

Company Registration Number: 08182235 (England & Wales)

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	London Diocesan Fund London Diocesan Board for Schools Mr I Woolf
<b>Trustees</b>	Professor D Cumberland, Chair of Trustees <sup>1</sup> Mrs G M Dale-Skey <sup>1</sup> Mr I Woolf Dame A Hassan <sup>1</sup> Revd Preb C G Pope <sup>1</sup> Mrs K Hunter Ms E Wolverson, CEO  <sup>1</sup> members of the Audit committee
<b>Company registered number</b>	08182235
<b>Company name</b>	LDBS Academies Trust
<b>Principal and registered office</b>	London Diocesan Board For Schools London Diocesan House 36 Causton Street London SW1P 4AU
<b>Company secretary</b>	Ms A Norton
<b>Senior management team</b>	Ms E Wolverson, CEO
<b>Independent auditors</b>	Williams Giles Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne Kent ME10 5BH
<b>Bankers</b>	Lloyds Bank plc 98 Victoria Street London London

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 7 primary academies across north London. Its academies have a combined pupil capacity of 1650 and had a roll of 1598 in the school census on 7th October 2016.

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association and articles of association are the primary governing documents of the academy trust.

The Trustees of LDBS Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as LDBS Academies Trust (LAT).

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

Details of the directors who served during the year are included in the Reference and Administrative Details.

The LDBS Academies Trust trades as:

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

**b. MEMBERS' LIABILITY**

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

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

- Members may appoint such number of directors as they see fit.
- The Chief Executive if appointed.
- The Secretary of State may appoint up to 2 directors.
- Directors may appoint staff directors provided that the total number of directors including the Chief Executive who are employees of the company does not exceed one third of the total number of directors.
- Directors who have not been co opted as directors may appoint up to 3 co opted directors
- If the directors have not appointed Local Governing Bodies in respect of the academies, 2 parents

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

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

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

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

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

The induction process aims to achieve the following:

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**e. ORGANISATIONAL STRUCTURE**

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

- i) The board of trustees
- ii) The chief executive
- iii) Local Academy Committees
- iv) The (Executive) Headteachers of the LDBS Academies Trust Schools
- v) The senior leadership teams of the LDBS Academies Trust Schools

The board of directors is responsible for:

- setting the strategic direction and standards required for the LDBS Academies Trust;
- ensuring statutory policies are in place;
- approving the annual budget for the Trust as a whole;
- ensuring that adequate financial systems and controls are in place;
- entering into contracts with a value greater than £10,000 and

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

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

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

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

LAC's are responsible for:

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

(Executive) Headteachers are responsible for:

- The strategic leadership of individual schools and management of LDBS Academies Trust schools;
- implementing the policies and procedures set by the board of trustees and / or local academy committees;

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

- raising standards of teaching and learning
- supporting the local academy committee in their work;
- preparing the school development plan and the self evaluation form with LAC
- appointing staff; and
- authorising spending on items included in the annual budget plan within agreed limits

**f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The LDBS Academies Trust uses the National Teachers Pay and Conditions document as the basis for paying senior staff in the individual schools. The staff are subject to performance management. The Board determines the pay of the CEO and also uses Teachers Pay and Conditions as a guidance document.

**g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

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

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

Grow Education Partners limited, the trading subsidiary of the London Diocesan Board for Schools, provides a number of services to the Academy Trust including school improvement. LDBS delivers the LDBS Clerking Service to Grow Education Partners Limited, which is used to service the Trust's LGB meetings.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

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

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

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

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives for the Trust for the period ended 31st August 2016 are summarised below:

- Embed the necessary systems and support structures for the schools joining the Trust and refine them where necessary
- Develop and implement action plans for the schools within the Trust to support their school development process
- Ensure that the schools provide a high quality education for all of the children
- Ensure that St Andrew and St Francis as the newest school into the Trust improves the education it offers to the local community and that standards are raised
- Develop outstanding leaders for all the schools in the Trust



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

- Negotiations and transfer of Clerkenwell Parochial (Islington) into the Trust which should have been completed towards end of the year, unfortunately the sudden calling of the General Election and the ensuing purdah meant that the process was slowed up by several months.  
Carry out the necessary arrangements and negotiations for opening an extended day nursery as part of Holy Trinity School Tottenham to be called Little Engineers.

