's primary aim is to deliver excellent education to all of its existing and future pupils.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

The Trust's plans for the future are to:

- support present LDBS Academies Trust schools to improve levels of pupils attainment and progress and the quality of teaching and learning;
- enable the Trust's schools to implement action plans based on their latest Ofsted inspection reports;
- consolidate and improve on the quality of internal systems and support structures for schools joining the Trust;
- collaborate with Church of England and Community schools that are seeking to convert to academies and join the Trust; and
- develop the Trust's governance and management structures to accommodate the Trust's projected future growth.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees on 9 December 2013 and signed on its behalf by:



Dr T J Coulson
Chair of Trustees



Ms E Wolverson
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the chief executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between LDBS Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 12 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dr T J Coulson	9	12
Mr D Cumberland	11	12
Mrs G M Dale-Skey	9	12
A Hassan	7	12
Mrs M Gordon	11	12
Mr C G Pope	9	12
Mr I Woolf	9	12
Ms E Wolverson, Chief Executive	12	12

The **Audit Committee** is also a sub-committee of the main board of trustees. The audit committee was established in May 2013 and its main responsibilities include:

- reviewing the body's internal and external financial statements and reports to ensure that they reflect best practice;
- reviewing the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- ensuring appropriate procedures are in place for whistleblowing, including making sure that all staff are aware to whom they can report their concerns;
- developing, reviewing and monitoring the academy Trust's risk register;
- reviewing the reports of the Auditor and the Responsible Officer on the effectiveness of the financial procedures and controls. (These reports must also be reported to the full Board of Directors.)

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G M Dale-Skey	1	1
Mr D Cumberland	1	1
Mr C G Pope	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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GOVERNANCE STATEMENT (continued)

and economically. The system of internal control has been in place in LDBS Academies Trust for the period 16 August 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 16 August 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on 9 December 2013 and signed on their behalf, by:



Dr T J Coulson
Chair of Trustees



Ms E Wolverson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of LDBS Academies Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Ms E Wolverson
Accounting Officer

Date: 9 December 2013

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 9 December 2013 and signed on its behalf by:



Dr T J Coulson
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LDBS ACADEMIES TRUST

We have audited the financial statements of LDBS Academies Trust for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LDBS ACADEMIES TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Mr A C Crawford (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 25/12/13

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LDBS
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 09/11/2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Academies Trust during the period 16 August 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LDBS Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LDBS Academies Trust and 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 LDBS Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LDBS ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of LDBS Academies Trust's funding agreement with the Secretary of State for Education dated 31/12/2012, and the Academies Financial Handbook extant from 2006, 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. 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 16 August 2012 to 31 August 2013 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 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.

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LDBS
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 16 August 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 29.12.13

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer from local authority on conversion	2	99,745	-	100,000	199,745
Activities for generating funds	3	37,269	116,784	-	154,053
Investment income	4	532	-	-	532
Incoming resources from charitable activities	5	-	4,137,109	105,387	4,242,496
Other incoming resources	6	-	88,322	-	88,322
TOTAL INCOMING RESOURCES		137,546	4,342,215	205,387	4,685,148
RESOURCES EXPENDED					
Charitable activities		6,140	4,243,870	21,380	4,271,390
Governance costs	7	-	59,547	-	59,547
TOTAL RESOURCES EXPENDED	10	6,140	4,303,417	21,380	4,330,937
NET INCOMING RESOURCES BEFORE TRANSFERS		131,406	38,798	184,007	354,211
Transfers between Funds	20	(53,777)	15,493	38,284	-
NET INCOMING RESOURCES BEFORE REVALUATIONS		77,629	54,291	222,291	354,211
Defined benefit pension scheme transfer on conversion		-	(685,000)	-	(685,000)
Actuarial gains and losses on defined benefit pension schemes		-	(57,000)	-	(57,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		77,629	(687,709)	222,291	(387,789)
Total funds at 16 August 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		77,629	(687,709)	222,291	(387,789)

All of the academy's activities derive from acquisitions in the current financial period.

