

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Annual report and financial statements

For the Year Ended 31 August 2020

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LDBS ACADEMIES TRUST
(A company limited by guarantee)

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LDBS ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	The London Diocesan Board for Schools The London Diocesan Fund Mr I Woolf
Trustees	Professor D Cumberland, Chair of Trustees ¹ Mrs G Dale-Skey, Vice Chair ¹ Dame A Hassan (resigned 10 September 2019) ¹ Mrs K Hunter Rev G Pope ¹ Ms E Wolverson, O.B.E ¹ Mr I Woolf ¹ Mrs J Beal (appointed 5 May 2020) ¹ ¹ members of the Audit Committee
Company registered number	08182235
Company name	LDBS Academies Trust
Principal and registered office	London Diocesan Board For Schools London Diocesan House 36 Causton Street London SW1P 4AU
Company secretary	Mr A Ahmed
Senior management team	Ms E Wolverson, O.B.E, Chief Executive Officer Mr P Winrow, Chief Finance Officer
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank plc 98 Victoria Street London SW1E 5JL
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

LDBS ACADEMIES TRUST
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Trustees' report
For the Year Ended 31 August 2020

The Trustees present their Annual Report together with the financial statements and auditor's report of the LDBS Academies Trust (the 'Trust') for 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law. This report has been prepared in accordance with Part VI of the Charities Act 2006.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Memorandum and Articles of Association, the Companies Act 2006, the requirements of the Statement of Recommended Practice 2015 "Accounting and Reporting by Charities", and the Annual Accounts Direction 2019/20 issued by the Education and Skills Funding Agency ('ESFA').

The Trust operates 9 primary schools across London. The Trust's schools have a combined pupil capacity of 2,773 and had a roll of 1,834 in the school census on 03 October 2019.

Structure, governance and management

a. Constitution

The Trust is a company limited by guarantee (company registration number 08182235) and an exempt charity.

The Trust's Memorandum and Articles of Association are the primary governing documents of the academy trust.

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

The LDBS Academies Trust trades as the:

- (1) Clerkenwell Parochial Church of England Primary School;
- (2) Holy Trinity Church of England Primary School;
- (3) Meridian Angel Primary School;
- (4) Millbrook Park Church of England Primary School;
- (5) St Andrew & St Francis Church of England Primary School;
- (6) St Ann's Church of England Primary School;
- (7) St Michael's Church of England Primary School;
- (8) St Paul's & All Hallows' Church of England Juniors School; and
- (9) St Paul's & All Hallows' Church of England Infants School & Nursery.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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. Trustees' indemnities

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 conducting the Trust's business. The Trust has joined the risk protection arrangement for academies.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment of directors

New directors are recruited in accordance with the Articles of Association of the Trust. The term in office for all directors will not exceed four years, with the exception of the Chief Executive Officer or any other director who may also be serving in an executive capacity. Directors may be re-appointed or re-elected providing that they remain eligible.

The 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 the education sector. Directors are expected to share our passion for education and for improving the life chances of the children in the schools in the Trust.

The Trust members appointed a new director during the financial year 2019-20. The Trust followed its recruitment strategy to appoint a director with extensive knowledge of high-quality education and who also shared the Trust's commitment to education in a Christian context. The new director is a retired Primary School Headteacher of a Church of England Primary School who is a member of her Church Choir and also represents the parish church on another Charity Trust Board so understood the requirements of Charity Law and what it means to be director and a trustee. The appointment was completed with approval from the Trust's Members who received a completed application form, with references, with the resolution.

e. Policies adopted for the induction and training of directors and school governors

The Trust has created guidance for the induction and training of directors and school governors. The Trust's induction process aims to:

- (a) Build an understanding of the Trust, its schools, and the communities in which it operates;
- (b) Build a link with the Trust's staff;
- (c) Develop an understanding of the role of a company director or the role of a school governor;
- (d) Develop an understanding of the educational framework in which the Trust operates.

The Trust delivers briefings at board meetings on educational developments and other matters affecting the communities in which the Trust operates. The directors of the Trust regularly visit its schools and participate in school-based activities and events to ensure that they can continue to keep abreast of changes pertinent to the Trust's work.

The Trust also procures governor support services from the Grow Education Partners Ltd under a core service level agreement. The Trust continues to provide additional training as required on an individual, or collective, basis.

Since March 2020, all training courses have been convened virtually, the directors have been encouraged to attend training courses provided by the National Governors' Association, the London Diocesan Board for Schools, and other accredited training providers. The Trust also arranged for directors to receive training on keeping children safe in education and on unconscious bias.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

f. Organisational structure

The organisational structure of the Trust is as follows:

- (1) The Board of Directors;
- (2) The Chief Executive Officer;
- (3) The Local Academy Committees;
- (4) The (Executive) Headteachers of the Trust's schools; and
- (5) The senior leadership teams of the Trust's schools.

The Board of Directors (the '**Board**') is responsible for:

- (a) Setting the strategic direction of and the expected and required standards for the Trust;
- (b) Ensuring statutory policies are in place;
- (c) Approving the annual budget for the Trust, as a whole;
- (d) Ensuring that adequate financial systems and controls are in place;
- (e) Entering into contracts with a value greater than £10,000; and
- (f) The performance management of (Executive) Headteachers.

The Chief Executive Officer (the '**CEO**') is also the Accounting Officer for the Trust. The CEO is responsible for:

- (a) Managing the daily operations of the Trust;
- (b) Ensuring the Trust's resources are used in accordance with the policies and procedures set by the Board.
- (c) Liaising with the (Executive) Headteachers and carrying out their performance management; and
- (d) Ensuring that the Board receive accurate information in a timely manner for an effective decision making process.

Decisions are all made in accordance with the Articles of Association, where decisions exceed delegated authorities, they are taken to the relevant decision making authority. The Trust holds monthly Board of Directors meetings to ensure the Trust is robustly managed and the executive leaders are held to account. In the event of an emergency, the Trust uses written resolution procedures available to it under the Trust's Articles and within Company Law. All decisions taken via a written resolution are reported at the subsequent Board of Directors meeting.