**c. PUBLIC BENEFIT**

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

**Strategic report**

**Achievements and performance**

The LDBS Academies Trust was incorporated on 16th August 2012. The Trust's new Master Funding Agreement was signed on 28th August 2014.

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

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

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

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

All 5 of the original schools have been inspected by Ofsted and are now judged to be good.

Millbrook Park opened as a brand new school in 2014 and was inspected in June 2017 and was judged to be good on all counts.

St Andrew & St Francis was in special measures before their transfer to the Trust on 1st July 2015 and has yet to be inspected. The school has made significant progress over the year. It is in the top 60% of all schools nationally for progress in Reading, the top 40% of all schools for progress in Writing and in the top 25% of all schools for progress in Maths.

**a. GOING CONCERN**

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

**Financial review**

The Trust had net expenditure of £7,223 before a revaluation gain of £1,874,000 on pension schemes; this included a surplus of £317,807 on unrestricted funds.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**a. RESERVES POLICY**

The LDBS Academies Trust aims to build up unrestricted reserves to the value of one month's, with the view to this becoming three month's, operating costs so as to be able to respond to unforeseen items of expenditure which may arise from time to time. At 31 August 2017, the unrestricted reserves were £1,280,002.

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

The 5 schools that were part of the Trust in Academic Year 2013/14 were all located in the London Borough of Haringey. In February 2014 the Trust was asked to help the London Borough of Barnet by opening a new school in September 2014. The school was already under construction but the Borough had withdrawn from a contract with one Academy Trust and was then let down by another group of providers. Using the Trust's policies, structures and appointing an Interim Executive Head from one of the LDBS' Voluntary Aided schools ensured that the Trust, in record time, had the green light from the Department for Education at the readiness for opening meeting and a positive pre-Ofsted. The school is part of a very large housing estate which is under construction for a few more years. It will eventually be a three form entry primary school with a nursery. However, despite the fact that there are many houses still to be built and the school was only advertised to parents the day before the deadline for parents to make a choice it opened with two forms of entry in September 2014.

On 1 July 2015, St Andrew & St Francis CE Primary, a LDBS Voluntary Aided School, which was deemed to be 'inadequate' joined the Trust as a sponsored school.

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 and in particular the replacement of supply teachers.
- 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.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

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

The Trust's plans for the future are to:

- Support present LDBS Academies Trust schools to improve levels of pupils attainment and progress and the quality of teaching and learning.
- Enable the Trust's schools to produce accurate assessments of school effectiveness and from them draw up school improvement plans.
- Consolidate and improve on the quality of internal systems and support structures for schools joining the Trust.
- Collaborate with Church of England and Community schools that are seeking to convert to academies and join the Trust; and develop the Trust's governance and management structures to accommodate the Trust's projected future growth.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

In so far 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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12/12/17 and signed on its behalf by:



Trustees

MR I WOOLF



Ms E Wolverson  
Trustee

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 11 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	11	11
Mrs G M Dale-Skey	9	11
Mr I Woolf	11	11
Dame A Hassan	8	11
Revd Preb C G Pope	11	11
Mrs K Hunter	8	11
Ms E Wolverson, CEO	11	11

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs G M Dale-Skey (Chair)	3	3
Mr D Cumberland	3	3
Dame A Hassan	2	3
Revd Preb C G Pope	3	3
Mr I Woolf	3	3
Ms E Wolverson, Chief Executive	3	3

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LDBS Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

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

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

On a quarterly basis, the auditors report to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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**GOVERNANCE STATEMENT (continued)**

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

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

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

Approved by order of the members of the board of trustees on 12/12/17 and signed on their behalf, by:



Trustee

Mr I Woolf



Ms E Wolverson  
Accounting Officer


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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of LDBS Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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**  
**Accounting Officer**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of LDBS Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 12/12/17 and signed on its behalf by:



Trustees

H2 I Woolf



**LDBS ACADEMIES TRUST**  
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**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 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 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.

**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. 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.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LDBS ACADEMIES TRUST**

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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report has 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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.