The notes on pages 21 to 39 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	2013 £	£
FIXED ASSETS			
Tangible assets	17		222,291
CURRENT ASSETS			
Debtors	18	385,457	
Cash at bank and in hand		1,036,179	
		1,421,636	
CREDITORS: amounts falling due within one year	19	(1,301,716)	
NET CURRENT ASSETS			119,920
TOTAL ASSETS LESS CURRENT LIABILITIES			342,211
Defined benefit pension scheme liability	27		(730,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			(387,789)
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	20	42,291	
Restricted fixed asset funds	20	222,291	
Restricted funds excluding pension liability		264,582	
Pension reserve		(730,000)	
Total restricted funds			(465,418)
Unrestricted funds	20		77,629
TOTAL DEFICIT			(387,789)

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2013 and are signed on their behalf, by:



Dr T J Coulson
Chair of Trustees



Ms E Wolverson
Trustee

The notes on pages 21 to 39 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	2013 £
Net cash flow from operating activities	22	1,179,318
Returns on investments and servicing of finance	23	532
Capital expenditure and financial investment	23	(143,671)
INCREASE IN CASH IN THE PERIOD		1,036,179

All of the cash flows are derived from acquisitions in the current financial period.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013**

	2013 £
Increase in cash in the period	1,036,179
MOVEMENT IN NET FUNDS IN THE PERIOD	1,036,179
NET FUNDS AT 31 AUGUST 2013	1,036,179

The notes on pages 21 to 39 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

All of the academy's buildings are leased from the Diocese on two year rolling supplemental agreements. The Directors have thus allocated a zero value to these buildings in the accounts.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% Straight Line
Computer equipment	-	20% Straight Line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. Accounting Policies (continued)

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from London Borough of Haringey to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for LDBS Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. Accounting Policies (continued)

1.11 Donated services and gifts in kind

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

2. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer from local authority on conversion	99,745	100,000	199,745
	<hr/>	<hr/>	<hr/>
Voluntary income	99,745	100,000	199,745
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Catering	-	89,668	89,668
Letting	3,610	-	3,610
Nursery	-	18,497	18,497
Other income	33,659	-	33,659
Trips	-	8,619	8,619
	<hr/>	<hr/>	<hr/>
	37,269	116,784	154,053
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	532	-	532
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

5. Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	3,367,366	3,367,366
Other DfE/EFA grants	-	109,022	109,022
Pupil Premium	-	222,028	222,028
Early years funding	-	205,094	205,094
Start-up grants	-	65,000	65,000
	-	3,968,510	3,968,510
Other grants			
SEN funding	-	109,999	109,999
Greig Trust grants	-	55,333	55,333
Other grants	-	3,267	3,267
	-	168,599	168,599
Capital funding			
Devolved formula capital	-	50,104	50,104
Capital grants	-	55,283	55,283
	-	105,387	105,387
	-	4,242,496	4,242,496

6. Other incoming resources

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Insurance claims	-	88,322	88,322

7. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	23,750	23,750
Governance expense	-	8,772	8,772
Legal & professional	-	27,025	27,025
	-	59,547	59,547

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

8. Direct costs

	Activities £	Total 2013 £
Educational supplies	50,723	50,723
Staff development	76,511	76,511
Other direct costs	113,950	113,950
Agency supply	151,249	151,249
Trips	33,606	33,606
Wages and salaries	1,967,447	1,967,447
National insurance	160,908	160,908
Pension cost	292,544	292,544
Depreciation	21,380	21,380
	<u>2,868,318</u>	<u>2,868,318</u>

9. Support costs

	Activities £	Total 2013 £
LGPS costs	14,000	14,000
Recruitment and support	730	730
Maintenance of premises and equipment	170,135	170,135
Cleaning	10,504	10,504
Rent & rates	6,020	6,020
Light & heat	41,692	41,692
Insurance	87,829	87,829
Security & transport	8,586	8,586
Catering	214,370	214,370
Computer costs	72,268	72,268
Printing, postage and stationery	17,342	17,342
Legal & professional	48,861	48,861
Other support costs	69,304	69,304
Agency supply	46,658	46,658
Professional fees	155,564	155,564
Uniform	11,510	11,510
Wages and salaries	352,062	352,062
National insurance	17,923	17,923
Pension cost	57,714	57,714
	<u>1,403,072</u>	<u>1,403,072</u>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

10. Analysis of resources expended by expenditure type

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £
Direct costs	2,420,899	21,380	426,039	2,868,318
Support costs	427,699	-	975,373	1,403,072
Charitable activities	2,848,598	21,380	1,401,412	4,271,390
Governance	-	-	59,547	59,547
	2,848,598	21,380	1,460,959	4,330,937

11. Net incoming resources

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets: - owned by the charity	21,380
Auditors' remuneration	23,750

12. Auditors' remuneration

	2013 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	12,800
Fees payable to the academy's auditor and its associates in respect of:	
Internal audit services	5,850
All other non-audit services not included above	3,900
	2013 £
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of:	
The auditing of accounts of the scheme(s)	1,200

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

13. Staff costs

Staff costs were as follows:

	2013 £
Wages and salaries	2,319,509
Social security costs	178,831
Other pension costs (Note 27)	350,258
	<hr/>
Supply teacher costs	2,848,598
	197,907
	<hr/> <hr/>
	3,046,505

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	2013 No.
Teaching staff	63
Support staff	105
Management	11
	<hr/>
	179
	<hr/> <hr/>

No employee received remuneration amounting to more than £60,000 in the eight month period ending 31 August 2013.