In accordance with the Trust's constitution, the Board has created a clear Scheme of Delegation (which is reviewed annually) and outlines the powers delegated to the Local Academy Committees ('**LACs**') and the (Executive) Headteacher. There is a system of earned autonomy, the powers delegated to each LAC can be varied depending on the effectiveness of the LAC and the school's performance.

The LAC is responsible for:

- (a) Holding the (Executive) Headteacher to account;
- (b) Monitoring the implementation of policies set by the Board;
- (c) Appointing Deputy Headteachers, subject to agreement of the Board;
- (d) Appointing other members of staff;
- (e) Working with the (Executive) Headteacher to complete the school evaluation and improvement plan ('**SEIP**');
- (f) Monitoring the condition of the buildings and planning improvements and maintenance;
- (g) Monitoring and approving the school's annual budget; and
- (h) Monitoring, and entering into, contracts within the amounts agreed by the Scheme of Delegation.

The (Executive) Headteachers are responsible for:

- (a) The daily management of the school;
- (b) Implementing the policies and procedures set by the Board and / or the LAC;
- (c) Supporting the LAC in fulfilling their responsibilities and duties;
- (d) Preparing the SEIP and presenting it to the LAC;
- (e) Appointing staff members; and
- (f) Authorising spending on items included in the annual budget which fall within the delegated powers as per the Scheme of Delegation.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The CEO and the (Executive) Headteachers form the key management personnel of the Trust. The directors are also part of the senior management, although they do not receive regular remuneration for their services.

The pay of the CEO is set annually by the Board following advice from the Audit Committee and based on the recommendations contained within the current Teachers Pay and Conditions Document. Given the current financial situation, the CEO has declined any increase in pay.

The pay of the (Executive) Headteachers is determined by the CEO after receiving advice from an external advisor having regards to performance against objectives set the previous year and based on the recommendations contained within the current Teachers Pay and Conditions Document. The LAC Chair may be involved in this process.

All Trust staff are also subject to regular performance management and rewarded accordingly.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
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Total cost of facility time	-
Total pay bill	10,225,791
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Trustees' report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

The Board of Directors regularly, once per term, invites all the Trust's (Executive) Headteachers and the Local Academy Committee Chairs to attend a Board Meeting to talk about their schools and raise any issues that may be of concern.

The CEO meets regularly, once every other month, with the (Executive) Headteachers in a meeting where the agenda is driven by the (Executive) Headteachers and provides an opportunity to discuss any concerns.

The Trust's Direction with responsibility for keeping children safe in education meetings regularly with all the Trust's Safeguarding Leaders (including staff and Local Academy Committee governors). This has proved to be a very useful way of raising issues and sharing problems and concerns, they are also able to access organised training (e.g., during the year the group had training on data protection regulation).

Lockdown has brought about further changes and has meant that the CEO has, on a daily basis, updated the Trust's Senior Leaders on all daily guidance issued by the Department for Education. In addition, the CEO prepares a weekly report based on a simple proforma which the Trust's (Executive) Headteachers are asked to complete containing updates on their schools and raise any problems.

Staff who are vulnerable or extremely vulnerable have been a major concern, but we were able to make sure that no-one was required to come into schools when it worried them, and the Trust was able to keep those staff at home delivering remote learning to children who were also at home. In the same way those who were pregnant were able to continue to work from home and feel safe.

Mental health has been an area of concern although for some people the normality of going into school was a key to their well-being.

In the summer term, all staff that were able to do so went onto rotas as we were keeping the schools open continuously, not even closing for the Bank Holidays. Staff were able to pace themselves better and could use the time when they were rostered to work from home or to take leave in a more productive way. The burden was heaviest on the Trust's (Executive) Headteachers and although they put themselves on a rota, they were still holding together the system and it was a time when the CEO needed to keep in fairly constant contact and on occasion tell people to stop and go home. Before the end of the summer term the CEO, with the (Executive) Headteachers, began planning for September 2020 school reopening, so that the Trust could continue to offer education to all the children but also shelter everyone within the school staff that needed additional care. Developing remote education alongside face-to-face work began and all staff were trained to improve their practice through virtual meeting platforms so that they could deliver virtual lessons or even just listen to children read.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Objectives and activities

a. Objects and aims

The principal activity for the Trust is to establish, maintain, manage and develop Church of England schools, offering a broad and balanced curriculum, 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 Trust's schools will have regard to any advice issued by the LDBS.

In areas where there are Trust schools, the Trust will seek to promote, where appropriate, the provision of facilities for recreation or other leisure time occupation for 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.

The Trust's overarching aim of 'Excellence and Equity for all Children in a Christian context' has been tested very hard over the last academic year. In common with other school across the country we have had to push very hard to help our children with their families survive in very challenging times.

b. Objectives, strategies and activities

As always, the Trust's main aim is to make sure that children in its schools' flourish in their learning. The Trust's aims and objectives for the year were challenging but we were securely on track to meet them until the COVID-19 Pandemic hit the nation. Attendance had gone up and was good across the Trust's schools. Standards were rising and Trust was feeling confident about the academic targets that were set for the year. The Trust had some very exciting Trust-wide projects in place that were beginning to add to the cultural capital in our schools.

In the Spring Term 2019 the Trust took the decision to bring catering in-house, this was supported by 'Chef's in Schools'. Children's nutrition has been a concern in many of the Trust's schools and so the Trust embarked on a major change where all meals would be cooked from scratch, using fresh ingredients, by a properly trained chef.

The Trust would not be using tins, packets or processed foods. Food is sourced locally, as far as possible, and is dependent on the season (e.g., the fish is caught in Newquay on Wednesday and transported by the fisherman to be eaten in our schools on Friday).

The resulting meals have been recognised as delicious by most of the pupils and the staff, however for some children who live on a diet of processed food the taste is a surprise. The next stage of the programme is to teach children how to cook and prepare economical and nutritious meals for themselves.

