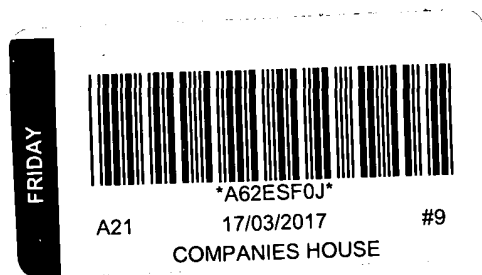


L.E.A.D. Multi-Academy Trust

Registered number: 08296921

Trustees' report and financial statements

For the year ended 31 August 2016



L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Trustees' Responsibilities Statement	16
Independent Auditor's report	17
Independent Reporting Accountant's Assurance Report on Regularity to L.E.A.D Academy Trust and the Education Funding Agency	19
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements incorporating:	
Statement of Accounting Policies	24-50
Other notes to the Financial Statements	

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees

Mr M Blois, Chair
Mr CE Richards, Vice Chair
Ms D Owen, Chief Executive & Accounting Officer
Mr I Hancocks
Mr M Kenyon (appointed 20 January 2016)
Mr N Ydlibi (appointed 11 May 2016)
Ms T Shrestha (appointed 11 May 2016)
Mrs A L Eastgate (resigned 22 September 2015)

Members

Mr M Blois
L.E.A.D. Academy Trust
Mrs D Harvey
Ms D Owen (resigned 1 September 2015)

Company registered number

08296921

Principal and registered office

The Old Pumphouse, 5 The Ropewalk, Nottingham, NG1 5DU

Executive Team

Ms D Owen, Chief Executive and Accounting Officer
Mr B Thandi, Deputy Chief Executive and Chief Financial Officer
Mr N Spencelayh, Director of the MAT

Company secretary

Mrs L Bird

Independent auditors

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers

Lloyds Bank PLC, 1 City Road East, Manchester, M15 4PU

Solicitors

Eversheds LLP, Watergate, 116-118 Canal Street, Nottingham, NG1 7HF

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period to 31st August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The charitable company was incorporated on 16 November 2012 and commenced trade as an Academy Trust on 1 January 2013. The Academy Trust as at the 31st August 2016 consists of thirteen primary academies working across Nottingham, Nottinghamshire, Leicester and Leicestershire. Its academies have a pupil capacity of 4,209 and had a roll of 3,701 in the October 2015 school census.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of the L.E.A.D. Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the L.E.A.D. Multi Academy Trust.

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

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.

Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

The Trustees have liability insurance with Zurich effective date 1st February 2016. There is a limit of indemnity of £25,000,000.

Method of recruitment and appointment or election of Trustees

The total number of Trustees including the Management Team Trustee who are employees of the Company shall not exceed one third of the total number of Trustees.

Subject to Articles 48-49 and 63, the Academy Trust shall have the following Trustees:

- a) Up to six Sponsor Trustees appointed under Article 50.
- b) Academy Trustees, appointed under Article 51;

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

- c) Management Team Trustee appointed under article 57;
- d) Additional Trustees, if appointed under Article 61, 61A or 67a;
- e) Parent Trustees, if appointed under clause 53 to 56.

The Secretary of State may appoint additional Trustees if the Trustees fail to comply with a Secretary of State warning notice.

Any vacancies or additions to the Board of Trustees are completed through a recruitment process which also involves sourcing a potential shortlist of candidates from the Academy Ambassadors programmes and existing Local Governing Bodies. The candidates are assessed jointly by the Chair of Trustees and Executive Management Team.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, educational, legal and financial matters. All Trustees of the Academy Trust are provided will access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. The Academy Trust will also perform an annual skills audit of Trustees, should any gaps be identified training courses are offered to address these issues.

Organisational structure

The L.E.A.D. Multi-Academy Trust is a separate Trust sponsored by the L.E.A.D. Academy Trust .The L.E.A.D. Multi-Academy Trust currently contains the following:

- Huntingdon Academy
- Sycamore Academy
- Warren Academy
- St Ann's Well Academy
- Edna G Olds Academy
- Hogarth Academy
- Windmill L.E.A.D. Academy
- Millfield L.E.A.D. Academy
- Bishop Alexander L.E.A.D. Academy
- Glapton Academy
- Radford Academy
- Jubilee L.E.A.D. Academy
- Uplands Juniors L.E.A.D. Academy

The management structure consists of nine levels; the Members, the Board of Trustees, the Chief Executive, the Executive Management Team, the Director of Schools, the Executive Head Teachers, the Head Teachers of each academy, the Governing Body of each academy and the Senior Leadership Team within each academy. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring of each academy's performance and appointment of the Head Teachers and Chairs of Governing Bodies.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

The Executive Management Team is the Chief Executive, the Deputy Chief Executive and the Director of the MAT supported by Director of Schools and Executive Head Teachers and Head Teachers of each academy. These managers control the academies at an executive level implementing policies laid down by the Trustees and reporting back to them. As a group these managers are responsible for the authorisation of spending within agreed budgets and appointment of staff.

