

LDBS ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



LDBS ACADEMIES TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy trust operates 8 primary academies across North London. Its academies have a combined pupil capacity of 1920 and had a roll of 1734 in the school census on October 2017.

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
- Clerkenwell Parochial CE 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

follows:

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

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 working in a local authority that could ensure that the LDBS Academies Trust did not omit any of the legal duties required of academies and could point out the pitfalls the LDBS Academies Trust could fall into. Members appointed a Head from an outstanding school and a retired Head with a strong track record of transforming schools in difficulties. Members then looked for someone who was a priest and understood the ethos the LDBS Academies Trust was seeking to establish and had many decades of experience as a governor and had been used to being moved into schools that were in difficulties in order to work with a Headteacher to sort out the problems.

When the director who worked for a local authority left we then looked for and appointed a director who was working with a local authority and also had Ofsted experience. The director appointed has been a valuable addition to the group and has particularly concentrated on developing safeguarding. This has included regular meetings with Safeguarding leads and the local governors who take responsibility for that area in each school. The meeting notes are shared with other directors and have served to improve our practice and have thrown up creative ideas for safeguarding training in 18/19.

We did not replace the external Headteacher director as we had agreed to invite Heads and Local Chairs to our meetings three times a year and it was obvious that this was a preferred option by our Heads; in addition it had become increasingly obvious that our own Heads were extremely expert and some were now being sought by one of the RSC's we work with to provide support for schools in other Trusts.

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;

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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.

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

In 2017/18 we began the process of revisiting some of our original assumptions and values and recording the changes that have occurred since the Trust was incorporated in 2012. Our Directors are each expert in their own field so that they not only undergo training but more often deliver the training to other organisations e.g. our Chair is Executive Dean of the Faculty of Education and Children's services at the University of Chester which was in 2017/18 awarded an Outstanding grade by Ofsted.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 performance management of (Executive) Headteachers.

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

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

The trustees appoint the (Executive) Headteachers and appoint the governors of the Local Academy Committee (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 LAC's scheme of delegation which also includes a delegation checklist outlining where responsibility for making decisions rests. There is a system of earned autonomy, the powers delegated to each local governing body can be varied depending on the effectiveness of the 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 complete the school evaluation and Improvement form (SEIF);
- monitoring the condition of the buildings and planning improvements and maintenance;
- monitoring and approving the annual budget; and
- entering into contracts within the amounts agreed by their scheme of delegation.

(Executive) Headteachers are responsible for:

- the daily management of LDBS Academies Trust schools;
- implementing the policies and procedures set by the board of trustees and / or Local Academy Committees;
- supporting the LAC in their work;
- preparing the SEIF with the LAC
- appointing staff; and
- authorising spending on items included in the annual budget plan within agreed limits

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TRUSTEES' REPORT (continued)
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f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

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

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

As always our main aim is to make sure that the children in our schools flourish in their learning. Our schools have continued on the journey of improvement as the data shows.

During the year, and at the request of the Regional Schools Commissioner, one of our schools which has an outstanding track record of achievement for working with children who are extremely disadvantaged was asked to provide support for schools in Cambridgeshire. This challenge was accepted.

In November 2017 we took into our Trust a school in Islington which had failed its Ofsted. There was a great deal to do in this school on every level. A new head teacher was appointed and over the year most of the staff decided to leave. The building and site was in a poor state of decoration and repair.

In Spring 2018 we began the process of taking on another Academy in Enfield. The school was orphaned by the end of May and the Senior leadership team had resigned. With the agreement of the RSC we began to support it although it was not yet part of our Trust fortunately we were then able to work with the extremely able senior leaders and produce a creative solution which encouraged both to retract their resignations.

c. PUBLIC BENEFIT

One of the initiatives from last year was setting up a fathers, grandfathers and male carers group in order to increase the number of men involved in the education of their children and their involvement with schools and education generally. This has had some success and although we would not normally separate by gender in this way in some areas this has particular merit.

Where we have sufficient schools grounds there are sports facilities made available after school and at weekends. In one school there is an evening slimmer's club which the community use and in another there is a

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community choir.