In some schools the new initiative has resulted in the amount of food waste reducing dramatically. Existing kitchen staff have been provided with the opportunity to be trained by the school chefs to ensure that they improve their own skills.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

c. Public benefit

As soon as schools were shut due to the lockdown, the Trust had to abruptly change direction and because our schools are mostly situated in areas of deprivation, the Trust had to set about making sure that children and their families were fed. The Trust has had food banks and projects in the school for many years but that now needed to be stepped up to meet the crisis. The Trust's school kitchens, which it runs in-house, continued to help supply food, and through them the Trust were also able to tap into other sources of food, with staff going the extra mile to deliver food to families who could not leave their homes.

All but one school stayed open throughout the rest of the year Monday to Friday, including Bank Holidays. The one school that shut had infections in the first week and so the vulnerable children were moved to another school. This school did not then re-open until June.

Children were welcomed and cared for and they learnt and had fun at a very scary time when the virus was at its peak. Staff contacted families continually and were often the first to hear of deaths in the family. The work they did with the community was incredible and sacrificial.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

There were no SATs because of the COVID-19 Pandemic so it is hard to put numbers on the learning that took place during 2019-20. The Trust's data showed that we were on track to meet our targets until March 2020. The Trust's assessment at the beginning of the academic year 2020-21 shows that children regressed during the Summer Term 2020.

There were no Ofsted inspections during this period and all quality assurance visits ceased.

The Trust was disappointed that when it was ready to welcome children back in at the beginning of June 2020, the Government decided to change their position on school reopening and so although the Trust welcomed back as many children it was permitted, the recovery curriculum did not have time to have a real impact.

The Trust moved to online learning as quickly as possible but became aware that there were technological and social deprivation issues that it needed to resolve as most children had no access to digital devices or to internet capable of sustaining online learning. The Trust also noticed that the decision by the Department for Education to provide computers, in May 2020, did not materialise until July 2020, when there were just 2 or 3 weeks left in the academic year. School staff were making available paper packets of work and even delivering them to children's homes to ensure that all pupils received education materials to sustain home learning.

The Trust maintained good attendance rates throughout lockdown and in the following months. Of those children entitled to attend school because their parents were considered to be 'front-line workers', the Trust reported good attendance figures. The Trust feels that even more encouraging outcome was achieved it was able to welcome back more than 70% of its vulnerable children while the national was more than three times less. The Trust had put into place robust measures to ensure that every single child not attending was followed up on by the school and reported to the Trust on a weekly basis, this allowed the Trust to ensure that it was able to meet the safeguarding needs of the pupils, even though the Government had suspended parts of its Keeping Children Safe in Education guidance.

Under normal circumstances, the Trust monitors attendance of its pupils closely and has a rewards scheme in place to award and encourage excellent attendance. Awards are distributed to pupils who achieve annual attendance of greater than 98%. Pupils with 100% attendance at the end of the academic year receive a Book Token.

The attendance figures of the Trust for the previous 3 academic years are:

Year	2017-18	2018-19	2019-20
Attendance figures across the Trust	96.2%	95.8%	94.2%
			(Please note that due to the COVID-19 Pandemic attendance figures were not recorded between 20 March 2020 and 31 August 2020 as the schools were closed)

Please note that due to the COVID-19 Pandemic, the Department for Education took the decision to not hold assessments for the Early Years, Key Stage 1 and Key Stage 2.

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Trustees' report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Irrespective of the Department for Education's decision, the Trust's schools have continued to monitor the progress and development of its pupils and have developed a recovery curriculum to assist pupils to make accelerated progress.

Early Years

	% of Pupils achieving good level of development	
	2018-19	2019-20
Trust	75%	N/A
National Average	72%	N/A

Key Stage 1

	% of pupils reaching Expected Standards							
	Reading		Writing		Mathematics		Phonics	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Trust	82%	N/A	75%	N/A	78%	N/A	83%	N/A
National Average	75%	N/A	69%	N/A	76%	N/A	83%	N/A

Key Stage 2

	% of pupils reaching Expected Standards					
	Reading		Writing		Mathematics	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Trust	60%	N/A	73%	N/A	67%	N/A
National Average	73%	N/A	79%	N/A	78%	N/A

b. Going concern

After making appropriate enquiries, the Board 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.

LDBS ACADEMIES TRUST
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Trustees' report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Financial review

No new schools joined the Trust during the year meaning the Trust has nine schools. The Trust has had to use a significant portion of its reserves to support schools facing financial difficulty due to continuing falling rolls. Pupil numbers are falling across a number of the schools which is putting pressure on reserves. Currently the Trust has a healthy level of reserves, to see out the transition.

As an Academy Trust there are a number of risks and uncertainties. The principal risks that could affect the Academy are:

- The recruitment of good teachers
- Falling pupil numbers across schools in the Trust
- A reduction to the school's funding agreements resulting in increased financial pressure on the Academy Trust.
- The mobility of families with the Trust's catchment areas and the need to support children from homeless families, SEN and EAL backgrounds with very low incomes which far exceeds the national averages.
A failure to raise standards and engage with families so that they have high expectations for their children.

During the 19/20 financial year schools have had to deal with the Covid pandemic which schools have dealt with admirably considering the uncertainty since March. The Trust has managed to come through without a material financial impact to the 19/20 finances. This however may change for the coming year depending on restrictions put in place by government.

a. Reserves policy

The Trust aims to build up unrestricted reserves to the value of one month's operational costs, with the view to becoming three months' operational costs so as to be able to respond to unforeseen items of expenditure which may arise from time to time.

As of 31 August 2020, the unrestricted reserves were of £1,067,345, which is equivalent to 1 month's operational costs.

The Trust's restricted funds (excluding pension reserve) as of 31 August 2020 were of £1,750,814.

The Trust's balance on restricted general funds (excluding pension reserves) plus the balance on unrestricted funds at 31 August 2020 is £2,818,159.