14. Central services

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

- Central administrative staff

The academy charges for these services on the following basis:

5% of GAG income

The actual amounts charged during the year were as follows:

	2013 £
St Ann's	40,190
St Michaels	35,576
St Paul's Infants	41,678
St Paul's Junior	38,050
Holy Trinity	34,198
	<hr/>
Total	189,692
	<hr/> <hr/>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

15. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was included in the total insurance cost.

16. Other finance income

	2013 £
Expected return on pension scheme assets	40,000
Interest on pension scheme liabilities	(54,000)
	<u>(14,000)</u>

17. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
Transferred on conversion	100,000	-	100,000
Additions	40,254	103,417	143,671
At 31 August 2013	<u>140,254</u>	<u>103,417</u>	<u>243,671</u>
Depreciation			
Charge for the period	8,819	12,561	21,380
At 31 August 2013	<u>8,819</u>	<u>12,561</u>	<u>21,380</u>
Net book value			
At 31 August 2013	<u>131,435</u>	<u>90,856</u>	<u>222,291</u>

18. Debtors

	2013 £
Trade debtors	86,235
VAT repayable	57,586
Other debtors	99,745
Prepayments and accrued income	141,891
	<u>385,457</u>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

	2013 £
Trade creditors	500,712
Payroll creditor	775,156
Other creditors	13,968
Accruals	11,880
	<u>1,301,716</u>

20. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	-	137,546	(6,140)	(53,777)	-	77,629
Restricted funds						
General Annual Grant (GAG)	-	3,367,366	(3,340,568)	15,493	-	42,291
Pupil Premium	-	222,028	(222,028)	-	-	-
Other DfE/EFA grants	-	314,115	(314,115)	-	-	-
SEN funding	-	109,999	(109,999)	-	-	-
Other grants	-	123,600	(123,600)	-	-	-
Generated income	-	205,107	(205,107)	-	-	-
Pension reserve	-	-	12,000	-	(742,000)	(730,000)
	<u>-</u>	<u>4,342,215</u>	<u>(4,303,417)</u>	<u>15,493</u>	<u>(742,000)</u>	<u>(687,709)</u>
Restricted fixed asset funds						
Assets held for depreciation	-	100,000	(21,380)	143,671	-	222,291
Capital income	-	105,387	-	(105,387)	-	-
	<u>-</u>	<u>205,387</u>	<u>(21,380)</u>	<u>38,284</u>	<u>-</u>	<u>222,291</u>
Total restricted funds	<u>-</u>	<u>4,547,602</u>	<u>(4,324,797)</u>	<u>53,777</u>	<u>(742,000)</u>	<u>(465,418)</u>
Total of funds	<u>-</u>	<u>4,685,148</u>	<u>(4,330,937)</u>	<u>-</u>	<u>(742,000)</u>	<u>(387,789)</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

20. Statement of funds (continued)

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

St Ann's	(7,138)
St Michaels	9,948
St Paul's Infants	109,296
St Paul's Junior	3,244
Holy Trinity	465
Central services	4,105
Total before fixed asset fund and pension reserve	119,920
Restricted fixed asset fund	222,291
Pension reserve	(730,000)
Total	(387,789)

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
St Ann's	7,138

The deficit has occurred due to St Anne's not receiving funds from Haringey which were expected for self-funding projects and outstanding VAT pre conversion which the academy cannot now reclaim.

The academy is taking the following action to return the academy to surplus:

As the projects which led to this deficit are self-funding and over the course of a year will break even this deficit is a one off occurrence. It is expected that a budgeted in year surplus next year will eliminate the deficit brought forward.