Each Governing Body receives delegated authority from the Academy Trust Board to support the Board in fulfilling its obligations.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Executive Management Team and the Director of Schools is set by the Pay Committee. Head Teacher pay is set in line with school teachers' pay and conditions.

The Pay Committee commission an external independent report which benchmarks the most senior roles across the public sector. Each role is benchmarked taking into consideration the following:

- Internal job size & internal pay relativities.
- Relevant external market positioning, and data.
- Individual experience, performance and contribution.

The Pay Committee benchmark these roles on an annual basis and utilise the report in order to review pay and remuneration of the key management personnel.

Related Parties and other Connected Charities and Organisations

The L.E.A.D. Multi-Academy Trust is one of two subsidiaries of the L.E.A.D. Academy Trust (company no 07767010) and the other subsidiary is L.E.A.D. Services Limited (company no 08423697).

The L.E.A.D. Academy Trust is the sponsor for the L.E.A.D. Multi Academy Trust and during the financial year 2015/16 there were no connected party transactions between the two entities.

The L.E.A.D. Academy Trust is a registered charity and its Board of Trustees is responsible for the following principles:

- Appoint majority of Trustees of L.E.A.D. Multi-Academy Trust
- Act as a check and balance on the performance of the L.E.A.D. Multi-Academy Trust
- Provide expert guidance & support on educational issues to the L.E.A.D. Multi-Academy Trust & L.E.A.D. Services Limited
- Appoint directors of L.E.A.D. Services Limited and exercise strategic control over its activities

Directors of L.E.A.D. Services Limited received no remuneration and any surpluses generated by L.E.A.D. Services Limited are gift aided to the L.E.A.D. Academy Trust for reinvestment as grants within the L.E.A.D. Multi-Academy Trust. During the financial year 2015/16 L.E.A.D. Services provided the following services to L.E.A.D. Multi-Academy Trust at cost only:

- £7,780 National Professional Leadership Qualifications
- £2,100 School Improvement
- £20,760 Teaching School membership

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and Activities

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living in the East Midlands and surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreating or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the articles of association, the charitable company has entered into a relevant funding agreement with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the Trust, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

The main objects / aims of the Trust during the period ended 31 August 2016 are summarised below:

- Through outstanding leadership we, at the L.E.A.D. Multi-Academy Trust, will provide the highest quality education to enable every pupil to realise their full potential.
- Utilise the power of partnership by working as a catalyst for ensuring more children receive an exceptional education.
- Embrace a combination of autonomy and collaboration across key areas of leadership and management, underpinned by shared vision, values and best practice.
- Provide value for money for the funds expended.

Objectives, strategies and activities

In every aspect of life the ability to lead is essential. Strong leadership is the key to the success of our schools. We will develop leadership skills in everyone who attends one of them, ensuring the development of pupils as leaders of their own learning.

At L.E.A.D. Multi-Academy schools pupils are empowered to have high aspirations for their futures. We nurture and challenge pupils to take responsibility, make decisions and work together so they grow into confident and resilient young people.

We believe in achievement in its broadest sense and that enjoyment of learning is crucial to success. We continually look for and reward achievement in every individual in our schools. We also know that a strong command of English and Maths is vital as a foundation for the whole curriculum and prioritise learning in these core subjects.

We will provide the very best education and training for every individual in our schools and will ensure that this is delivered. We value excellent teaching, underpinned by high quality professional development and will constantly move forwards, using and instigating the best ideas and practice.

We also understand that children need to be motivated if they are to succeed in life and we will provide a stimulating curriculum and environment which will prepare them for their futures with confidence and determination

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic Report

Achievements and performance

The Trust now provides the education for approximately 4,000 children across the East Midlands fulfilling its primary objective in some of the most deprived areas in England. One academy joined the Trust over the course of the 2015-16 financial year increasing the number of academies to thirteen.

The quality of education provided by the Trust has improved which is reflected in both its Key Stage 2 results and the improved Ofsted judgements secured for its academies. The following academies have maintained or improved their Ofsted judgements since 2012.

- | | |
|------------------------------|----------------------------------|
| • Edna G Olds Academy | Requires Improvement to Good |
| • Warren Academy | Good to Outstanding |
| • St Anns Well Academy | Good to Good |
| • Sycamore | Good to Good |
| • Warren | Good to Outstanding |
| • Millfield L.E.A.D. Academy | Special Measures to Good |
| • Windmill L.E.A.D. Academy | Special Measures to Good |
| • Hogarth Academy | Requirements Improvement to Good |

Children served by the Trust have been empowered through the enrichment activities delivered to all key stage 1 and 2 children through Bushcraft and Olympic events during the academic year. Throughout the activities children were learning and developing leadership skills as well as developing a range of life skills and attributes.