The trustees 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

a. KEY PERFORMANCE INDICATORS

We monitor attendance closely and have a termly sticker and rewards scheme across the Trust for 98%, 99% and 100% attendance. At the end of the year every child with 100% attendance receives a book token. This has encouraged better attendance.

	2016	2017	2018
LAT	95.91%	96.2%	96.2%

The provisional SATs and Early Years results for 2018 show improvement in all but one school, this downturn has been analysed and action taken so that this will not reoccur.

KS1 results

	Reading		Writing		Maths	
	2017	2018	2017	2018	2017	2018
LAT	80.6%	73%	73%	69%	76%	80%
National	76%	75%	68%	70%	78%	76%

SATs KS2

School	Reading		Writing		Maths		GPS		Combined	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
LAT	71.5%	74.3%	81.8%	79.55	73.5%	78%	80%	81%	59%	73%
National	71%	75%	76%	78%	75%	76%	77%	78%	61%	64%

The results from 2017 showed that we needed to look not just at progress but also at Greater Depth. Because there is no nationally agreed definition the head teachers at their regular meetings with the CEO worked on an agreed definition which all Trust schools would use.

We also worked on assessment and moderation where the schools could provide high quality school to school moderation and use our trained assessors to help each other.

In the three schools with one executive Head we also appointed a learning leader who is highly experienced and who will support teachers who need some new impetus or additional support.

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Pupil recruitment fluctuates in areas like Tottenham, which because of major redevelopment work already have a very high rate of churn. The school with the lowest numbers in the one who we took into the Trust in November 2017. The failed Ofsted in 2016 had inevitably reduced numbers although all the primary schools in the areas seem to have a reduced roll. It is going to be a major task to win the confidence of the community and is going to have a devastating impact on their finances for the next couple of years. We will have to support them because there is so much that needs to be done to improve the school and to make it safe and attractive to pupils and their families.

During the year there were two Ofsted inspections and in both cases the schools were judged to be good. This means that all the schools in the Trust at the end of the school year are now sitting on 'good' judgements apart from the school taken into the Trust in Nov 2017.

b. 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

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 months, operating costs so as to be able to respond to unforeseen items of expenditure which may arise from time to time. At 31 August 2018, the unrestricted reserves were £1,405,516 which will be slightly below one month's operating costs when Clerkenwell Parochial is included for a full twelve months.

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 and structures the Trust was able to open in record time and had a positive pre Ofsted. The school is part of a very large housing estate which is still under construction, it will eventually be a three form entry primary school, it opened with two forms of entry in September 2014. It is now a popular and over- subscribed school.

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. It had an Ofsted inspection this year and is now deemed 'good' in all areas.

In Autumn 2017 Little Engineers nursery opened as part of Holy Trinity School Tottenham, it is part of a new development at Tottenham Hale. Like all nurseries it is struggling with financial constraints. The nursery provides an extended day for working parents and is quite close to the station.

In November 2017 an Islington School, Clerkenwell Parochial joined the Trust. It was judged inadequate by Ofsted in 2016. It has needed a great deal of change and there is still much to do. Pupil recruitment is poor and this will have a long term effect on finances.

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.
- A reduction to the school's funding agreements resulting in increased financial pressure on the Academy Trust.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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 or no recourse to public funds which far exceeds the national averages.
- The impact of very low numbers at Clerkenwell Parochial when there are so many things that need doing at the school.
- Finding the right governors for each school with the necessary skills.

Plans for future periods

a. FUTURE DEVELOPMENTS

Meridian Angel in Edmonton will join the Trust on September 1st 2018.

The aim over the next year is to move it securely from the 'Requires improvement' Ofsted Judgement to 'good'. To do that we need to ensure that the quality of teaching is good across the school which will need some additional work from our HR team.

To raise standards of education and safety at Clerkenwell Parochial so that it also moves towards a securely 'good' judgement from 'inadequate'. We also need to recruit children from this school to give it a sound financial future. Money will have to be sent on the site to improve the very poor provision.

To ensure that all the schools continue to improve and provide first class learning opportunities for the children through the sharing of good practice, close monitoring and good quality assurance which helps the Trust and the local governors to do a really effective job.