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20. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support costs £	Other staff support costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Ann's	571,886	85,515	8,620	284,200	950,221
St Michael's	475,284	71,491	2,350	239,366	788,491
St Paul's Infants	511,585	80,851	9,351	150,425	752,212
St Paul's Junior	536,833	38,995	16,475	253,184	845,487
Holy Trinity	325,311	86,327	1,383	328,665	741,686
Central services	-	64,520	12,544	169,482	246,546
	<u>2,420,899</u>	<u>427,699</u>	<u>50,723</u>	<u>1,425,322</u>	<u>4,324,643</u>

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	137,546	(6,140)	(53,777)	-	77,629
Restricted funds	-	4,342,215	(4,303,417)	15,493	(742,000)	(687,709)
Restricted fixed asset funds	-	205,387	(21,380)	38,284	-	222,291
	<u>-</u>	<u>4,685,148</u>	<u>(4,330,937)</u>	<u>-</u>	<u>(742,000)</u>	<u>(387,789)</u>

21. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	222,291	222,291
Current assets	876,874	544,762	-	1,421,636
Creditors due within one year	(799,245)	(502,471)	-	(1,301,716)
Provisions for liabilities and charges	-	(730,000)	-	(730,000)
	<u>77,629</u>	<u>(687,709)</u>	<u>222,291</u>	<u>(387,789)</u>

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22. Net cash flow from operations

	2013 £
Net incoming resources before revaluations	354,211
Returns on investments and servicing of finance	(532)
Assets on conversion	(100,000)
Depreciation of tangible fixed assets	21,380
Increase in debtors	(385,457)
Increase in creditors	1,301,716
FRS 17 adjustments	(12,000)
Net cash inflow from operations	1,179,318

23. Analysis of cash flows for headings netted in cash flow statement

	2013 £
Returns on investments and servicing of finance	
Interest received	532
	2013 £
Capital expenditure and financial investment	
Purchase of intangible fixed assets	(143,671)

24. Analysis of changes in net funds

	16 August 2012 £	Cash flow £	31 August 2013 £
Cash at bank and in hand:	-	1,036,179	1,036,179
Net funds	-	1,036,179	1,036,179

25. Conversion to an academy trust

On 01/01/2013 St Ann's, St Michaels, St Paul's Infants, St Paul's Junior and The Green School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to LDBS Academies Trust from London Borough of Haringey for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

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	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other tangible fixed assets	-	-	100,000	100,000
Budget surplus/(deficit) on LA funds	99,745	-	-	99,745
LGPS pension surplus/(deficit)	-	(685,000)	-	(685,000)
Net assets/(liabilities)	<u>99,745</u>	<u>(685,000)</u>	<u>100,000</u>	<u>(485,255)</u>

The above net assets include £99,745 that were transferred as cash.

26. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

27. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). 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.

The Teachers' Pension Budgeting and Valuation Account

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.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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.

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27. Pension commitments (continued)

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.

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £196,000, of which employer's contributions totalled £157,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 23.1% for employers and a variable percentage for employees depending on their salary level.

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.

As described in note 25 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.60	1,098,000
Bonds	3.50	194,000
Property	4.70	84,000
Cash	3.60	13,000
Total market value of assets		1,389,000
Present value of scheme liabilities		(2,119,000)
(Deficit)/surplus in the scheme		(730,000)

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

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(2,119,000)
Fair value of scheme assets	1,389,000
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Net liability	(730,000)
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The amounts recognised in the Statement of financial activities are as follows:

	2013 £
Current service cost	(131,000)
Interest on obligation	(54,000)
Expected return on scheme assets	40,000
	<hr/>
Total	(145,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2013 £
Current service cost	131,000
Interest cost	54,000
Contributions by scheme participants	39,000
Actuarial Losses	125,000
Defined benefit obligation on conversion	1,770,000
	<hr/>
Closing defined benefit obligation	2,119,000
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Movements in the fair value of the academy's share of scheme assets:

	2013 £
Expected return on assets	40,000
Actuarial gains and (losses)	68,000
Contributions by employer	157,000
Contributions by employees	39,000
Fair value of scheme assets on conversion	1,085,000
	<hr/>
	1,389,000
	<hr/> <hr/>

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

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

	2013
Equities	79.00 %
Bonds	14.00 %
Property	6.00 %
Cash	1.00 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	6.00 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	2013
Retiring today	
Males	21.9
Females	24.7
Retiring in 20 years	
Males	23.3
Females	26.1

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(2,119,000)
Scheme assets	1,389,000
Deficit	(730,000)
Experience adjustments on scheme liabilities	(125,000)
Experience adjustments on scheme assets	68,000

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28. Operating lease commitments

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013 £
Expiry date:	
Between 2 and 5 years	62,496

29. Related party transactions

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

During the period the academy had the following related party transactions:

- £30,566 spent with Grow Education a company of which I Woolf and E Wolverson, both trustees, are directors
- £41,999 received from the Grieg Trust of which I Woolf, a trustee, is a trustee

These transactions were conducted on normal commercial terms without the exercise of any influence by the related party involved.