Partnership working has continued to develop over the academic year. The Teaching School Alliance has continued to grow and develop across both the primary and secondary phase leading to increased breadth of training programmes and sharing of best practice.

Value for money has been secured through robust financial monitoring and control frameworks underpinned by the oversight maintained by the Trustees and Executive Management Team. The Trust has secured efficiency savings of more than 1% during the course of the financial year.

Key financial performance indicators

A summary analysis of key financial performance indicators are listed below:

Indicator	Target	Actual
All staff costs as percentage of expenditure	75-78%	72%
Central services as percentage of all income	Below 5%	4.6%
Percentage of academies judged Good or Outstanding	50%	69%
Financial Efficiencies	1%	1.5%
Activities delivered under the L.E.A.D. Award	4,000	4,282

Over the course of the year Uplands Junior L.E.A.D. Academy joined the Trust on the 1st June 2016.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

By the end of KS2, the percentages of pupils meeting or exceeding the expected standards are as follows:

	Trust's Performance*	National (2016)
Reading, Writing and Maths Combined	42%	53%
Reading (Expected Standard)	53%	66%
Writing (Expected Standard)	73%	74%
SPAG (Expected Standard)	70%	72%
Maths (Expected Standard)	64%	70%

* all figures are provisional and unvalidated at the time of submission.

This provision of education for almost 3,500 children across the East Midlands demonstrated the Company's public benefit.

Going concern

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

Financial review

The vast majority of the Trust's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants to the Trust's academies (Revenue and Capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

At 31st August 2016 the net book value of fixed assets was £28,094,978 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the Academy.

During the year funding of £642,328 was secured for investment in the Trust's fixed assets.

Key financial policies adopted or reviewed during the period cover Asset and Depreciation, Finance Procedures and regulations are set out within the Trust's Finance Procedures. In addition the Trust has approved policies on Fraud, Whistle blowing, Tendering and Expenses and charges. The Trust's procedures set out the framework for financial management, including financial responsibilities of Trustees, Executive Management Team, Head Teachers and finance staff centrally and in academies. Delegated financial responsibilities are set out within the Trust's scheme of delegation and the financial procedures.

Central support services have been developed covering educational support, finance, governance, IT, risk management, legal and human resources. These services will continue to develop as further academies join the Trust.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

The Board or Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

During this financial year one academy joined the Trust contributing towards the current level of reserves as at the 31 August 2016.

Unrestricted Funds held at 31 August 2016 were £2,410k (2015: £2,684k), and Restricted General Funds (excluding Pension reserve) were £2,035k (2015: £906k). Therefore a net surplus of £4,445k is available to the Trust.

The Trust in the short term will ensure some of the reserve funds are invested in the following:

- The Trust sees ICT provision in our academies as a key part of our children's learning. As such academies will be investing surplus funds to maintain and develop their ICT infrastructure.
- The Trust is committed towards maintaining its buildings and is developing a capital maintenance programme aimed at ensuring a long useful life for the Trust's assets.

Future financial cost pressures for each of the academies will also reduce the level of financial reserves in the long term.

The Trust is currently undertaking a review to identify and assess capital investment priorities and in addition, the DfE have yet to confirm the level of capital funding the Trust will receive going forward. The outcome of these factors will inform the Trust's long term reserves policy. However as an interim measure, the Board of Trustees has agreed that the minimum level of reserves held for revenue purposes should fall no lower than £1.5 million across the thirteen academies and teaching school.

Material investments policy

Trustees have adopted an Investment Policy which is included in the Finance Policy. It allows for surplus funds to be invested in low risk short term bonds with high street banks only.

Principal risks and uncertainties

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed, and systems and procedures have been established to mitigate those risks. The schedule of risks is tabled and reviewed at all Board Meetings and mitigating actions are agreed as required.

Operational Risk

No current or soon to be joining academy faces any financial risk associated with falling rolls. A number of academies are working with the relevant local authority to increase planned admission numbers to meet local shortages of primary places. It is anticipated that expansion of pupil numbers is an opportunity to strengthen finances of academies. Nevertheless at the same time the uncertainties relating to the next stage of the reform of school funding arrangements, the freeze on the Government's overall education budget, changes in funding arrangements for special needs pupils and increasing employment and premises costs are all contributing to cost pressure in future periods, which increases the importance of maintaining robust levels of revenue reserves.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Credit Risk

The Trust recognises exposure to credit risk is the risk that revenues (self-generated or government funded) cannot be collected, and the exposure to banks where the Trust's own cash is deposited. The credit risk is low as the Trust holds all cash and performance fee balances with banks assigned high credit ratings. The Trust does not hold client cash balances or assets so are not exposed to client credit risk.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and interest-bearing deposits. To minimise this risk a high percentage of asset funds are held within flexible accounts. The Trust recognises the defined benefit scheme deficits (Local Government Pension Schemes) as a significant liability, which is set out in note 27 to the financial statements, represents a significant potential liability. However, as the Trustees of the Trust consider that the Trust is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Cash Flow

The forward financial planning has mitigated the risk of any potential cash flow issues across the Trust. New academies joining the Trust during the next financial year in the short term will potentially experience cash flow shortfalls, however the Trust will deploy reserves on a short term basis in order to maintain operational levels at these academies.