If there were to be another school that fails in the area covered by our trust then we must be ready to take the school in to provide rapid improvement. We have refined our entry and set up systems but they will always need revisiting as every school is different.

During the next year we must grow slightly in the centre as we need to be able to provide additional financial support to the schools and also provide the Trust with appropriate back up arrangements.

DISCLOSURE OF INFORMATION TO AUDITORS

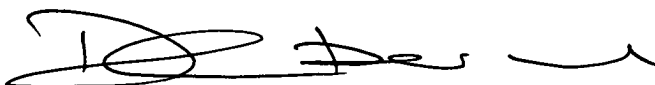
In so far as the Trustees are aware:

- 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 11 December 2018 and signed on its behalf by:



Professor D Cumberland
Chair of Trustees



Ms E Wolverson
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the 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	10	11
Mrs G M Dale-Skey	9	11
Mr I Woolf	10	11
Dame A Hassan	11	11
Revd Preb C G Pope	11	11
Mrs K Hunter	9	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	2	3
Mr D Cumberland	2	3
Dame A Hassan	3	3
Revd Preb C G Pope	3	3
Mr I Woolf	3	3

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the 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 2017 to 31 August 2018 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 2017 to 31 August 2018 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 reviewer's 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the external auditors report to the board of trustees through the audit committee on the

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GOVERNANCE STATEMENT (continued)

operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the 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 11 December 2018 and signed on their behalf, by:



Professor D Cumberland
Chair of Trustees



Ms E Wolverson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of LDBS Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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

Date: 11 December 2018

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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:

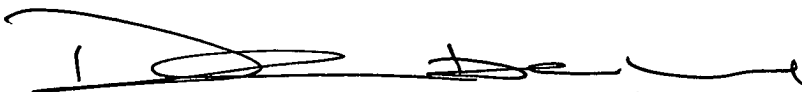
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:



Professor D Cumberland, Chair of Trustees
Chair of Trustees

LDBS ACADEMIES TRUST
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of LDBS Academies Trust (the 'academy') for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & 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.

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

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

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

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

USE OF OUR REPORT

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 18 December 2018

LDBS ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 & 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford FCA

Williams Giles Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 18 December 2018

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	30,770	(789,000)	-	(758,230)	-
Other donations and capital grants	2	16,344	-	527,643	543,987	275,319
Charitable activities	3	-	11,405,510	-	11,405,510	10,039,023
Other trading activities	4	330,623	425,094	-	755,717	603,167
Investments	5	3,251	-	-	3,251	5,099
Other income		-	9,198	-	9,198	9,663
TOTAL INCOME AND ENDOWMENTS		380,988	11,050,802	527,643	11,959,433	10,932,271
EXPENDITURE ON:						
Raising funds		5,143	-	-	5,143	-
Charitable activities		250,331	12,133,670	816,151	13,200,152	10,939,494
TOTAL EXPENDITURE	8	255,474	12,133,670	816,151	13,205,295	10,939,494
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		125,514	(1,082,868)	(288,508)	(1,245,862)	(7,223)
Actuarial gains on defined benefit pension schemes	24	-	852,000	-	852,000	1,874,000
NET MOVEMENT IN FUNDS		125,514	(230,868)	(288,508)	(393,862)	1,866,777
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,280,002	(1,019,547)	12,741,909	13,002,364	11,135,587
TOTAL FUNDS CARRIED FORWARD		1,405,516	(1,250,415)	12,453,401	12,608,502	13,002,364

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	15	12,753,387	12,741,909
CURRENT ASSETS			
Stocks	16	14,970	10,319
Debtors	17	619,372	659,536
Cash at bank and in hand		3,520,727	3,347,729
		<u>4,155,069</u>	<u>4,017,584</u>
CREDITORS: amounts falling due within one year	18	<u>(1,764,954)</u>	<u>(1,558,129)</u>
NET CURRENT ASSETS		<u>2,390,115</u>	<u>2,459,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>15,143,502</u>	<u>15,201,364</u>
Defined benefit pension scheme liability	24	<u>(2,535,000)</u>	<u>(2,199,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u><u>12,608,502</u></u>	<u><u>13,002,364</u></u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	19	1,284,585	1,179,453
Restricted fixed asset funds	19	12,453,401	12,741,909
Restricted income funds excluding pension liability		13,737,986	13,921,362
Pension reserve		<u>(2,535,000)</u>	<u>(2,199,000)</u>
Total restricted income funds		<u>11,202,986</u>	<u>11,722,362</u>
Unrestricted income funds	19	<u>1,405,516</u>	<u>1,280,002</u>
TOTAL FUNDS		<u><u>12,608,502</u></u>	<u><u>13,002,364</u></u>

