

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

Registered number: 08296921

Trustees report and financial statements

For the year ended 31 August 2018

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

(A Company Limited by Guarantee)

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

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr P Berry (appointed 1 September 2017)
Mr H Dowell (appointed 1 September 2017)
Mrs D Harvey (appointed 1 September 2017)
Ms L Talmadge (appointed 1 February 2018)

Trustees

Mr M Blois, Chair
Mr CE Richards, Vice Chair
Ms D Owen, Chief Executive and Accounting Officer
Mr I Hancocks
Mr M Kenyon
Mr N Ydlibi
Ms T Shrestha (resigned 4 October 2018)
Mr M Church (resigned 10 April 2018)
Mr D Williams (appointed 1 September 2018)
Mr P Graham (appointed 1 September 2018)

Company registered number

08296921

Company name

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

Principal and registered office

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

Company secretary

Mrs L Bird

Executive management team

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

Independent auditor

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

Bankers

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

Solicitors

Eversheds-Sutherland LLP, Water Court, 116-118 Canal Street, Nottingham, NG1 7HF

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

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2017 to 31st August 2018. 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 Trust as at the 31st August 2018 consists of twenty five academies working across Nottingham, Nottinghamshire, Derby, Derbyshire, Sheffield, Lincolnshire, Leicester and Leicestershire. Its academies have a pupil capacity of 11,510 and had a roll of 10,319 in the October 2017 school census.

Structure, governance and management

a. 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.

The company is referred to as the L.E.A.D. Academy Trust in terms of its public profile.

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

b. Members' liability

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

c. Trustees' indemnities

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 Ecclesiastical effective date 1st September 2018. There is a limit of indemnity of £5,000,000.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

d. Method of recruitment and appointment or election of Trustees

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

Subject to Articles 45-49 and 63, the Academy Trust shall have the following Trustees:

- a) Up to ten Trustees appointed under Article 50 by Members.
- c) Management Team Trustee appointed under Article 57;
- d) Additional Co-opted Trustees, if appointed under Article 58;
- 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 Academy Advisory Bodies. The candidates are assessed jointly by the Chair of Trustees and Chief Executive.

e. 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 the induction programme will provide training on charity, educational, legal and financial matters. All Trustees of the Academy Trust are provided with 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 which forms part of the self-review process, should any gaps be identified training courses are offered to address these issues.

f. Organisational structure

The L.E.A.D. Multi Academy Trust is a separate trust and the parent company for L.E.A.D. Services as trading subsidiary. 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
- Noel-Baker Academy
- Birley Secondary Academy
- Birley Primary Academy
- Birley Spa Academy
- Charnock Hall Academy
- Rainbow Forge Academy
- Da Vinci Academy

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

- Cloudside Academy
- Forest Lodge Academy
- Waddington All Saint Academy
- Manor Farm Academy
- Witham St. Hughes Academy

The management structure consists of seven levels; the Members, the Board of Trustees, the Executive Management Team, the Directors, the Head Teachers of each academy, the Academy Advisory 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 Academy Advisory Bodies.

The Executive Management Team is the Chief Executive, the Deputy Chief Executive and the Director of the MAT supported by Directors 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 Academy Advisory Body receives delegated authority from the Academy Trust Board to support the Board in fulfilling its obligations.

g. Arrangement for setting pay and review of key management personnel

The pay and remuneration of the Executive Management Team and the Directors is set by the pay committee. Head Teachers pay is set in line with teachers pay and conditions.

The pay committee commission external independent reports 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 through performance management, review the pay and remuneration of the Executive Management Team.

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

h. Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirement) Regulations 2017 publication of the statutory tables

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.6

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

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Total cost of facility time	£27,081.12
Total pay bill	£36,075,000.00
Percentage of the total pay bill spent on facility time	0.075%

Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

i. Connected organisations, including related party relationships

The L.E.A.D. Multi Academy Trust is the parent company of its subsidiary L.E.A.D. Services Limited (company no 08423697).

Directors of L.E.A.D. Services Limited received no remuneration and any surpluses generated by L.E.A.D. Services Limited are gifted to the L.E.A.D. Multi Academy Trust for reinvestment as grants within the L.E.A.D. Multi Academy Trust. During the financial year 2017/18 L.E.A.D. Services provided the following services to L.E.A.D. Multi Academy Trust at cost only:

- £98,750 Teaching School membership.
- £61,571 IT Support.