Plans for future periods

Future developments

The Trust will continue to work towards delivering the following core characteristics in all of its Schools:

- the highest standards of behaviour and conduct;
- outstanding teaching and learning;
- a fully inclusive approach where all children are equally important;
- a climate of mutual respect between the children, staff and community;
- positive relationships;
- high aspirations for all involved with the schools – a 'can do' attitude;
- a wide range of enrichment opportunities for all to get involved;
- a celebration of all the cultures and faiths represented in the schools;
- an organisation where there are no excuses for underachievement.

The Trust plans for growth in the number of academies it runs. It is anticipated that by the end of the next accounting year there will be at least 20 schools within the organisation. The predicted combined annual turnover at that point will be approximately £40m.

Resources have been carefully invested in the Trust in order to manage the next growth phase with further economies of scale expected to materialise in the very near future.

Funds held as custodian Trustee on behalf of others

None.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2016

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Trust's Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

Auditor

Insofar as the Trustees are aware:

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

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 19 December 2016 and signed on the Board's behalf by:



Mr M Blois
Chair of Trustees

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that L.E.A.D. Multi-Academy 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 L.E.A.D. Multi-Academy 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 five 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
Mr M Blois, Chair	5	5
Mr CE Richards	5	5
Ms D Owen, Chief Executive & Accounting Officer	5	5
Mr I Hancocks	3	5
Mr M Kenyon	3	4
Mr N Ydlibi	3	3
Ms T Shrestha	3	4

During the year M Kenyon, N Ydlibi and T Shrestha joined the Board.

The Trust has undertaken a self-evaluation of its Board of Trustees and identified areas for improvement. A review of governance at each Local Governing Body level has also been completed and this forms the basis of the review programme for governance in the Autumn term.

The next annual review of the Board of Trustees will take place early in 2017

The Pay Committee is a sub-committee of the main Board of Trustees. Its purpose is to review remuneration of the Executive Management Team.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Hancocks	2	2
Mr M Blois	2	2
Mr CE Richards	2	2

The audit committee is also a sub-committee of the main Board of Trustees. Its purpose is to review the risks to internal financial control at the Trust.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr CE Richards	2	2
Mr M Kenyon	2	2
Mr N Ydlibi	2	2
Ms D Owen	1	2

Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the Academy Trust 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 Trust'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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year through:

- The continuing ongoing renewal of photocopier leases has generated a further saving of £6,000 for one of our academies.
- The most recent procurement exercise on staff absence insurance has securing annual financial savings of £65,000 across the Trust.
- Grants of £83,000 were secured for three of academies for building and equipment upgrades.
- The growth of the Trust has secured capital funding of £850,000 which is being invested in enhancing and improving facilities across all academies.
- Procurement processes across utilities have reduced costs by £60,000.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in L.E.A.D. Multi-Academy Trust for the year 1 September 2015 to 31 August 2016 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 Trust 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 Trust's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board 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 to appoint GreenbiRo as internal auditors.

GreenbiRo was established by Rosanne Fleming in 2011 after a 15 year career in local government finance and audit. It operates as a limited company, primarily supplying expertise in risk management, internal auditing and governance advice. It works almost exclusively with public service organisations to deliver these services through its own employees, and a number of professional associates with similar professional backgrounds and experience. GreenbiRo has extensive experience of auditing schools.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the internal auditor reports to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The current checks carried out include:

- Cashflow management
- Capital management
- Risk management

No material control issues were identified by the internal auditors.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- 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.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 19 December 2016 and signed on its behalf, by:



Mr M Blois
Chair of Trustees



Ms D Owen
Accounting Officer

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of L.E.A.D. Multi-Academy Trust I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 (2015).

I confirm that I and the Board of Trustees are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2015).

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 EFA.



Ms D Owen
Accounting Officer

Date: 19 December 2016

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of L.E.A.D. Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 19 December 2016 and signed on its behalf by:



Mr M Blois
Chair of Trustees

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L.E.A.D MULTI-ACADEMY TRUST

We have audited the financial statements of L.E.A.D. Multi-Academy Trust for the Year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102)).

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Trustees as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the incorporated strategic report for the Year for which the financial statements are prepared is consistent with the financial statements.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L.E.A.D MULTI-ACADEMY TRUST (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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.