The financial statements on pages 21 to 48 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



Professor D Cumberland
Chair of Trustees



Ms E Wolverson
Trustee

LDBS ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>469,913</u>	<u>547,667</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,251	5,099
Purchase of tangible fixed assets		(827,629)	(663,384)
Capital grants from DfE Group		<u>527,463</u>	<u>272,857</u>
Net cash used in investing activities		<u>(296,915)</u>	<u>(385,428)</u>
Change in cash and cash equivalents in the year		172,998	162,239
Cash and cash equivalents brought forward		<u>3,347,729</u>	<u>3,185,490</u>
Cash and cash equivalents carried forward	22	<u><u>3,520,727</u></u>	<u><u>3,347,729</u></u>

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 principal 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 2017 to 2018 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 2018

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.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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

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.

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:

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

Leasehold property	-	2% Straight Line
Leasehold improvements	-	10% Straight Line
Furniture and fixtures	-	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.

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.

LDBS ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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 2018

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

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

LDBS ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	30,770	(789,000)	-	(758,230)	-
Donations	16,344	-	-	16,344	2,462
Capital Grants	-	-	527,643	527,643	272,857
Subtotal	16,344	-	527,643	543,987	275,319
	47,114	(789,000)	527,643	(214,243)	275,319
Total 2017	2,462	-	272,857	275,319	

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,140,948	9,140,948	8,172,226
Other DfE/ESFA grants	-	308,093	308,093	106,471
Universal free school meals	-	231,213	231,213	238,167
Pupil Premium	-	733,158	733,158	690,118
Growth Funding	-	-	-	96,448
	-	10,413,412	10,413,412	9,303,430
Other government grants				
Other grants	-	11,497	11,497	45,644
Early years funding	-	586,467	586,467	363,024
SEN funding	-	283,805	283,805	228,258
Greig Trust grants	-	110,329	110,329	98,667
	-	992,098	992,098	735,593
	-	11,405,510	11,405,510	10,039,023
Total 2017	-	10,039,023	10,039,023	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering	-	183,287	183,287	144,613
Letting	107,991	-	107,991	93,360
Nursery	48,372	167,115	215,487	116,444
Other income	119,336	-	119,336	131,777
Trips & Clubs	-	74,692	74,692	76,715
Professional Services	49,852	-	49,852	40,258
Fundraising	5,072	-	5,072	-
	330,623	425,094	755,717	603,167
Total 2017	310,246	292,921	603,167	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	3,251	-	3,251	5,099
	<u>3,251</u>	<u>-</u>	<u>3,251</u>	<u>5,099</u>
Total 2017	5,099	-	5,099	
	<u>5,099</u>	<u>-</u>	<u>5,099</u>	

6. Direct costs

	Educational operations	Total 2018	Total 2017
Educational supplies	199,634	199,634	195,854
Staff development	254,623	254,623	222,433
Other direct costs	28,947	28,947	20,966
Agency supply	492,584	492,584	491,846
Trips & Clubs	74,554	74,554	105,923
Wages and salaries	5,235,753	5,235,753	4,437,150
National insurance	535,773	535,773	448,957
Pension cost	871,757	871,757	755,624
	<u>7,693,625</u>	<u>7,693,625</u>	<u>6,678,753</u>
	<u>7,693,625</u>	<u>7,693,625</u>	<u>6,678,753</u>
Total 2017	6,678,753	6,678,753	
	<u>6,678,753</u>	<u>6,678,753</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. Support costs