L.E.A.D. Services provided the following a range of services valued at £144,000 for no cost during 2017/18 made up of the following:

- £33,000 Education Management Support.
- £111,000 IT Support.

Objectives and Activities

a. 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 recreation 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 relevant funding agreements with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, 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 2018 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.
- Utilising the power of partnership working as a catalyst for ensuring more children receive an exceptional education.
- Embracing 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.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

b. 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.

c. 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.

Achievements and performance

Strategic report

The Trust now provides the education for approximately 10,500 children across the East Midlands and South Yorkshire fulfilling its primary objective in some of the most deprived areas in England. Five academies joined the Trust over the course of the 2017-18 financial year increases the number of academies to twenty five.

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

• Edna G Olds Academy	Requires Improvement to Good, and then to 'Good and likely to be Outstanding'
• Warren Academy	Good to Outstanding
• St Anns Well Academy	Good to Good
• Sycamore	Good to Good
• 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
• Bishop Alexander	Requires Improvement to Good
• Radford	Requires Improvement to Good

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Children served by the Trust have been empowered through the L.E.A.D. 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 develop across both the primary and secondary phase leading to an 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 1.5% during the course of the financial year.

a. Key performance indicators

A summary analysis of key financial performance indicators is given below:

Indicator	Target	Actual
All staff costs as percentage of expenditure exc. agency	73%	74%
Agency costs as a percentage of expenditure	2%	4%
Financial Efficiencies	1%	1.5%
Cash in hand in weeks	8	6
Percentage level of reserves	6%	6%

Over the course of the year Waddington All Saints Academy, Forest Lodge Academy, Witham St. Hughes Academy and Manor Farm Academy all joined the Trust on the 1st January 2018. Cloudside Academy also joined the Trust on the 1st September 2017.

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

	Trust's Performance*	National (2018)
Reading, Writing and Maths Combined	61%	64%
Reading (Expected Standard)	71%	75%
Writing (Expected Standard)	79%	78%
SPAG (Expected Standard)	77%	78%
Maths (Expected Standard)	73%	76%

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

The Trust provides education for almost 7,100 primary-aged children living in areas across the East Midlands and South Yorkshire with higher than average levels of social deprivation. The above figures demonstrate the Company's public benefit.

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

The Trust also provides education for almost 3,000 secondary-aged pupils living in Derby and Sheffield. The demographic of the secondary estate shows that the Trust serves communities with higher than average levels of social deprivation. At KS4, the 2017/18 outcomes were as follows:

2018 Actuals	No	Ebacc Entry	Ebacc Ach.4 +	Eng/M a 5+	Eng/M a 4+	A8	P8	Eng 5+	Eng 4+	Ma 5+	Ma 4+
2017 National		37%	23%	24%	64%	33.0	-1.3	48%	65%	48%	69%
Noel Baker	186	4%	2%	2%	40%	34.6	-1.141	36%	56%	28%	49%
Da Vinci	93	12%	4%	4%	41%	40.4	-0.32	34%	55%	26%	50%
Birley	221	57%	22%	22%	47%	36.0	-0.9	48%	66%	33%	51%
Trust Average	166.7	29.0%	11.2%	11.2%	43.4%	33.0	-1.3	40.6%	60.0%	29.6%	49%

At KS5, the 2017/18 outcomes were as follows:

	No	2+ A* - E	3+ A* - E	APS (per entry Grade)	Academic VA	Applied VA
Noel Baker	25	92%	88%	C	+0.01	N/A (0 students)

KS5 results improved in 2018, with the main progress measure L3VA equalling +0.01. The overall A Level average points score increased to 27.94 (26.05 in 2017 and 20.41 in 2016). The academic points score and grade increased significantly from a D+ to a C average (points scores: 28.42 in 2018, 24.06 in 2017, 20.41 in 2016).

b. Going concern

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

Financial review

The vast majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) 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 2018 and the associated expenditure are shown within Restricted Funds in the Statement of Financial Activities.

At 31st August 2018 the net book value of fixed assets was £101,210k and the net book value of intangible assets was £94k; the movements in tangible and intangible fixed assets are shown in notes 13 & 14 to the financial statements. The assets were used exclusively for providing education and the associated support services for pupils of the academies.