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Trustees' report (continued)
For the Year Ended 31 August 2020

b. Principal risks and uncertainties

The Trust has an up to date Risk Register which assesses all the major risks to which the Trust and its schools are exposed to, in particular those relating to governance, reputation, operation, finance, compliance, school development and safeguarding. The Trust's Audit Committee and the Board regularly review the Risk Register.

The Trust has a programme of works with its auditors to ensure that all areas of its operations are reviewed to ensure compliance and effectiveness of procedures and protocols. The Trust also obtains the services of an independent Quality Assurance Officer who reviews the teaching practices and SEIPs to ensure that the Trust's schools continue to function effectively and provide a high quality of education in line with its vision and ethos.

The primary financial risk faced by the Trust is that of on-going pressure on funding and several of the Trust's schools setting a budget with an in-year deficit. The budgeting and reporting process, including regular scrutiny by LACs, the Board and the Trust's auditors mitigates the risk. Overall, the Trust retains sufficient reserves to further mitigate the risks.

The Trust is also extremely mindful of the impact on its overall funding from falling pupil numbers across London, especially at Clerkenwell Parochial Church of England Primary School. The Trust continues to work closely with local authorities and reviews its own staffing and management structure on a regular basis to mitigate the risks.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the directors.

Plans for future periods

The Trust is currently focused on ensuring that its schools continue to improve and develop into good and outstanding schools in their local communities. The Trust currently does not have any specific plans to increase its number of schools. However, the Trust will always be willing to support failing Church of England schools as appropriate and on the advice of the Department for Education and the Regional Schools Commissioner.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. The directors will propose a motion re-appointing the auditors at the Annual General Meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 January 2021 and signed on its behalf by:



Professor D Cumberland
Chair of Trustees

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Governance Statement

Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that the 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board has delegated the day-to-day responsibility to the CEO, 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 CEO is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 10 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Professor D Cumberland, Chair of Trustees	9	10
Mrs G Dale-Skey, Vice Chair	7	10
Mrs K Hunter	8	10
Rev G Pope	9	10
Ms E Wolverson, O.B.E	10	10
Mr I Woolf	9	10
Mrs J Beal	3	3

The Trust commissioned an external review in the year 2018-19 this was completed in January 2019. The review did not identify any major issues. The Trust's senior leaders have developed a new strategic plan incorporating the recommendations of the review.

The Board meets at least 10 times per year and all directors receive a monthly update on the Trust's finances.

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- (1) Review the Trust's financial protocols.
- (2) Ensure that all internal and external financial statements and reports comply with best practices.
- (3) Receive the auditors' report.
- (4) Develop and review the Trust's long term auditing programme.
- (5) Ensure appropriate procedures are in place for whistleblowing.
- (6) Develop, monitor and review the risk register.
- (7) Recommend to the Board the appointment or reappointment of auditors.
- (8) Ensure that the Trust's internal audit service meets, or exceeds, the standards specified by the Government.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Cumberland	2	3
Mrs G Dale-Skey	3	3
Dame A Hassan	3	3
Rev G Pope	3	3
Ms E Wolverson	3	3
Mr I Woolf	3	3

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Governance Statement (continued)

Review of value for money

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

The CEO considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board where value for money can be improved, including the use of benchmarking data where appropriate. The CEO for the Trust has delivered improved value for money during the year by looking at the staffing levels in each of the Trust's schools and benchmarking data to ensure that they are adequate and, where appropriate, undertake restructuring exercises. The Trust recognises that all restructuring processes have their own associated costs and that savings cannot be demonstrated till the following financial year.

The Trust's schools have access to first aid training, which is provided under a Trust-wide agreement with St John's Ambulance and provides the Trust with significant savings.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1 September 2012 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board 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 Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Williams Giles Professional Services Ltd as internal auditor.

The Trust is continuing to investigate and looking to appoint an independent internal auditor in line with the new directives released by the Department for Education in the Academies Handbook 2020.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

On a termly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- The work of the Chief Financial Officer, the Trust's Central Team, and the (Executive) School Business Managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The CEO has been advised of the implications of the result of their review of the system of internal control by the Board and a plan to ensure continuous improvements of the system is in place.

Approved by order of the members of the Board of Trustees on 26 January 2021 and signed on their behalf by:



Professor D Cumberland
Chair of Trustees



Ms E Wolverson, O.B.E.
Accounting Officer

LDBS ACADEMIES TRUST
(A company limited by guarantee)

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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



Ms E Wolverson, O.B.E.
Accounting Officer
Date: 26 January 2021

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 26 January 2021 and signed on its behalf by:



Professor D Cumberland
Chair of Trustees

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of LDBS Academies Trust

Opinion

We have audited the financial statements of LDBS Academies Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of LDBS Academies Trust
(continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of LDBS Academies Trust
(continued)

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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 opinions we have formed.



Alastair Crawford FCA (Senior statutory auditor)
for and on behalf of
Williams Giles Professional Services Ltd
Chartered Accountants
Statutory Auditor
12 Conqueror Court

Sittingbourne
Kent
ME10 5BH

28 January 2021

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to LDBS Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Academies Trust during the year 1 September 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LDBS Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Academies Trust and ESFA, 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 accountant

The accounting officer is responsible, under the requirements of LDBS Academies Trust's funding agreement with the Secretary of State for Education dated 31 December 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 year 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to LDBS Academies Trust and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Williams Giles Professional Services Ltd
Chartered Accountants
Statutory Auditor

Date: 28 January 2021

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	4	895	-	223,327	224,222	7,705,435
Charitable activities		-	13,012,091	-	13,012,091	13,055,967
Other trading activities		731,749	452,307	-	1,184,056	1,012,100
Investments	7	8,733	-	-	8,733	8,569
Other income	8	-	52,904	-	52,904	9,228
Total income		741,377	13,517,302	223,327	14,482,006	21,791,299
Expenditure on:						
Raising funds		4,724	-	-	4,724	4,113
Charitable activities		-	14,600,875	1,086,415	15,687,290	15,379,959
Total expenditure		4,724	14,600,875	1,086,415	15,692,014	15,384,072
Net income/(expenditure)		736,653	(1,083,573)	(863,088)	(1,210,008)	6,407,227
Transfers between funds	19	(1,535,314)	1,131,044	404,270	-	-
Net movement in funds before other recognised gains/(losses)		(798,661)	47,471	(458,818)	(1,210,008)	6,407,227
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	395,000	-	395,000	(1,594,000)
Net movement in funds		(798,661)	442,471	(458,818)	(815,008)	4,813,227