David Hoose (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 19/12/16

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO L.E.A.D. MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by L.E.A.D. Multi Academy Trust during the period 1 September 2015 to 31 August 2016 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 L.E.A.D. Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to L.E.A.D. Multi Academy Trust and the EFA those matters we are required to state to it 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 L.E.A.D. Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of L.E.A.D. Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of L.E.A.D. Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY
TO L.E.A.D. MULTI-ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY
(continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

David Hoose
Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *19/6/16*

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016
(Including Income & Expenditure)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income:						
Donations and capital grants	2	-	-	642	642	655
Transfer from local authority on conversion	29	198	(683)	3,559	3,074	4,667
Charitable activities:						
Funding for the Academy Trust's educational operations	3	304	20,722	-	21,026	19,020
Other trading activities	4	422	82	-	504	623
Investments	5	5	-	-	5	4
Total		929	20,121	4,201	25,251	24,969
Expenditure on:						
Raising funds	6	113	-	-	113	791
Charitable activities:						
Academy Trust educational operations	7	1,090	19,569	881	21,540	18,792
Total		1,203	19,569	881	21,653	19,583
Net income / (expenditure)		(274)	552	3,321	3,598	5,386
Transfers between funds	17	-	(665)	665	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,27	-	(5,138)	-	(5,138)	(39)
Net movement in funds		(274)	(5,251)	3,985	(1,540)	5,347
Reconciliation of funds:						
Total funds at 1 September 2015		2,684	(6,077)	24,156	20,763	15,416
Total funds at 31 August 2016		2,410	(11,328)	28,141	19,223	20,763

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	12		28,095		24,119
Current assets					
Stock	13	47		37	
Debtors	14	1,505		925	
Cash at bank and in hand		4,920		3,924	
		6,472		4,886	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,972)		(1,249)	
Net current assets			4,500		3,637
Total assets less current liabilities			32,595		27,756
Creditors: Amounts falling due after more than one year	16		(8)		(10)
Net assets excluding pension liability			32,586		27,746
Defined benefit pension scheme liability	27		(13,363)		(6,983)
Total net assets			19,223		20,763
Funds of the Academy Trust:					
Restricted funds					
. Fixed asset fund	17	28,141		24,156	
. Restricted income fund	17	2,035		906	
. Pension reserve	17	(13,363)		(6,983)	
Total restricted funds			16,813		18,709
Unrestricted income funds	17		2,410		2,684
Total funds			19,223		20,763

The financial statements on pages 21 to 50 were approved by the Trustees and authorised for issue on 19 December 2016 and are signed on their behalf by



Mr M Blois

Chair of Trustees

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	1,692	2,059
Cash flows from investing activities	24	(694)	(474)
Cash flows from financing activities	23	(2)	12
Change in cash and cash equivalents in the reporting period		<u>996</u>	<u>1,597</u>
Cash and cash equivalents at 1 September 2015		<u>3,924</u>	<u>2,327</u>
Cash and cash equivalents at 31 August 2016	25	<u>4,920</u>	<u>3,924</u>

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1 Statement of accounting policies

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

L.E.A.D Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

- **First time adoption of FRS 102**

These financial statements are the first financial statements of L.E.A.D. Multi-Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of L.E.A.D. Multi-Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

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 company 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.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1 Statement of accounting policies (continued)

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1 Statement of accounting policies (continued)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets and depreciation

Assets costing £1,000 for ICT, £2,000 for Furniture & Equipment, £5,000 for Building works or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1 Statement of accounting policies (continued)

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

- Long leasehold buildings 50 years
- Fixtures, fittings and equipment 5 years
- Computer hardware 4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust 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.

1.7 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.8 Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

1.9 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1 Statement of accounting policies (continued)

1.10 Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

1.11 Pensions Benefits

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, 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 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.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

1.12 Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust 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.

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements 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 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

1.14 Conversion to an Academy Trust

On 1 June 2016 the Uplands Junior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to L.E.A.D Multi-Academy Trust from Leicester City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

Further details are set out in note 29

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	642	642	655
Donated fixed assets	-	-	-	-
Other donations	-	-	-	30
Total		642	642	685
2015 total	30	-	685	

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	15,934	15,934	14,582
. Start Up Grants	-	108	108	
. Other DfE/EFA grants	-	2,571	2,571	2,928
	-	18,613	18,613	17,510
Other Government grants				
. Local authority grants	-	1,553	1,553	1,380
Other income from the Academy Trust's educational operations	304	556	860	130
Total	304	20,722	21,026	19,020
2015 total	130	18,890	19,020	

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	36	-	36	45
Academy trips	-	82	82	120
Sundry Income	386	-	386	458
Total	422	82	504	623
2015 total	503	120	623	

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	5	-	5	4
Total	5	-	5	4
2015 total	4	-	4	

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	113	113	791
Academy's educational operations:					
· Direct costs	13,038	642	1,460	15,140	13,595
· Allocated support costs	3,265	1,320	1,815	6,400	5,197
Total	16,303	1,963	3,388	21,653	19,583

In 2015 the expenditure totals were split as follows: Unrestricted £652k, Restricted General £18,356k, Restricted Fixed Asset Fund £575k.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