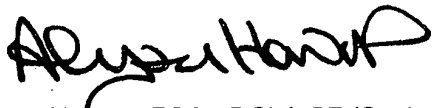
**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LDBS  
ACADEMIES TRUST**

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditor

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 22 December 2017

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' 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 21 March 201 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LDBS Academies Trust and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Academies Trust and the 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 31/12/2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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:

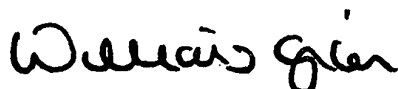
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LDBS  
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have 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 Limited**

Chartered Accountants  
Statutory Auditor

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: *22 December 2017*

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	2,462	-	272,857	275,319	404,090
Charitable activities	3	-	10,039,023	-	10,039,023	10,181,269
Other trading activities	4	310,246	292,921	-	603,167	494,481
Investments	5	5,099	-	-	5,099	7,056
Other income		-	9,663	-	9,663	31,345
<b>TOTAL INCOME</b>		<b>317,807</b>	<b>10,341,607</b>	<b>272,857</b>	<b>10,932,271</b>	<b>11,118,241</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	10,218,455	721,039	10,939,494	11,032,217
<b>TOTAL EXPENDITURE</b>	8	<b>-</b>	<b>10,218,455</b>	<b>721,039</b>	<b>10,939,494</b>	<b>11,032,217</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	317,807	123,152 (494,968)	(448,182) 494,968	(7,223) -	86,024 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		317,807	(371,816)	46,786	(7,223)	86,024
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,874,000	-	1,874,000	(1,317,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>317,807</b>	<b>1,502,184</b>	<b>46,786</b>	<b>1,866,777</b>	<b>(1,230,976)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		962,195	(2,521,731)	12,695,123	11,135,587	12,366,563
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,280,002</b>	<b>(1,019,547)</b>	<b>12,741,909</b>	<b>13,002,364</b>	<b>11,135,587</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	15	12,741,909	12,799,564
<b>CURRENT ASSETS</b>			
Stocks	16	10,319	-
Debtors	17	659,536	764,611
Cash at bank and in hand		3,347,729	3,185,490
		<u>4,017,584</u>	<u>3,950,101</u>
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,558,129)</u>	<u>(1,813,078)</u>
<b>NET CURRENT ASSETS</b>		<u>2,459,455</u>	<u>2,137,023</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,201,364</u>	<u>14,936,587</u>
Defined benefit pension scheme liability	24	<u>(2,199,000)</u>	<u>(3,801,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		<u><u>13,002,364</u></u>	<u><u>11,135,587</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted income funds:			
Restricted income funds	19	1,179,453	1,279,269
Restricted fixed asset funds	19	12,741,909	12,695,123
Restricted income funds excluding pension liability		13,921,362	13,974,392
Pension reserve		<u>(2,199,000)</u>	<u>(3,801,000)</u>
Total restricted income funds		<u>11,722,362</u>	<u>10,173,392</u>
Unrestricted income funds	19	1,280,002	962,195
<b>TOTAL FUNDS</b>		<u><u>13,002,364</u></u>	<u><u>11,135,587</u></u>

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

  
Trustee

MR I WOOLF

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<u>547,667</u>	<u>79,101</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5,099	7,056
Purchase of tangible fixed assets		(663,384)	(1,069,805)
Capital grants from DfE/ESFA		<u>272,857</u>	<u>391,545</u>
<b>Net cash used in investing activities</b>		<u>(385,428)</u>	<u>(671,204)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>162,239</b>	<b>(592,103)</b>
Cash and cash equivalents brought forward		<u>3,185,490</u>	<u>3,777,593</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>3,347,729</u></u>	<u><u>3,185,490</u></u>



**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies**

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 principle activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

LDBS Academies Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

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

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

**1.4 Expenditure**

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% Straight Line
Leasehold improvements	-	10% Straight Line
Fixtures and fittings	-	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 incorporating income and expenditure account.

**1.6 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 Bank.

**1.7 Operating leases**

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

**1.8 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.

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.9 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.

**1.10 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.

**1.11 Liabilities and provisions**

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 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 basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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 instruments.

**1.13 Taxation**

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

**LDBS ACADEMIES TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

**1.15 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 Department for Education 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 and include grants from the Department for Education.