During the year capital expenditure of £4,231k was utilised for investment in the Trusts fixed assets.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Key financial policies adopted or reviewed during the period cover Assets and Depreciation, Finance Procedures and regulations which are set out within the Trusts Finance Procedures. In addition the Trust has approved policies on Fraud, whistleblowing, Tendering and Expenses and charges. The Trust's procedures set out the framework for financial management, including the 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.

a. Reserves policy

The Board of 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 five academies have joined the Trust contributing towards the current level of reserves as at the 31 August 2018.

Trust is mindful of the level of cash required to ensure the ongoing liquidity and success of the Trust and will continue to invest surplus reserves in capital projects across its academies.

The Board of Trustees have agreed that the minimum level of reserves held for revenue purposes should be maintained at 6% of expenditure.

At the year end, the total unrestricted funds were £2,494k (2017: £2,090k) and the total restricted general funds were £1,051k (2017: £1,688k).

b. 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.

c. 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 will be 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.

Credit Risk

The Trust recognises exposure to credit risk, being the risk that revenues (self generated or government funding) cannot be collected, and the exposure to banks where the Trust's own cash is deposited. The credit risk is low for the Trust due to all cash and performance fee balances being with banks assigned high credit ratings.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

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 that the defined benefit schemes deficits (Local Government Pension Schemes) are a significant liability, set out in note 29 to the financial statements, which represents a significant potential liability. However, as the Trustees 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

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.

Fundraising

The Trust has no commercial fund raising arrangements in place with any internal or external partners. Academies within the Trust do secure a relative small amount of funding as voluntary contributions.

Plans for future periods

a. 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 in the short term is to maintain the number of academies it runs. It is anticipated that by the end of the 2019/20 financial year, there will be further schools joining the Trust as the development of hubs within each region continues.

The next phase of growth has been carefully planned and measured and will be reviewed on an annual basis by the Trustees.

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.

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TRUSTEES' REPORT (continued)

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Funds held as custodian

None.

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 Academy and the Group 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 Academy and the Group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Health & Safety Policy

In accordance with the Academy and the Group's Equal Opportunities Policy, the Academy and the Group 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 Academy and the Group's offices.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all 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 Group's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:



Mr M Blois
Chair of Trustees

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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 5 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	4	5
Mr CE Richards, Vice Chair	5	5
Ms D Owen, Chief Executive and Accounting Officer	5	5
Mr I Hancocks	5	5
Mr M Kenyon	5	5
Mr N Ydlibi	4	5
Ms T Shrestha	2	5
Mr M Church	2	3

The Trust has undertaken a self-evaluation of its Board of Trustees and identified areas for improvement. A review of governance has also been commissioned for the autumn term

The next annual review of the Board of Trustees will take place early in 2019.

The pay committee is a sub committee of the main Board of Trustees. Its purpose is to review remuneration of the Executive Management Team and determine the annual performance related pay (PRP) awards for Headteachers.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Hancocks	1	1
Mr M Blois	1	1
Mr CE Richards	1	1

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GOVERNANCE STATEMENT (continued)

The audit and risk 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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr CE Richards	3	3
Mr M Kenyon	3	3
Mr N Ydlibi	2	3

The finance and resources committee is also a sub committee of the main Board of Trustees. Its purpose is to review the financial performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Hancocks	4	4
Mr M Kenyon	4	4
Mr N Ydlibi	4	4

The performance and standards committee is also a sub committee of the main Board of Trustees. Its purpose is to review the education performance of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr CE Richards	2	2
Mr M Church	1	2
Mr E Wydenbach	2	2

Review of Value for Money

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

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

- The agency supply register has reduced agency costs by 12% since being implemented generating saving of £110,000.
- A new payroll contract across the Trust has reduced costs by 50%.
- A new visitor system created by L.E.A.D. Services has generated savings of £50,000

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in L.E.A.D. Multi-Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 the risks are included in the trusts central risk register which is regularly monitored and reviewed, the risks reflected in the risk register are as follows:
 - Safeguarding.
 - Maintaining academic standards.
 - Managing growth.
 - Information security.
 - Political change.
 - Financial management.
 - Governance.
 - Effective leadership.
 - L.E.A.D. Services subsidiary company.
 - Environmental.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Veritau as internal auditors, who have supported meeting the requirements of the audit and risk committee.

Veritau is a shared service company providing a broad range of public sector assurance services, including internal audit, counter fraud, risk management and information governance.