	Educational operations £	Total 2018 £	Total 2017 £
LGPS costs	74,000	74,000	83,000
Recruitment and support	48,517	48,517	11,366
Maintenance of premises and equipment	257,460	257,460	302,493
Cleaning	176,387	176,387	130,041
Rent & rates	34,709	34,709	25,423
Light & heat	118,210	118,210	87,854
Insurance	86,186	86,186	58,837
Security & transport	15,626	15,626	14,869
Catering	604,719	604,719	498,184
Computer costs	182,780	182,780	239,290
Printing, postage and stationery	52,117	52,117	41,144
Legal & professional	364,638	364,638	302,917
Other support costs	600,807	600,807	50,500
Agency supply	302,980	302,980	284,332
Governance costs	156,331	156,331	184,992
Staff restructuring	-	-	28,000
Uniform	4,911	4,911	9,351
Wages and salaries	1,051,715	1,051,715	799,759
National insurance	82,336	82,336	66,466
Pension cost	475,947	475,947	320,884
Depreciation	816,151	816,151	721,039
	<u>5,506,527</u>	<u>5,506,527</u>	<u>4,260,741</u>
Total 2017	<u>4,260,741</u>	<u>4,260,741</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:
£156,331 (2017 - £184,992) included within the table above in respect of Educational operations.

8. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	5,143	5,143	-
Support costs	-	-	-	-	-
Activities:					
Direct costs	7,135,867	-	557,758	7,693,625	6,678,753
Support costs	1,912,978	711,250	2,882,299	5,506,527	4,260,741
	<u>9,048,845</u>	<u>711,250</u>	<u>3,445,200</u>	<u>13,205,295</u>	<u>10,939,494</u>
Total 2017	<u>7,605,018</u>	<u>359,992</u>	<u>3,389,615</u>	<u>11,354,625</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	816,151	721,039

10. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	18,500	13,250
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	9,750	9,750

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,287,468	5,236,909
Social security costs	618,109	515,423
Operating costs of defined benefit pension schemes	1,347,704	1,076,508
	<u>8,253,281</u>	<u>6,828,840</u>
Agency staff costs	795,564	776,178
	<u><u>9,048,845</u></u>	<u><u>7,605,018</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £nil). Individually, the payments were: £nil.

c. Staff numbers

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

	2018 No.	2017 No.
Teaching staff	103	86
Support staff	80	84
Premises staff	19	25
Admin staff	17	15
Other staff	34	32
	<u>253</u>	<u>242</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	98	86
Support staff	69	84
Premises	12	25
Admin	14	15
Other staff	8	32
All staff	0	0
	<u>201</u>	<u>242</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	5

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. Staff costs (continued)

In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	0

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £92,992 (2017: £80,141)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £104,000 (2017: £80,141)

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

		2018 £	2017 £
Ms E Wolverson, CEO	Remuneration	100,000-105,000	80,000-85,000

During the year, Trustees received £3,149 benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £1,021 (2017 - £NIL) were reimbursed to 2 Trustees.

13. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	116,000	77,000
Interest on pension scheme liabilities	(190,000)	(160,000)
	<u>(74,000)</u>	<u>(83,000)</u>

14. 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 2018 was included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. Tangible fixed assets

	Leasehold property £	Imp'ments to Property on Church land £	Assets under construction £	Computer equipment £	Fixtures and fittings £	Total £
Cost						
At 1 September 2017	11,500,000	1,303,384	66,092	610,644	1,194,595	14,674,715
Additions	-	587,428	45,914	31,687	228,692	893,721
Transfer between classes	-	-	(66,092)	-	-	(66,092)
At 31 August 2018	<u>11,500,000</u>	<u>1,890,812</u>	<u>45,914</u>	<u>642,331</u>	<u>1,423,287</u>	<u>15,502,344</u>
Depreciation						
At 1 September 2017	690,000	292,452	-	339,607	610,747	1,932,806
Charge for the year	230,000	189,080	-	122,051	275,020	816,151
At 31 August 2018	<u>920,000</u>	<u>481,532</u>	<u>-</u>	<u>461,658</u>	<u>885,767</u>	<u>2,748,957</u>
Net book value						
At 31 August 2018	<u>10,580,000</u>	<u>1,409,280</u>	<u>45,914</u>	<u>180,673</u>	<u>537,520</u>	<u>12,753,387</u>
At 31 August 2017	<u>10,810,000</u>	<u>1,010,932</u>	<u>66,092</u>	<u>271,037</u>	<u>583,848</u>	<u>12,741,909</u>