6 Expenditure (continued)

Net income/(expenditure) for the period includes:

	2016 £000	2015 £000
Operating lease rentals	18	5
Depreciation	881	575
Fees payable to auditor for:		
- audit	26	37
- other services	8	-

7 Charitable activities

	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	15,140	13,595
Support costs – educational operations	6,400	5,197
Total	21,540	18,792

Analysis of support costs

	Total 2016 £000	Total 2015 £000
Support staff costs	3,265	2,732
Depreciation	239	106
Technology costs	382	147
Premises costs	1,081	995
Other support costs	1,305	1,059
Governance costs	128	158
Total	6,400	5,197

L.E.A.D. MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £000	Total 2015 £000
Wages and salaries	11,609	11,034
Social security costs	1,017	794
Operating costs of defined benefit pension schemes	2,387	2,033
Total	15,013	13,861
Supply staff costs	1,289	705
Staff restructuring costs	-	42
Total	1,289	747
Staff restructuring costs comprise:		
Severance payments	-	42
Total	-	42

b. Non statutory/non-contractual staff severance payments

There were no non-statutory/non-contractual severance payments (2015: £42,448)

c. Staff numbers

The average number of persons employed by the Trust during the period was as follows:

	2016 No.	2015 No.
Teachers	183	172
Administration and support	429	432
Management	48	42
Total	660	646

(2015: Staff numbers were expressed as Full time Equivalents: Teachers 158, Administration and support 266, Management 41)

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

8 Staff (continued)

d. Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	4	5
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£90,001 - £100,000	3	0
£100,001 - £110,000	1	0
£110,001 - £120,000	1	1
£120,000 - £130,000	1	0
£160,001 - £170,000	1	0
£170,001 - £180,000	0	1

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 £537,922 (2015: £396,606).

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

9 Central Services

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

- Educational Services
- ICT Services
- Governance Services
- Data Services
- Academy conversion services
- Finance services
- Legal services
- Procurement services
- Internal Audit
- Human Resources services

The Academy Trust charges for these services on the following basis:

Each academy with the Academy Trust allocates 4.6% of its income for central services.

The actual amounts charged during the year were as follows:

	2016	2015
	£000	£000
Bishop Alexander Academy	55	64
Edna G Olds Academy	49	52
Glaption Academy	61	53
Hogarth Academy	43	76
Huntingdon Academy	68	47
Jubilee Academy	164	93
Millfield Academy	65	64
Radford Academy	48	33
St Ann's Well Academy	55	53
Sycamore Academy	75	72
Warren Academy	48	47
Windmill Academy	100	101
Uplands Academy	24	-
Total	855	755

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

10. Related Party Transactions – Trustees' remuneration and expenses

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

The value of Trustees' remuneration and other benefits was as follows:

D Owen (Chief Executive Officer and Trustee):

Remuneration £170,000 - £175,000 (2015: £170,000 - £175,000)

Employer's pension contributions paid £15,000 - £20,000 (2015: £20,000 - £25,000)

T Shrestha (staff Trustee from May 2016):

Remuneration £60,000 - £70,000 (2015: £Nil)

Employer's pension contributions paid £10,000 - 15,000 (2015: £Nil)

D Pomeroy (staff Trustee, resigned March 2015):

Remuneration £Nil (2015: £95,000 - £100,000)

Employer's pension contributions paid £Nil - (2015: £10,000 - £15,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £2,016 were reimbursed or paid directly to 6 Trustees (2015: £1,454).

11 Trustees and officers insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2016 was £2,463.75 (2015: £2,385). The cost of this insurance is included in the total insurance cost.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

12 Tangible fixed assets

	Assets Under Constructio n £000	Leasehold Land and Buildings £000	Furniture and Equipmen t £000	Computer Hardware £000	Total £000
Cost					
At 1 September 2015	-	23,922	685	517	25,124
Additions	499	2	486	354	1,341
Donated Assets	-	3,339	57	120	3,516
Disposals	-	-	-	-	-
At 31 August 2016	499	27,263	1,228	991	29,981
Depreciation					
At 1 September 2015	-	681	175	149	1,005
Charged in year	-	435	239	207	881
Disposals	-	-	-	-	-
At 31 August 2016	-	1,116	414	356	1,886
Net book values					
At 31 August 2015	-	23,241	510	368	24,119
At 31 August 2016	499	26,147	814	635	28,095

13 Stock

	2016 £000	2015 £000
Goods for resale	47	37
Total	47	37

14 Debtors

	2016 £000	2015 £000
Due after more than one year		
Debtors	18	18
Due within one year		
Trade debtors	39	44
VAT recoverable	299	276
Other debtors	58	510
Prepayments and accrued income	1,091	77
Total	1,505	925

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

15 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	-	48
Other taxation and social security	507	227
Other loans	2	2
Other creditors	-	283
Accruals and deferred income	1,463	689
Total	1,972	1,249

Deferred income

	2016	2015
	£000	£000
Deferred income at 1 September 2015	90	144
Released from previous years	(90)	(144)
Resources deferred in the year	813	90
Deferred Income at 31 August 2016	813	90

Included in the above is income relating to Universal Free School Meals £251,662 (2015:£63,006), school trip income £5,957 (2015:5,500), SEN funding £61,763 (17,330) Rate rebate £21,338 (2015: 3,422) and EFA Sponsorship Grants £419,845.