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

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

GOVERNANCE STATEMENT (continued)

current checks carried out include:

- Safeguarding
- Changes to HR and payroll
- GDPR

No material control issues were identified by the internal auditors.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their 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 board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees, are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Ms D Owen
Accounting Officer

Date: 12 December 2018

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

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

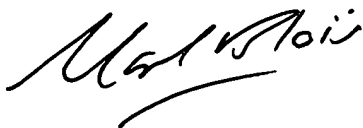
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group 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 and the Group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf by:



Mr M Blois
Chair of Trustees

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

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF L.E.A.D. MULTI-ACADEMY TRUST

Opinion

We have audited the financial statements of L.E.A.D. Multi-Academy Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Group Consolidated Statement of Financial Activities, the Group Consolidated and Company Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ((Charities SORP 2015 (FRS 102)) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2018 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF L.E.A.D. MULTI-ACADEMY TRUST

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF L.E.A.D. MULTI-ACADEMY TRUST**

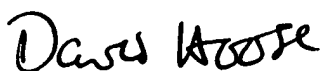
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 12/2/18

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

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

In accordance with the terms of our engagement letter dated 3 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by L.E.A.D. Multi-Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to L.E.A.D. Multi-Academy Trust and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than L.E.A.D. Multi-Academy Trust and the ESFA, 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO L.E.A.D. MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *12/12/18*

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

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

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	848	(1,702)	(16,578)	(17,432)	71,245
Transfer in from existing academies	2	532	(418)	5,720	5,834	-
Other donations and capital grants	2	130	-	2,633	2,763	1,592
Charitable activities	3	739	52,091	-	52,830	36,413
Other trading activities	4	1,773	318	-	2,091	717
Investments	5	4	-	-	4	4
Teaching school		-	283	-	283	40
Total income		4,026	50,572	(8,225)	46,373	110,011
Expenditure on:						
Teaching school		-	276	-	276	40
Raising funds		1,860	430	-	2,290	1,034
Charitable activities		1,729	53,877	1,946	57,552	40,083
Total expenditure	6	3,589	54,583	1,946	60,118	41,157
Net income / (expenditure)		437	(4,011)	(10,171)	(13,745)	68,854
Transfers between Funds	19	-	(1,391)	1,391	-	-
Net income / (expenditure) before other recognised gains and losses		437	(5,402)	(8,780)	(13,745)	68,854
Actuarial gains on defined benefit pension schemes	24	-	5,526	-	5,526	937
Net movement in funds		437	124	(8,780)	(8,219)	69,791
Reconciliation of funds:						
Total funds brought forward		2,090	(23,160)	110,084	89,014	19,223
Total funds carried forward		2,527	(23,036)	101,304	80,795	89,014

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

Registered number: 08296921

(A Company Limited by Guarantee)**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Intangible assets	13		94		122
Tangible assets	14		101,210		109,761
			<u>101,304</u>		<u>109,883</u>
Current assets					
Stocks	15	36		38	
Debtors	16	2,289		1,718	
Cash at bank and in hand		6,399		6,388	
		<u>8,724</u>		<u>8,144</u>	
Creditors: amounts falling due within one year	17	(5,139)		(4,158)	
Net current assets			<u>3,585</u>		<u>3,986</u>
Total assets less current liabilities			<u>104,889</u>		<u>113,869</u>
Creditors: amounts falling due after more than one year	18		(7)		(7)
Net assets excluding pension scheme liabilities			<u>104,882</u>		<u>113,862</u>
Defined benefit pension scheme liability	24		(24,087)		(24,848)
Net assets including pension scheme liabilities			<u>80,795</u>		<u>89,014</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	1,051		1,688	
Restricted fixed asset funds	19	101,304		110,084	
			<u>102,355</u>	<u>111,772</u>	
Restricted income funds excluding pension liability					
Pension reserve		(24,087)		(24,848)	
			<u>78,268</u>	<u>86,924</u>	
Total restricted income funds			<u>78,268</u>		<u>86,924</u>
Unrestricted income funds	19		2,527		2,090
Total funds			<u>80,795</u>		<u>89,014</u>

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

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 24 to 71 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf by:



Mr M Blois
Chair of Trustees

L.E.A.D. MULTI-ACADEMY TRUST
Registered number: 08296921
(A Company Limited by Guarantee)