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

16. Stocks

	2018 £	2017 £
Uniforms	<u>14,970</u>	<u>10,319</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	2018 £	2017 £
Trade debtors	71,882	19,146
VAT repayable	113,416	97,002
Other debtors	7,803	308,103
Prepayments and accrued income	426,271	235,285
	<u>619,372</u>	<u>659,536</u>

18. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	140,797	161,405
Payroll creditor	1,096,598	868,920
Other creditors	154,249	131,696
Accruals and deferred income	373,310	396,108
	<u>1,764,954</u>	<u>1,558,129</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	149,004	129,501
Resources deferred during the year	162,576	149,004
Amounts released from previous years	(149,004)	(129,501)
Deferred income at 31 August 2018	<u>162,576</u>	<u>149,004</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted fund	1,280,002	380,988	(255,474)	-	1,405,516
Restricted funds					
General Annual Grant (GAG)	1,179,453	9,140,948	(9,035,816)	-	1,284,585
Pupil Premium	-	733,158	(733,158)	-	-
Other DfE/ESFA grants	-	308,093	(308,093)	-	-
SEN funding	-	283,805	(283,805)	-	-
Other grants	-	9,198	(9,198)	-	-
Generated income	-	425,094	(425,094)	-	-
Early years funding	-	586,467	(586,467)	-	-
Government grants	-	11,497	(11,497)	-	-
Greig Trust grants	-	110,329	(110,329)	-	-
Universal Free School Meals	-	231,213	(231,213)	-	-
Pension reserve	(2,199,000)	(789,000)	(399,000)	852,000	(2,535,000)
	<u>(1,019,547)</u>	<u>11,050,802</u>	<u>(12,133,670)</u>	<u>852,000</u>	<u>(1,250,415)</u>
Restricted fixed asset funds					
Assets held for depreciation	12,741,909	-	(288,508)	-	12,453,401
Devolved formula capital	-	527,643	(527,643)	-	-
	<u>12,741,909</u>	<u>527,643</u>	<u>(816,151)</u>	<u>-</u>	<u>12,453,401</u>
Total restricted funds	<u>11,722,362</u>	<u>11,578,445</u>	<u>(12,949,821)</u>	<u>852,000</u>	<u>11,202,986</u>
Total of funds	<u>13,002,364</u>	<u>11,959,433</u>	<u>(13,205,295)</u>	<u>852,000</u>	<u>12,608,502</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 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
St Ann's	168,594	80,964
St Michael's	273,663	200,525
St Paul's Infants	211,127	341,190
St Paul's Junior	998,366	702,991
Holy Trinity	212,517	182,288
Millbrook Park	161,021	31,782
St Andrew and St Francis	237,241	558,879
Clerkenwell Parochial	8,268	-
Central services	419,304	360,836
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	2,690,101	2,459,455
Restricted fixed asset fund	12,453,401	12,741,909
Pension reserve	(2,535,000)	(2,199,000)
	<hr/>	<hr/>
Total	12,608,502	13,002,364
	<hr/> <hr/>	<hr/> <hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Holy Trinity	845,479	300,775	16,604	498,188	1,661,046	1,297,056
St Ann's	726,304	183,557	18,574	355,030	1,283,465	1,332,030
St Michael's	673,107	149,782	11,966	353,209	1,188,064	1,171,384
St Paul's Infants	852,524	179,073	11,993	181,931	1,225,521	1,258,863
St Paul's Junior	776,345	104,558	15,358	230,324	1,126,585	1,288,005
Millbrook Park	725,963	157,331	54,132	455,460	1,392,886	1,214,264
St Andrew & St Francis	1,399,390	193,686	52,431	1,098,059	2,743,566	2,562,553
Clerkenwell Parochial	643,661	163,343	6,976	333,765	1,147,745	-
Central	510	177,893	11,600	356,258	546,261	520,695
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,643,283	1,609,998	199,634	3,862,224	12,315,139	10,644,850
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LDBS ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted fund	962,195	317,807	-	-	-	1,280,002
Restricted funds						
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>
Restricted fixed asset funds						
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>