16 Creditors: amounts falling due in greater than one year

	2016	2015
	£000	£000
Other creditors	8	10
Total	8	10

Included within other creditors is a loan from Salix, which is an approved EFA loan via the Salix loan program for capital projects. The loan is interest free, unsecured and repayable via a General Annual Grant Sacrifice.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

17 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	582	15,934	(14,139)	(665)	1,712
Start Up Grant	-	108	(108)	-	-
Other DfE grants	323	2,572	(2,572)	-	323
Other Restricted	1	2,190	(2,191)	-	-
Pension reserve	(6,983)	(683)	(559)	(5,138)	(13,363)
	(6,077)	20,121	(19,569)	(5,803)	(11,328)
Restricted fixed asset funds					
Transfer on conversion	22,285	3,559	(239)	-	25,605
DfE/EFA capital grants	1,147	642	(642)	-	1,147
Capital expenditure from GAG	724	-	-	665	1,389
	24,156	4,201	(881)	655	28,141
Total restricted funds	18,079	24,322	(20,450)	(5,138)	16,813
Total unrestricted funds	2,684	929	(1,203)	-	2,410
Total funds	20,763	25,251	(21,653)	(5,138)	19,223

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Directors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spend on the running of the Academy Trust;
- Pension reserve represents the liability on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

The transfer between Restricted and Restricted Fixed Asset funds relates to funds allocated from General Annual Grant to purchase fixed assets.

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

17 Funds (continued)

Total fund analysis by academy as at 31 August 2016:

	Total 2016 £000	Total 2015 £000
Bishop Alexander Academy	96	70
Edna G Olds Academy	197	154
Glapton Academy	301	372
Hogarth Academy	141	40
Huntingdon Academy	413	468
Jubilee Academy	127	189
Millfield Academy	212	169
Radford Academy	94	39
St Ann's Well Academy	267	195
Sycamore Academy	559	586
Warren Academy	109	134
Windmill Academy	1,317	904
Uplands Academy	305	-
Central services	307	270
Total before fixed assets and pension reserve	4,445	3,590
Restricted fixed asset fund	28,141	24,156
Pension reserve	(13,363)	(6,983)
Total	19,223	20,793

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

18 Total cost analysis by academy

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000	Total 2015 £000
Bishop Alexander Academy	966	137	58	307	1,468	1,376
Edna G Olds Academy	735	175	60	321	1,291	1,360
Glapton Academy	1,030	124	34	387	1,575	1,449
Hogarth Academy	684	147	23	218	1,072	936
Huntingdon Academy	1,105	184	93	549	1,931	1,666
Jubilee Academy	1,674	235	90	761	2,760	2,294
Millfield Academy	1,184	139	75	372	1,770	1,604
Radford Academy	763	167	43	251	1,224	938
St Ann's Well Academy	849	149	63	307	1,368	1,332
Sycamore Academy	1,322	225	82	569	2,198	1,673
Warren Academy	783	167	52	269	1,271	1,346
Windmill Academy	1,287	250	52	562	2,151	2,020
Uplands Academy	337	46	9	80	472	-
Central services	320	561	3	(553)	331	903
FRS 102 Pension	-	559	-	-	559	-
Total	13,039	3,265	737	4,400	21,441	18,897

19 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	28,095	28,095
Debtor due after more than one year	-	18	-	18
Current assets	2,410	3,997	46	6,453
Current liabilities	-	(1,972)	-	(1,972)
Non-current liabilities	-	(8)	-	(8)
Pension scheme liability	-	(13,363)	-	(13,363)
Total	2,410	(11,328)	28,141	19,223

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

20 Capital commitments

	2016	2015
	£000	£000
Contracted for, but not provided in the financial statements	147	-

21 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts due within one year	61	16
Amounts due between one and five years	78	21
Amounts due after five years	-	-
	139	37

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

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

	2016	2015
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,598	5,497
Adjusted for:		
Transfer from Local Authority	(3,516)	(6,450)
Depreciation [note 12]	881	575
Capital grants from DfE and other capital income	(642)	(655)
Interest receivable [note 5]	(5)	(4)
Defined benefit pension scheme obligation inherited	683	1,815
Defined benefit pension scheme cost less contributions payable [note 27]	289	407
Defined benefit pension scheme finance cost [note 27]	270	-
(Increase)/decrease in stocks	(10)	(28)
(Increase)/decrease in debtors	(580)	10
Increase/(decrease) in creditors	724	36
Net cash provided by / (used in) Operating Activities	1,692	1,203