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,866,006	(3,617,657)	19,173,381	17,421,730	12,608,503
Net movement in funds	(798,661)	442,471	(458,818)	(815,008)	4,813,227
Total funds carried forward	1,067,345	(3,175,186)	18,714,563	16,606,722	17,421,730

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 58 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)
Registered number: 08182235

Balance sheet
As at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	18,714,563	19,173,381
		<u>18,714,563</u>	<u>19,173,381</u>
Current assets			
Stocks	16	16,413	21,405
Debtors	17	736,620	778,832
Cash at bank and in hand		3,144,508	3,888,439
		<u>3,897,541</u>	<u>4,688,676</u>
Creditors: amounts falling due within one year	18	(1,079,382)	(1,781,327)
Net current assets		<u>2,818,159</u>	<u>2,907,349</u>
Total assets less current liabilities		<u>21,532,722</u>	<u>22,080,730</u>
Net assets excluding pension liability		<u>21,532,722</u>	<u>22,080,730</u>
Defined benefit pension scheme liability	25	(4,926,000)	(4,659,000)
Total net assets		<u><u>16,606,722</u></u>	<u><u>17,421,730</u></u>

LDBS ACADEMIES TRUST
(A company limited by guarantee)
Registered number: 08182235

Balance sheet (continued)
As at 31 August 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	18,714,563	19,173,381
Restricted income funds	19	1,750,814	1,041,343
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	20,465,377	20,214,724
Pension reserve	19	(4,926,000)	(4,659,000)
		<hr/>	<hr/>
Total restricted funds	19	15,539,377	15,555,724
Unrestricted income funds	19	1,067,345	1,866,006
		<hr/>	<hr/>
Total funds		16,606,722	17,421,730
		<hr/>	<hr/>

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue on 26 January 2021 and are signed on their behalf, by:



Professor D Cumberland
Chair of Trustees

The notes on pages 29 to 58 form part of these financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(348,394)	1,094,484
Cash flows from investing activities	22	(395,537)	(726,772)
Change in cash and cash equivalents in the year		(743,931)	367,712
Cash and cash equivalents at the beginning of the year		3,888,439	3,520,727
Cash and cash equivalents at the end of the year	23, 24	<u><u>3,144,508</u></u>	<u><u>3,888,439</u></u>

The notes on pages 29 to 58 form part of these financial statements

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

1. General information

LDBS Academies Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is London Diocesan Board For Schools, London Diocesan House, 36 Causton Street, London, SW1P 4AU. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

LDBS Academies Trust meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in sterling and rounded to the nearest pound.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 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 Part 11, chapter 3 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.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

With the exception of Millbrook Park the Academy's buildings are owned by various trustee bodies and made available to the schools under supplemental agreements. The Directors have decided to regard these agreements as short rather than long term and thus have allocated a zero value to these buildings in the accounts. The Academy Trust is not charged for the use of this land. Due to the restricted use of these assets for educational purposes it is not possible to determine a fair value for the services provided and no amounts have been recorded as income in the SOFA in respect of the use of these assets. Millbrook Park is on a 125 year lease from Barnet Council and the cost has been provided by Barnet Council.

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

Depreciation is provided on the following basis:

Leasehold property	-	2% Straight line
Improvements to leasehold property	-	10% Straight line
Furniture and equipment	-	20% Straight line
Computer equipment	-	20% Straight line

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.11 Liabilities

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

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.13 Operating leases

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

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For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.14 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.

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

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

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

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

2.15 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 funders where the asset acquired or created is held for a specific purpose.

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

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

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Notes to the financial statements
For the Year Ended 31 August 2020

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	895	-	-	895	7,294,044
Capital Grants	-	-	223,327	223,327	411,391
	<u>895</u>	<u>-</u>	<u>223,327</u>	<u>224,222</u>	<u>7,705,435</u>
<i>Total 2019</i>	<u>22,954</u>	<u>269,842</u>	<u>7,412,639</u>	<u>7,705,435</u>	

5. Funding for the Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	10,184,995	10,184,995	10,363,823
Other DfE/ESFA grants	673,035	673,035	591,703
Universal Infant FSM	235,545	235,545	278,705
Pupil Premium	768,694	768,694	850,059
	<u>11,862,269</u>	<u>11,862,269</u>	<u>12,084,290</u>
Other government grants			
Early Years Funding	565,620	565,620	570,573
SEN Funding	392,933	392,933	340,723
Other grants	41,784	41,784	8,710
Greig Trust Grant	57,000	57,000	51,671
	<u>1,057,337</u>	<u>1,057,337</u>	<u>971,677</u>
Exceptional government funding			
Coronavirus Job Retention Scheme grant	92,485	92,485	-
	<u>13,012,091</u>	<u>13,012,091</u>	<u>13,055,967</u>
<i>Total 2019</i>	<u>13,055,967</u>	<u>13,055,967</u>	

The academy furloughed some of its staff under the government's CJRS. The funding received (as disclosed above) relates to staff costs in respect of nursery staff which are included within note 12 below as appropriate.