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**NOTES TO THE FINANCIAL STATEMENTS
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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted fund	962,195	317,807	-	-	-	1,280,002
	-	380,988	(255,474)	-	-	125,514
	<u>962,195</u>	<u>698,795</u>	<u>(255,474)</u>	<u>-</u>	<u>-</u>	<u>1,405,516</u>
Restricted funds						
General Annual Grant (GAG)	1,279,269	17,313,174	(16,812,890)	(494,968)	-	1,284,585
Pupil Premium	-	1,423,276	(1,423,276)	-	-	-
Other DfE/ESFA grants	-	414,564	(414,564)	-	-	-
SEN funding	-	512,063	(512,063)	-	-	-
Other grants	-	54,842	(54,842)	-	-	-
Generated income	-	727,678	(727,678)	-	-	-
Early years funding	-	949,491	(949,491)	-	-	-
	-	11,497	(11,497)	-	-	-
Greig Trust grants	-	208,996	(208,996)	-	-	-
Universal Free School Meals	-	469,380	(469,380)	-	-	-
Growth Funding	-	96,448	(96,448)	-	-	-
Pension reserve	(3,801,000)	(789,000)	(671,000)	-	2,726,000	(2,535,000)
	<u>(2,521,731)</u>	<u>21,392,409</u>	<u>(22,352,125)</u>	<u>(494,968)</u>	<u>2,726,000</u>	<u>(1,250,415)</u>
Restricted fixed asset funds						
Assets held for depreciation	12,366,212	-	(1,009,547)	1,096,736	-	12,453,401
Devolved formula capital	-	566,917	(527,643)	(39,274)	-	-
Other capital grants	(13,824)	233,583	-	(219,759)	-	-
Government capital grants	342,735	-	-	(342,735)	-	-
	<u>12,695,123</u>	<u>800,500</u>	<u>(1,537,190)</u>	<u>494,968</u>	<u>-</u>	<u>12,453,401</u>
	<u>10,173,392</u>	<u>22,192,909</u>	<u>(23,889,315)</u>	<u>-</u>	<u>2,726,000</u>	<u>11,202,986</u>
Total of funds	<u><u>11,135,587</u></u>	<u><u>22,891,704</u></u>	<u><u>(24,144,789)</u></u>	<u><u>-</u></u>	<u><u>2,726,000</u></u>	<u><u>12,608,502</u></u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,753,387	12,753,387
Current assets	1,405,517	3,049,538	(299,986)	4,155,069
Creditors due within one year	-	(1,764,954)	-	(1,764,954)
Provisions for liabilities and charges	-	(2,535,000)	-	(2,535,000)
	<u>1,405,516</u>	<u>(1,250,415)</u>	<u>12,453,401</u>	<u>12,608,502</u>

Analysis of net assets between funds - prior year

	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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,245,862)	(7,223)
Adjustment for:		
Depreciation charges	816,151	721,039
Dividends, interest and rents from investments	(3,251)	(5,099)
Increase in stocks	(4,651)	(10,319)
Decrease in debtors	40,164	105,075
Increase/(decrease) in creditors	206,825	(254,949)
Capital grants from DfE and other capital income	(527,463)	(272,857)
Defined benefit pension scheme obligation inherited	789,000	-
Defined benefit pension scheme finance cost	399,000	272,000
Net cash provided by operating activities	<u>469,913</u>	<u>547,667</u>

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	3,520,727	3,347,729
Total	<u>3,520,727</u>	<u>3,347,729</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

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 ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA 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 ESFA.

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.
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September

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24. Pension commitments (continued)

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 £871,757 (2017 - £438,980).

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).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £541,000 (2017 - £431,000), of which employer's contributions totalled £388,000 (2017 - £349,000) and employees' contributions totalled £153,000 (2017 - £82,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.00 %	3.00 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22	21.9
Females	24.4	24.2
Retiring in 20 years		
Males	24	23.8
Females	26.4	26.1

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FOR THE YEAR ENDED 31 AUGUST 2018**

24. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,394,509	2,919,475
Corporate bonds	1,102,314	899,925
Property	365,721	291,525
Cash and other liquid assets	221,493	114,075
Other	66,963	-
	<hr/>	<hr/>
Total market value of assets	5,151,000	4,225,000
	<hr/>	<hr/>

The actual return on scheme assets was £286,000 (2017 - £156,000).