23 Cash flows from financing activities

	2016	2015
	£000	£000
Repayments of borrowing	(2)	-
Cash inflows from new borrowing	-	12
Net cash provided by / (used in) financing activities	(2)	12

24 Cash flows from investing activities

	2016	2015
	£000	£000
Dividends, interest and rents from investments	5	4
Purchase of tangible fixed assets	(1,341)	(1,133)
Capital grants from DfE/EFA	642	655
Net cash provided by / (used in) investing activities	(694)	(474)

25 Analysis of cash and cash equivalents

	At 31	At 31
	August	August
	2016	2015
	£000	£000
Cash in hand and at bank	4,920	3,924
Total cash and cash equivalents	4,920	3,924

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

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.

27 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council & Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £229,684 were payable to the schemes at 31 August 2016 (2015: £174,133) and are included within creditors.

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.

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

27 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £1,072,320 (2015: £942,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

L.E.A.D. MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £1,020,000 (2015: £848,000), of which employer's contributions totalled £769,000 (2015: £637,000) and employees' contributions totalled £251,000 (2015: £211,000). The agreed contribution rates for future years are between 18% - 23.2% per cent for employers and between 5.5% - 12.5% per cent 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.

Nottinghamshire County Council Pension Fund

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.50%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.10	22.1
Females	25.30	25.2
<i>Retiring in 20 years</i>		
Males	24.40	24.2
Females	27.70	27.6

L.E.A.D. MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

27 Pension and similar obligations (continued)

Leicestershire County Council Pension Fund

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.10%	4.50%
Rate of increase for pensions in payment/inflation	2.10%	2.60%
Discount rate for scheme liabilities	2.00%	3.70%
Inflation assumption (CPI)	2.00%	
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.20	22.2
Females	24.30	24.3
<i>Retiring in 20 years</i>		
Males	24.20	24.2
Females	26.60	26.6

The Academy Trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	6,475	4,822
Debt instruments	1,108	743
Property	1,075	846
Cash & Other	676	422
Total market value of assets	9,334	6,833

The actual return on scheme assets was £887,000

L.E.A.D. MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

27 Pension and similar obligations (continued)

Amount recognised in the statement of financial activities

	2016	2015
	£000	£000
Current service cost (net of employee contributions)	(1,058)	(912)
Net interest cost	(270)	(243)
Total operating charge	(1,328)	(1,155)

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

	2016	2015
	£000	£000
At 1 September 2015	13,816	9,107
Upon conversion	1,200	3,367
Current service cost	1,058	912
Interest cost	562	482
Employee contributions	251	211
Actuarial (gain)/loss	5,959	(83)
Experience loss / (gain) on defined obligation	66	-
Benefits paid	(214)	(180)
At 31 August 2016	22,698	13,816

Changes in the fair value of Trust's share of scheme assets:

	2016	2015
	£000	£000
At 1 September 2015	6,833	4,496
Upon conversion	517	1,552
Interest income	292	239
Return on plan assets (excluding net interest on the net defined pension liability)	887	(122)
Actuarial gain/(loss)	-	-
Employer contributions	769	637
Employee contributions	251	211
Benefits paid	(214)	(180)
At 31 August 2016	9,335	6,833

L.E.A.D. MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

28 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 the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the period the Academy Trust purchased services totalling £Nil (2015: £56,850) from L.E.A.D Services (a limited company under common control). L.E.A.D services paid £30,000 to L.E.A.D Multi-Academy Trust for rent and management services. £30,000 (2015:£Nil) were outstanding at the year end.

During the period the Academy Trust paid £120.60 (2015: £Nil) to Browne Jacobson LLP (a partnership of which Mr M Blois is a partner) relating to Teaching School expenses claimed by Mark Blois.

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2015

L.E.A.D. MULTI-ACADEMY TRUST (A Company Limited by Guarantee)

Notes to the Financial Statements for the year 31 August 2016

29 Conversion to an Academy Trust

On 1 June 2016 the Uplands Junior School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to L.E.A.D Multi Academy Trust Ltd from the Leicestershire Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets				
· Leasehold land and buildings	-	-	3,339	3,339
· Other tangible fixed assets	-	-	177	177
Budget surplus / (deficit) on LA funds	198	-	43	241
LGPS pension surplus / (deficit)	-	(683)	-	(683)
Net assets / (liabilities)	198	(683)	3,559	3,074

In the absence of a formal valuation, the provisional value for Leasehold land and buildings has been derived from the Insurers valuation of the building (£3,283k) and an estimate for the land (£56k) derived from local knowledge and comparison with similar academies within the Trust. These valuations will be updated in 2016/17 once final valuations have been obtained.

30 Explanation of transition to FRS102

First time adoption of FRS 102

These financial statements are the first financial statements of L.E.A.D. Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of L.E.A.D. Multi-Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.