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Notes to the financial statements
For the Year Ended 31 August 2020

6. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Catering	-	118,201	118,201	210,279
Letting	107,263	-	107,263	148,834
Nursery	17,349	252,733	270,082	356,528
Other income	542,025	-	542,025	154,797
Trips & Clubs	-	81,373	81,373	83,463
Professional Services	63,031	-	63,031	55,729
Fundraising	2,081	-	2,081	2,470
	<u>731,749</u>	<u>452,307</u>	<u>1,184,056</u>	<u>1,012,100</u>
<i>Total 2019</i>	<u>433,079</u>	<u>579,021</u>	<u>1,012,100</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	8,733	8,733	8,569
	<u>8,733</u>	<u>8,733</u>	<u>8,569</u>
<i>Total 2019</i>	<u>8,569</u>	<u>8,569</u>	

8. Other incoming resources

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance	52,904	52,904	9,228
	<u>52,904</u>	<u>52,904</u>	<u>9,228</u>
<i>Total 2019</i>	<u>9,228</u>	<u>9,228</u>	

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Notes to the financial statements
For the Year Ended 31 August 2020

9. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising voluntary income:					
Direct costs	-	-	4,724	4,724	4,113
Educational operations:					
Direct costs	8,529,307	-	778,960	9,308,267	8,743,948
Allocated support costs	2,968,944	621,952	2,788,127	6,379,023	6,636,011
	<u>11,498,251</u>	<u>621,952</u>	<u>3,571,811</u>	<u>15,692,014</u>	<u>15,384,072</u>
<i>Total 2019</i>	<u>10,832,949</u>	<u>1,103,634</u>	<u>3,447,489</u>	<u>15,384,072</u>	

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational operations	<u>9,308,267</u>	<u>6,379,023</u>	<u>15,687,290</u>	<u>15,379,959</u>
<i>Total 2019</i>	<u>8,743,948</u>	<u>6,636,011</u>	<u>15,379,959</u>	

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Notes to the financial statements
For the Year Ended 31 August 2020

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	7,313,883	7,313,883	6,682,060
Educational supplies	348,531	348,531	229,035
Staff development	350,128	350,128	289,370
Other direct costs	16,213	16,213	10,786
Agency supply	1,215,424	1,215,424	1,425,208
Trips and clubs	64,088	64,088	107,489
	<u>9,308,267</u>	<u>9,308,267</u>	<u>8,743,948</u>
<i>Total 2019</i>	<u><u>8,743,948</u></u>	<u><u>8,743,948</u></u>	

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Notes to the financial statements
For the Year Ended 31 August 2020

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2020 £	Total funds 2020 £	Total funds 2019 £
LGPS costs	91,000	91,000	75,000
Staff costs	2,905,776	2,905,776	2,695,531
Depreciation	1,086,415	1,086,415	1,727,984
Recruitment and support	56,640	56,640	60,034
Maintenance of premises and equipment	294,694	294,694	94,328
Cleaning	208,050	208,050	192,165
Rent & rates	124,711	124,711	147,908
Light & heat	155,538	155,538	153,626
Insurance	92,757	92,757	102,699
Security & transport	19,143	19,143	21,384
Catering	278,086	278,086	563,248
Computer costs	219,835	219,835	215,285
Printing, postage and stationery	49,305	49,305	58,436
Legal & professional	303,462	303,462	311,317
Other support costs	260,389	260,389	(9,015)
Agency costs	53,141	53,141	30,150
Governance costs	180,081	180,081	195,931
	<u>6,379,023</u>	<u>6,379,023</u>	<u>6,636,011</u>
<i>Total 2019</i>	<u>6,636,011</u>	<u>6,636,011</u>	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,086,415	1,743,514
Fees paid to auditors for:		
- audit	21,500	21,500
- other services	26,825	27,050
	<u>28,325</u>	<u>48,550</u>

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For the Year Ended 31 August 2020

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	7,440,023	7,147,151
Social security costs	710,199	679,396
Pension costs	2,069,437	1,551,044
	<u>10,219,659</u>	<u>9,377,591</u>
Agency staff costs	1,268,565	1,455,358
Staff restructuring costs	10,027	-
	<u><u>11,498,251</u></u>	<u><u>10,832,949</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	10,027	-
	<u><u>10,027</u></u>	<u><u>-</u></u>

b. Non-statutory/non-contractual staff severance payments

Non-statutory staff severance payments total £4,392 and have been paid to one employee.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	109	106
Support staff	73	86
Premises	16	16
Admin	23	25
Other staff	55	54
	<u><u>276</u></u>	<u><u>287</u></u>

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12. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	3	2

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £184,520 (2019 £178,455).

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Ms E Wolverson	Remuneration	110,000 - 115,000	100,000 - 105,000

During the year ended 31 August 2020, expenses totalling £234 were reimbursed or paid directly to 1 Trustee (2019 - £545).

14. Trustees' and Officers' insurance

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

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Notes to the financial statements
For the Year Ended 31 August 2020

15. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	20,317,092	26,125	2,406,567	900,535	23,650,319
Additions	481,571	-	76,191	73,518	631,280
Disposals	-	-	(2,850)	(4,164)	(7,014)
Transfers between classes	26,125	(26,125)	-	-	-
At 31 August 2020	20,824,788	-	2,479,908	969,889	24,274,585
Depreciation					
At 1 September 2019	2,505,164	-	1,353,164	618,610	4,476,938
Charge for the year	621,952	-	360,572	103,891	1,086,415
On disposals	-	-	-	(3,331)	(3,331)
At 31 August 2020	3,127,116	-	1,713,736	719,170	5,560,022
Net book value					
At 31 August 2020	17,697,672	-	766,172	250,719	18,714,563
At 31 August 2019	17,811,928	26,125	1,053,403	281,925	19,173,381

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Notes to the financial statements
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15. Tangible fixed assets (continued)

Improvements relate to property on church land occupied under the two year supplemental agreement.

16. Stocks

	2020	2019
	£	£
Uniform	16,413	21,405

17. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	45,508	259,974
Other debtors	7,310	9,021
Prepayments and accrued income	590,534	368,411
VAT recoverable	93,268	141,426
	736,620	778,832

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For the Year Ended 31 August 2020

18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	45,837	-
Trade creditors	194,405	413,241
Payroll creditor	303,202	1,089,683
Other creditors	3,166	2,164
Accruals and deferred income	532,772	276,239
	<u>1,079,382</u>	<u>1,781,327</u>
	2020 £	2019 £
Deferred income at 1 September 2019	175,000	162,576
Resources deferred during the year	181,758	175,000
Amounts released from previous periods	(175,000)	(162,576)
	<u>181,758</u>	<u>175,000</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, deposits from parents and early years funding.