**LDBS ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**1. Accounting Policies (continued)**

**1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2017. 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.

**1.17 Donated services and gifts in kind**

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

**2. Income from donations and capital grants**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	2,462	-	-	2,462	6,050
Capital Grants	-	-	272,857	272,857	398,040
	<u>2,462</u>	<u>-</u>	<u>272,857</u>	<u>275,319</u>	<u>404,090</u>
<i>Total 2016</i>	<u>6,050</u>	<u>-</u>	<u>398,040</u>	<u>404,090</u>	

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**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,172,226	8,172,226	8,062,527
Other DfE/ESFA grants	-	106,471	106,471	86,370
Universal free school meals	-	238,167	238,167	224,298
Schools Direct Funding	-	-	-	247,464
Pupil Premium	-	690,118	690,118	716,185
	-	9,206,982	9,206,982	9,336,844
<b>Other government grants</b>				
SEN funding	-	228,258	228,258	169,330
Greig Trust grants	-	98,667	98,667	84,334
Other grants	-	45,644	45,644	97,598
Growth Funding	-	96,448	96,448	107,837
Early years funding	-	363,024	363,024	385,326
	-	832,041	832,041	844,425
	-	10,039,023	10,039,023	10,181,269
<i>Total 2016</i>	-	10,181,269	10,181,269	

**4. Other trading activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Catering	-	144,613	144,613	145,893
Letting	93,360	-	93,360	95,283
Nursery	44,851	71,593	116,444	91,361
Other income	131,777	-	131,777	58,745
Trips & Clubs	-	76,715	76,715	88,103
Professional Services	40,258	-	40,258	15,096
	310,246	292,921	603,167	494,481
<i>Total 2016</i>	199,292	295,189	494,481	

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**5. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	5,099	-	5,099	7,056
<i>Total 2016</i>	7,056	-	7,056	

**6. Direct costs**

	Educational operations	Total 2017	Total 2016
Educational supplies	195,854	195,854	447,411
Staff development	222,433	222,433	201,920
Other direct costs	20,966	20,966	25,349
Agency supply	491,846	491,846	520,113
Trips & Clubs	105,923	105,923	94,208
Wages and salaries	4,437,150	4,437,150	4,548,989
National insurance	448,957	448,957	400,345
Pension cost	755,624	755,624	742,880
	6,678,753	6,678,753	6,981,215
<i>At 31 August 2016</i>	6,981,215	6,981,215	



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**7. Support costs**

	Educational operations £	Total 2017 £	Total 2016 £
LGPS costs	83,000	83,000	91,000
Recruitment and support	11,366	11,366	19,552
Maintenance of premises and equipment	302,493	302,493	423,259
Cleaning	130,041	130,041	87,124
Rent & rates	25,423	25,423	34,247
Light & heat	87,854	87,854	94,622
Insurance	58,837	58,837	99,193
Security & transport	14,869	14,869	15,447
Catering	498,184	498,184	495,618
Computer costs	239,290	239,290	162,261
Printing, postage and stationery	41,144	41,144	27,786
Legal & professional	302,917	302,917	287,713
Other support costs	50,500	50,500	244,651
Agency supply	284,332	284,332	343,039
Governance costs	184,992	184,992	53,078
Staff restructuring	28,000	28,000	84,771
Uniform	9,351	9,351	11,188
Wages and salaries	799,759	799,759	636,553
National insurance	66,466	66,466	45,378
Pension cost	320,884	320,884	158,069
Depreciation	721,039	721,039	636,453
	<u>4,260,741</u>	<u>4,260,741</u>	<u>4,051,002</u>
<i>At 31 August 2016</i>	<u>4,051,002</u>	<u>4,051,002</u>	

**8. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	6,133,577	-	545,176	6,678,753	6,981,215
Support costs	1,471,441	359,992	2,429,308	4,260,741	4,051,002
	<u>7,605,018</u>	<u>359,992</u>	<u>2,974,484</u>	<u>10,939,494</u>	<u>11,032,217</u>
<i>Total 2016</i>	<u>7,480,137</u>	<u>-</u>	<u>3,552,080</u>	<u>11,032,217</u>	

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**9. Net income/(expenditure)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>721,039</b>	<b>636,453</b>
	<u><u>721,039</u></u>	<u><u>636,453</u></u>

**10. Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	<b>18,500</b>	<b>13,250</b>
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	<b>9,750</b>	<b>9,750</b>
	<u><u>9,750</u></u>	<u><u>9,750</u></u>