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

	2018 £	2017 £
Current service cost	(752,000)	(545,000)
Interest income	116,000	77,000
Interest cost	(190,000)	(160,000)
	<hr/>	<hr/>
Total	(826,000)	(628,000)
	<hr/>	<hr/>
Actual return on scheme assets	286,000	156,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	6,424,000	7,385,000
Transferred in on existing academies joining the trust	941,000	-
Current service cost	752,000	545,000
Interest cost	190,000	160,000
Employee contributions	114,000	84,000
Actuarial gains	(710,000)	(1,718,000)
Benefits paid	(25,000)	(32,000)
	<hr/>	<hr/>
Closing defined benefit obligation	7,686,000	6,424,000
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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	4,225,000	3,584,000
Transferred in on existing academies joining the trust	152,000	-
Interest income	116,000	77,000
Actuarial losses	142,000	156,000
Employer contributions	427,000	356,000
Employee contributions	114,000	84,000
Benefits paid	(25,000)	(32,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	5,151,000	4,225,000
	<hr/>	<hr/>

25. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	9,308	12,186
Between 1 and 5 years	6,430	15,739
	<hr/>	<hr/>
Total	15,738	27,925
	<hr/>	<hr/>

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 trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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

- £121,150 (2017: £71,742) spent with Grow Education Partners Ltd a company of which I Woolf, E Wolverson, K Hunter and G Pope, all trustees, were directors or consultants to in the year. As at 31 August 2018 E Wolverson and G Pope were no longer directors of Grow Education Partners Ltd. As at 31 August 2018 payments of £3,170 (2017 - £420) were outstanding and are included within trade creditors. £7,200 (2017: £Nil) received from Grow Education Partners Ltd in relation to consultancy work. The element above £2,500 has been provided 'at no more than cost' and I Woolf has provided a statement of assurance confirming this.
- £110,329 (2017: £98,667) received from the Grieg Trust of which I Woolf, a trustee, is a trustee.
- £241,680 (2017: £179,423) spent with the London Diocesan Board of Schools, a member, in respect of consultancy services. As at 31 August 2018 £2,916 (2017 - £nil) was outstanding and has been included in trade creditors. During the year £21,000 (2017: £Nil) was received from the London Diocesan Board of Schools, a member, in relation to professional services income. There was nothing outstanding in respect of income as at the year end.
- £148,883 (2017: £90,456) spent with London Diocesan Fund, a member, £28,000 in respect of rent from Holy Trinity (Little Engineers Nursery) and £120,883 in respect of payroll for E Wolverson. There was nothing outstanding as at 31 August 2018 in relation to this. This has been provided at no more than cost.
- £233 (2017: £Nil) spent with LDBS Academies 2 of which I Woolf, a trustee, is a trustee, in respect of a VAT reimbursement. £10,000 (2017: £Nil) received from LDBS Academies 2, in relation to management/finance support 2017/18. There was nothing outstanding as at 31 August 2018 in relation to this.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

28. Central services

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

- Central administrative staff
- School support
- Governance

The academy charges for these services on the following basis:
5% of GAG income

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
St Ann's	55,407	56,400
St Michael's	50,328	56,010
St Paul's Infants	47,307	47,232
St Paul's Junior	59,577	60,879
Holy Trinity	57,477	55,857
Millbrook	56,058	43,557
St Andrew & St Francis	105,411	105,920
Clerkenwell	48,664	-
	480,229	425,855
Total	<u><u>480,229</u></u>	<u><u>425,855</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. Transfer of existing academies into the academy

Clerkenwell Parochial joined the Trust in November 2017.

Clerkenwell Parochial

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Cash in bank and in hand	30,770	-	30,770
Pensions			
Pensions - pension scheme assets	152,000	-	152,000
Pensions - pension scheme liabilities	(941,000)	-	(941,000)
Net liabilities	<u>(758,230)</u>	<u>-</u>	<u>(758,230)</u>