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Notes to the financial statements
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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	1,866,006	741,377	(4,724)	(1,535,314)	-	1,067,345
Restricted general funds						
General Annual Grant (GAG)	1,041,343	10,184,995	(10,606,568)	1,131,044	-	1,750,814
Pupil Premium	-	768,694	(768,694)	-	-	-
Other DfE/ESFA grants	-	673,035	(673,035)	-	-	-
Universal Infant Free School meals	-	235,545	(235,545)	-	-	-
Early years funding	-	565,620	(565,620)	-	-	-
SEN funding	-	392,933	(392,933)	-	-	-
Government grants	-	41,784	(41,784)	-	-	-
Greig Trust grants	-	57,000	(57,000)	-	-	-
Other restricted income	-	452,307	(452,307)	-	-	-
Insurance	-	52,904	(52,904)	-	-	-
COVID-19 related funds	-	92,485	(92,485)	-	-	-
Pension reserve	(4,659,000)	-	(662,000)	-	395,000	(4,926,000)
	<u>(3,617,657)</u>	<u>13,517,302</u>	<u>(14,600,875)</u>	<u>1,131,044</u>	<u>395,000</u>	<u>(3,175,186)</u>

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Notes to the financial statements
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19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Assets held for depreciation	19,173,381	-	(1,086,415)	627,597	-	18,714,563
Devolved formula capital	-	58,120	-	(58,120)	-	-
Capital income funds	-	165,207	-	(165,207)	-	-
	<u>19,173,381</u>	<u>223,327</u>	<u>(1,086,415)</u>	<u>404,270</u>	<u>-</u>	<u>18,714,563</u>
Total Restricted funds	<u>15,555,724</u>	<u>13,740,629</u>	<u>(15,687,290)</u>	<u>1,535,314</u>	<u>395,000</u>	<u>15,539,377</u>
Total funds	<u>17,421,730</u>	<u>14,482,006</u>	<u>(15,692,014)</u>	<u>-</u>	<u>395,000</u>	<u>16,606,722</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.

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 it could carry forward at 31 August 2020.

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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St Ann's	66,286	75,647
St Michael's	185,768	132,168
St Paul's Infants	32,929	62,995
St Paul's Juniors	1,282,909	1,193,654
Holy Trinity	130,067	19,777
Millbrook Park	255,683	290,808
St Andrew and St Francis	347,482	400,692
Clerkenwell Parochial	(194,780)	(13,217)
Merdian Angels	276,036	357,980
Central services	435,779	386,845
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,818,159	2,907,349
Restricted fixed asset fund	18,714,563	19,173,381
Pension reserve	(4,926,000)	(4,659,000)
	<hr/>	<hr/>
Total	16,606,722	17,421,730
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
Clerkenwell Parochial	194,780
	<hr/> <hr/>

Clerkenwell Parochial Church of England Primary School is in a deficit position due to the impact of falling pupil numbers across London.

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

The Trust continues to work closely with local authorities and reviews its own staffing and management structure on a regular basis to mitigate the risks.

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Notes to the financial statements
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Ann's	575,324	310,346	122,462	382,682	1,390,814	1,156,377
St Michael's	504,681	271,031	67,584	347,074	1,190,370	912,105
St Paul's Infants	692,418	185,313	1,147	136,239	1,015,117	1,150,432
St Paul's Juniors	816,508	224,418	7,676	145,751	1,194,353	1,175,800
Holy Trinity	945,044	448,941	63,862	508,152	1,965,999	1,943,539
Millbrook Park	1,199,269	345,340	25,823	595,294	2,165,726	1,835,512
St Andrew and St Francis	1,349,307	331,192	21,482	886,779	2,588,760	2,266,037
Clerkenwell Parochial	568,944	242,626	10,826	309,577	1,131,973	1,349,996
Merdian Angels	661,769	199,868	22,401	383,500	1,267,538	1,199,688
Central services	619	346,701	5,268	342,361	694,949	666,602
Academy	7,313,883	2,905,776	348,531	4,037,409	14,605,599	13,656,088

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Notes to the financial statements
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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	1,405,517	464,602	(4,113)	-	-	1,866,006
Restricted general funds						
General Annual Grant (GAG)	1,284,585	10,363,823	(9,571,740)	(1,035,325)	-	1,041,343
Pupil Premium	-	850,059	(850,059)	-	-	-
Other DfE/ESFA grants	-	591,703	(591,703)	-	-	-
Universal Infant Free School meals	-	278,705	(278,705)	-	-	-
Early years funding	-	570,573	(570,573)	-	-	-
SEN funding	-	340,723	(340,723)	-	-	-
Government grants	-	8,710	(8,710)	-	-	-
Greig Trust grants	-	51,671	(51,671)	-	-	-
Other restricted income	-	579,021	(579,021)	-	-	-
Income on conversion	-	314,843	(314,843)	-	-	-
Insurance	-	9,227	(9,227)	-	-	-
Pension reserve	(2,535,000)	(45,000)	(485,000)	-	(1,594,000)	(4,659,000)
	<u>(1,250,415)</u>	<u>13,914,058</u>	<u>(13,651,975)</u>	<u>(1,035,325)</u>	<u>(1,594,000)</u>	<u>(3,617,657)</u>