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**11. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,236,909	5,185,542
Social security costs	515,423	445,723
Operating costs of defined benefit pension schemes	1,076,508	900,949
	<u>6,828,840</u>	<u>6,532,214</u>
Supply teacher costs	776,178	863,152
Staff restructuring costs	-	84,771
	<u>7,605,018</u>	<u>7,480,137</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	-	45,945
Severance payments	-	38,826
	<u>-</u>	<u>84,771</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £38,827). Individually, the payments were: £nil

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

	2017 No.	2016 No.
Teaching staff	0	83
Support staff	0	116
Management	0	3
	<u>0</u>	<u>202</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	5	4
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £80,141 (2016: £nil)

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**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2017 £	2016 £
Ms E Wolverson, CEO	80,000-85,000	
Remuneration		

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £263 to 1 Trustees).

**13. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

**14. Other finance income**

	2017 £	2016 £
Interest income on pension scheme assets	77,000	103,000
Interest on pension scheme liabilities	(160,000)	(194,000)
	<u>(83,000)</u>	<u>(91,000)</u>

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**15. Tangible fixed assets**

	Long-term leasehold property £	Imp'ments to Property on Churchland £	Assets under construction £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2016	11,500,000	960,672	-	1,061,402	490,353	14,012,427
Additions	-	342,712	66,092	133,903	120,677	663,384
Disposals	-	-	-	(710)	(386)	(1,096)
At 31 August 2017	11,500,000	1,303,384	66,092	1,194,595	610,644	14,674,715
<b>Depreciation</b>						
At 1 September 2016	460,000	162,460	-	372,537	217,866	1,212,863
Charge for the year	230,000	129,992	-	238,920	122,127	721,039
On disposals	-	-	-	(710)	(386)	(1,096)
At 31 August 2017	690,000	292,452	-	610,747	339,607	1,932,806
<b>Net book value</b>						
At 31 August 2017	10,810,000	1,010,932	66,092	583,848	271,037	12,741,909
At 31 August 2016	11,040,000	798,212	-	688,865	272,487	12,799,564

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

**16. Stocks**

	2017 £	2016 £
Uniforms	10,319	-

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**17. Debtors**

	2017 £	2016 £
Trade debtors	19,146	55,372
VAT repayable	97,002	128,656
Other debtors	308,103	308,222
Prepayments and accrued income	235,285	272,361
	<u>659,536</u>	<u>764,611</u>

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

	2017 £	2016 £
Trade creditors	161,405	289,161
Payroll creditor	868,920	840,772
Other creditors	131,696	173,696
Accruals and deferred income	396,108	509,449
	<u>1,558,129</u>	<u>1,813,078</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	129,501	122,895
Resources deferred during the year	149,004	129,501
Amounts released from previous years	(129,501)	(122,895)
Deferred income at 31 August 2017	<u>149,004</u>	<u>129,501</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals.

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**19. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted fund	962,195	317,807	-	-	-	1,280,002
<b>Restricted funds</b>						
General Annual Grant (GAG)	1,279,269	8,172,226	(7,777,074)	(494,968)	-	1,179,453
Pupil Premium	-	690,118	(690,118)	-	-	-
Other DfE/ESFA grants	-	106,471	(106,471)	-	-	-
SEN funding	-	228,258	(228,258)	-	-	-
Other grants	-	45,644	(45,644)	-	-	-
Generated income	-	302,584	(302,584)	-	-	-
Early years funding	-	363,024	(363,024)	-	-	-
Greig Trust grants	-	98,667	(98,667)	-	-	-
Universal Free School Meals	-	238,167	(238,167)	-	-	-
Growth Funding	-	96,448	(96,448)	-	-	-
Pension reserve	(3,801,000)	-	(272,000)	-	1,874,000	(2,199,000)
	<u>(2,521,731)</u>	<u>10,341,607</u>	<u>(10,218,455)</u>	<u>(494,968)</u>	<u>1,874,000</u>	<u>(1,019,547)</u>
<b>Restricted fixed asset funds</b>						
Assets held for depreciation	12,366,212	-	(721,039)	1,096,736	-	12,741,909
Devolved formula capital	-	39,274	-	(39,274)	-	-
Other capital grants	(13,824)	233,583	-	(219,759)	-	-
Government capital grants	342,735	-	-	(342,735)	-	-
	<u>12,695,123</u>	<u>272,857</u>	<u>(721,039)</u>	<u>494,968</u>	<u>-</u>	<u>12,741,909</u>
Total restricted funds	<u>10,173,392</u>	<u>10,614,464</u>	<u>(10,939,494)</u>	<u>-</u>	<u>1,874,000</u>	<u>11,722,362</u>
Total of funds	<u>11,135,587</u>	<u>10,932,271</u>	<u>(10,939,494)</u>	<u>-</u>	<u>1,874,000</u>	<u>13,002,364</u>

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted fund	749,797	212,398	-	-	-	962,195
	<u>749,797</u>	<u>212,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>962,195</u>

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**19. Statement of funds (continued)**

**Restricted funds**

General Annual Grant (GAG)	1,009,288	8,062,527	(7,792,546)	-	-	1,279,269
Pupil Premium	-	716,185	(716,185)	-	-	-
Other DfE/ESFA grants	-	86,370	(86,370)	-	-	-
SEN funding	-	169,330	(169,330)	-	-	-
Generated income	-	326,534	(326,534)	-	-	-
Early years funding	-	385,326	(385,326)	-	-	-
	-	97,598	(97,598)	-	-	-
Greig Trust grants	19,167	84,334	(103,501)	-	-	-
	15,775	-	(15,775)	-	-	-
Universal Free School Meals	-	224,298	(224,298)	-	-	-
	-	247,464	(247,464)	-	-	-
Growth Funding	-	107,837	(107,837)	-	-	-
Pension reserve	(2,361,000)	-	(123,000)	-	(1,317,000)	(3,801,000)
	<u>(1,316,770)</u>	<u>10,507,803</u>	<u>(10,395,764)</u>	<u>-</u>	<u>(1,317,000)</u>	<u>(2,521,731)</u>

**Restricted fixed asset funds**

Assets held for depreciation	12,366,212	-	-	-	-	12,366,212
Other capital grants	224,589	398,040	(636,453)	-	-	(13,824)
Government capital grants	342,735	-	-	-	-	342,735
	<u>12,933,536</u>	<u>398,040</u>	<u>(636,453)</u>	<u>-</u>	<u>-</u>	<u>12,695,123</u>
Total restricted funds	<u>11,616,766</u>	<u>10,905,843</u>	<u>(11,032,217)</u>	<u>-</u>	<u>(1,317,000)</u>	<u>10,173,392</u>
Total of funds	<u>12,366,563</u>	<u>11,118,241</u>	<u>(11,032,217)</u>	<u>-</u>	<u>(1,317,000)</u>	<u>11,135,587</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 that it could carry forward at 31 August 2017.



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**19. Statement of funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
St Ann's	80,964	165,402
St Michael's	200,525	79,910
St Paul's Infants	341,190	360,290
St Paul's Junior	702,991	458,377
Holy Trinity	182,288	183,200
Millbrook Park	31,782	(14,395)
St Andrew and St Francis	558,879	655,917
Central services	360,836	352,763
Total before fixed asset fund and pension reserve	<b>2,459,455</b>	2,241,464
Restricted fixed asset fund	<b>12,741,909</b>	12,695,123
Pension reserve	<b>(2,199,000)</b>	(3,801,000)
Total	<b>13,002,364</b>	11,135,587

**Analysis of academies by cost**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Holy Trinity	701,572	188,524	25,712	381,248	1,297,056	1,354,150
St Ann's	751,889	218,544	68,996	292,601	1,332,030	1,501,497
St Michael's	739,924	129,854	41,063	260,543	1,171,384	1,379,590
St Paul's Infants	838,985	189,600	29,183	201,095	1,258,863	1,189,979
St Paul's Junior	837,937	158,955	57,376	233,737	1,288,005	1,320,552
Millbrook Park	701,265	141,209	96,308	275,482	1,214,264	864,537
St Andrew & St Francis	1,575,511	309,135	137,644	540,263	2,562,553	2,475,338
Central	440	148,806	29,267	342,182	520,695	310,121
	<b>6,147,523</b>	<b>1,484,627</b>	<b>485,549</b>	<b>2,527,151</b>	<b>10,644,850</b>	<b>10,395,764</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	12,741,909	12,741,909
Current assets	1,280,002	2,737,582	-	4,017,584
Creditors due within one year	-	(1,558,129)	-	(1,558,129)
Provisions for liabilities and charges	-	(2,199,000)	-	(2,199,000)
	<u>1,280,002</u>	<u>(1,019,547)</u>	<u>12,741,909</u>	<u>13,002,364</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	104,441	-	12,695,123	12,799,564
Current assets	2,297,754	1,652,347	-	3,950,101
Creditors due within one year	-	(1,813,078)	-	(1,813,078)
Provisions for liabilities and charges	(1,440,000)	(2,361,000)	-	(3,801,000)
	<u>962,195</u>	<u>(2,521,731)</u>	<u>12,695,123</u>	<u>11,135,587</u>