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Notes to the financial statements
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19. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Restricted fixed asset funds						
Assets held for depreciation	12,453,401	7,001,248	(1,727,984)	1,446,716	-	19,173,381
Devolved formula capital	-	411,391	-	(411,391)	-	-
	<u>12,453,401</u>	<u>7,412,639</u>	<u>(1,727,984)</u>	<u>1,035,325</u>	<u>-</u>	<u>19,173,381</u>
Total Restricted funds	<u>11,202,986</u>	<u>21,326,697</u>	<u>(15,379,959)</u>	<u>-</u>	<u>(1,594,000)</u>	<u>15,555,724</u>
Total funds	<u>12,608,503</u>	<u>21,791,299</u>	<u>(15,384,072)</u>	<u>-</u>	<u>(1,594,000)</u>	<u>17,421,730</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	18,714,563	18,714,563
Current assets	1,067,345	2,830,196	-	3,897,541
Creditors due within one year	-	(1,079,382)	-	(1,079,382)
Provisions for liabilities and charges	-	(4,926,000)	-	(4,926,000)
Total	<u>1,067,345</u>	<u>(3,175,186)</u>	<u>18,714,563</u>	<u>16,606,722</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	19,173,381	19,173,381
Current assets	1,866,006	2,822,670	-	4,688,676
Creditors due within one year	-	(1,781,327)	-	(1,781,327)
Provisions for liabilities and charges	-	(4,659,000)	-	(4,659,000)
Total	1,866,006	(3,617,657)	19,173,381	17,421,730

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,210,008)	6,407,227
Adjustments for:		
Depreciation	1,086,415	1,727,986
Capital grants from DfE and other capital income	(223,327)	(411,391)
Interest receivable	(8,733)	(8,569)
Defined benefit pension scheme finance cost	662,000	530,000
Decrease/(increase) in stocks	4,992	(6,434)
Decrease/(increase) in debtors	42,212	(159,460)
(Decrease)/increase in creditors	(701,945)	16,373
Assets on conversion	-	(7,001,248)
Net cash (used in)/provided by operating activities	(348,394)	1,094,484

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22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	8,733	8,569
Purchase of tangible fixed assets	(631,280)	(1,146,732)
Loss on disposal of tangible fixed assets	3,683	-
Capital grants from DfE Group	223,327	411,391
Net cash used in investing activities	(395,537)	(726,772)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,144,508	3,888,439
Total cash and cash equivalents	3,144,508	3,888,439

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	3,888,439	(743,931)	3,144,508
Bank overdrafts repayable on demand	-	(45,837)	(45,837)
	3,888,439	(789,768)	3,098,671

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25. Pension commitments

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £573,485 (2019 - £573,485).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

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25. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £649,000 (2019 - £605,000), of which employer's contributions totalled £489,000 (2019 - £476,000) and employees' contributions totalled £ 160,000 (2019 - £129,000). The agreed contribution rates for future years are 23.1 per cent for employers and variable per cent for employees.

As described in note 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 year. 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.

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.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.3	3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.5
Females	24.0	23.9
<i>Retiring in 20 years</i>		
Males	22.9	22.9
Females	25.5	25.3

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25. Pension commitments (continued)

Share of scheme assets

The Academy's share of the assets in the scheme was:

	2020 £	2019 £
Equities	4,476,900	4,092,695
Corporate bonds	1,502,400	1,476,680
Property	602,500	464,645
Cash and other liquid assets	186,200	146,395
Other	128,000	184,585
Total market value of assets	6,896,000	6,365,000

The actual return on scheme assets was £-58,000 (2019 - £422,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(1,081,000)	(753,000)
Past service cost	-	(131,000)
Interest income	125,000	159,000
Interest cost	(216,000)	(234,000)
Total amount recognised in the Statement of financial activities	(1,172,000)	(959,000)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	11,024,000	7,686,000
Transferred in on existing academies joining the trust	-	301,000
Current service cost	1,081,000	753,000
Interest cost	216,000	234,000
Employee contributions	129,000	125,000
Actuarial (gains)/losses	(578,000)	1,822,000
Benefits paid	(60,000)	(28,000)
Past service costs	-	131,000
At 31 August	11,812,000	11,024,000

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25. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	6,365,000	5,151,000
Transferred in on existing academies joining the trust	-	256,000
Interest income	125,000	159,000
Actuarial (losses)/gains	(183,000)	228,000
Employer contributions	510,000	474,000
Employee contributions	129,000	125,000
Benefits paid	(60,000)	(28,000)
At 31 August	6,886,000	6,365,000

26. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,823	6,431
Later than 1 year and not later than 5 years	-	4,823
	4,823	11,254

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £	2019 £
Operating lease rentals	6,431	6,431

27. Members' liability

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

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28. Related party transactions

Owing to the nature of the Academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

The academy trust has spent £105,781 (2019: £112,432) with the Grow Education being; MAT - £7,200, HT - £15,588, MA - £13,968, STA - £20,994, STM - £15,636, SPI - £8,526, SPJ - £4,608, a company of which I Woolf a trustee is a director, in respect of consultancy services. The element above £2,500 has been provided 'at no more than cost' and London Diocesan Board of Schools has provided a statement of assurance confirming this. As at 31 August 2019, no amounts were outstanding (2019: £Nil).

The academy trust has spent £104,572 (2019: £167,575) with the London Diocesan Board of Schools being; MAT - £71,578, HT - £4,687, HT LEN - £567, MA - £5,274, MBP - £10,375, STA - £4,896, STM - £2,459, SPI - £2,693, SPJ - £2,043, a member, in respect of consultancy services. The element above £2,500 has been provided 'at no more than cost' and London Diocesan Board of Schools has provided a statement of assurance confirming this. As at 31 August 2019, no amounts were outstanding (2019: £Nil).

£171,923 (2019: £161,497) spent with London Diocesan Fund a member, £48,000 in respect of rent from Holy Trinity (Little Engineers Nursery) and £123,923 in respect of payroll for E Wolverson. As at 31 August 2020, no amounts were outstanding (2019: £Nil).

£38,988 (2019: £26,452) received from LDBS Academies Trust 2, £26,641 in relation to management/finance support 2019/2020 and £12,347 in relation to office rent. There was nothing outstanding as at 31 August 2020 in relation to this.

£Nil (2019: £1,334) spent with St Marys CE School, Norwood Green, a company of which E Wolverson being a member. As at 31 August 2020, no amounts were outstanding (2019: £Nil).

£107,000 (2019: £73,336) received from the Grieg Trust of which I Woolf, a trustee, is a trustee.