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(7,223)	86,024
<b>Adjustment for:</b>		
Depreciation charges	721,039	636,453
Dividends, interest and rents from investments	(5,099)	(7,056)
Increase in stocks	(10,319)	-
Decrease/(increase) in debtors	105,075	(406,249)
(Decrease)/increase in creditors	(254,949)	38,474
Capital grants from DfE and other capital income	(272,857)	(391,545)
Defined benefit pension scheme finance cost	272,000	123,000
<b>Net cash provided by operating activities</b>	<u>547,667</u>	<u>79,101</u>

**22. Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash in hand	3,347,729	3,185,490
<b>Total</b>	<u>3,347,729</u>	<u>3,185,490</u>

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**23. Contingent liabilities**

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

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

**24. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 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**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012  
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**24. Pension commitments (continued)**

determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £438,980 (2016 - £523,575).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £431,000 (2016 - £430,000), of which employer's contributions totalled £349,000 (2016 - £345,000) and employees' contributions totalled £82,000 (2016 - £85,000). The agreed contribution rates for future years are 23.1% for employers and variable% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.00 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	21.9	21.9
Females	24.2	24.1
Retiring in 20 years		
Males	23.8	24.2
Females	26.1	26.5

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**24. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,919,475	2,437,120
Corporate bonds	899,925	788,480
Property	291,525	286,720
Cash and other liquid assets	114,075	71,680
	<u>4,225,000</u>	<u>3,584,000</u>

The actual return on scheme assets was £156,000 (2016 - £538,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(545,000)	(375,000)
Past service cost	-	(2,000)
Interest income	77,000	103,000
Interest cost	(160,000)	(194,000)
	<u>(628,000)</u>	<u>(468,000)</u>
Total	<u>(628,000)</u>	<u>(468,000)</u>
Actual return on scheme assets	<u>156,000</u>	<u>538,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	7,385,000	4,900,000
Current service cost	545,000	375,000
Interest cost	160,000	194,000
Employee contributions	84,000	85,000
Actuarial (gains)/losses	(1,718,000)	1,855,000
Benefits paid	(32,000)	(26,000)
Losses on curtailments	-	2,000
	<u>-</u>	<u>-</u>
Closing defined benefit obligation	<u>6,424,000</u>	<u>7,385,000</u>

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**24. Pension commitments (continued)**

Movements in the fair value of the academy's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	3,584,000	2,539,000
Interest income	77,000	103,000
Actuarial losses	156,000	538,000
Employer contributions	356,000	345,000
Employee contributions	84,000	85,000
Benefits paid	(32,000)	(26,000)
	<u>4,225,000</u>	<u>3,584,000</u>
Closing fair value of scheme assets	<u>4,225,000</u>	<u>3,584,000</u>

**25. Operating lease commitments**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	12,186	59,570
Between 1 and 5 years	15,739	27,924
	<u>27,925</u>	<u>87,494</u>
Total	<u>27,925</u>	<u>87,494</u>

**26. 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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**27. Related party transactions**

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

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

- £71,742 (2016: £105,746) spent with Grow Education a company of which I Woolf, E Wolverson and G Pope, all trustees, are directors. As at 31 August 2017 payments of £420 (2015 - £13,764) were outstanding.
- £98,667 (2016: £84,334) received from the Grieg Trust of which I Woolf, a trustee, is a trustee
- £179,423 (2016: £206,709) spent with the London Diocesan Board of Schools, a member, in respect of consultancy services. As at 31 August 2017 no payments (2015 - £153) were outstanding.

In entering into the transactions above the trust has complied with the requirements of the EFA's Academies Financial Handbook.