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Intangible assets	13		94		122
Tangible assets	14		101,188		109,761
			<u>101,282</u>		<u>109,883</u>
Current assets					
Stocks	15	20		38	
Debtors	16	2,349		1,718	
Cash at bank		6,334		6,388	
		<u>8,703</u>		<u>8,144</u>	
Creditors: amounts falling due within one year	17	(5,129)		(4,158)	
Net current assets			<u>3,574</u>		<u>3,986</u>
Total assets less current liabilities			104,856		113,869
Creditors: amounts falling due after more than one year	18		(7)		(7)
Net assets excluding pension scheme liabilities			<u>104,849</u>		<u>113,862</u>
Defined benefit pension scheme liability	24		(24,087)		(24,848)
Net assets including pension scheme liabilities			<u>80,762</u>		<u>89,014</u>
Funds of the academy					
Restricted funds:					
Restricted funds		1,051		1,688	
Restricted fixed asset funds		101,304		110,084	
Restricted funds excluding pension asset		<u>102,355</u>		<u>111,772</u>	
Pension reserve		(24,087)		(24,848)	
Total restricted funds			78,268		86,924
Unrestricted funds			2,494		2,090
Total funds			<u>80,762</u>		<u>89,014</u>

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

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2018 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)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	227	1,466
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	4
Purchase of tangible fixed assets		(3,167)	(1,904)
Capital grants from DfE Group		1,569	1,565
Net cash used in investing activities		(1,594)	(335)
Cash flows from financing activities:			
Repayments of borrowings		(2)	(1)
Cash transferred on acquisition of subsidiary		1,380	338
Net cash provided by financing activities		1,378	337
Change in cash and cash equivalents in the year		11	1,468
Cash and cash equivalents brought forward		6,388	4,920
Cash and cash equivalents carried forward	22	6,399	6,388

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

(A Company Limited by Guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

L.E.A.D. Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

1.2 Basis of consolidation

The financial statements consolidate the accounts of L.E.A.D. Multi-Academy Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.3 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 ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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

Sponsorship income 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 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, 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.

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

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.5 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

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.

All resources expended is inclusive of irrecoverable VAT.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over their expected useful life, as follows:

Computer Software	-	5 years
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 (ICT), £2,000 (Fixtures & Fittings), £5,000 (Long Leasehold) and £5,000 (Motor Vehicles) 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.

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

Freehold buildings	-	50 years
Leasehold buildings	-	50 years
Furniture, fittings and equipment	-	5 years
Motor vehicles	-	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 and reclassified to freehold or leasehold land and buildings.

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.

1.8 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.

1.9 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.

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1. Accounting Policies (continued)

1.10 Leased assets

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Stocks

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

1.13 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.

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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1. Accounting Policies (continued)

The LGPS is a funded multi-employer 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.

1.15 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Cloudside Academy, Forest Lodge Academy, Waddington All Saint Academy, Manor Farm Academy and Witham St. Hughes Academy to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority / existing trust on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 28.

1.17 Fund accounting

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

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

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

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

1. Accounting Policies (continued)

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trustees consider that there are no critical areas of judgment with the exception of the pension valuation noted above.

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2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	848	(1,702)	(16,578)	(17,432)	71,245
Transfer in from existing academies	532	(418)	5,720	5,834	-
Subtotal detailed disclosure	1,380	(2,120)	(10,858)	(11,598)	71,245
Donations	130	-	-	130	27
Capital grants	-	-	2,633	2,633	1,565
Subtotal	130	-	2,633	2,763	1,592
	1,510	(2,120)	(8,225)	(8,835)	72,837
Total 2017	365	(10,726)	83,198	72,837	

Within transfers from local authority on conversion there is a reduction to income of £27,060k in relation to the correction of the estimated 2017 property valuations on conversion upon receipt of the ESFA property valuations during the current year.

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	43,007	43,007	29,165
Start Up Grants	-	60	60	-
Other DfE Group grants	-	5,823	5,823	4,415
	-	48,890	48,890	33,580
Other government grants				
Local authority grants	-	3,201	3,201	2,320
	-	3,201	3,201	2,320
Other income from the academy trust's educational operations	739	-	739	513
	739	-	739	513
	739	52,091	52,830	36,413
Total 2017	513	35,900	36,413	

4. Other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	170	-	170	141
Trip income	-	303	303	136
Other income	1,603	15	1,618	440
	1,773	318	2,091	717
Total 2017	581	136	717	

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NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short term deposits	4	-	4	4
Total 2017	4	-	4	

6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Teaching school	108	-	168	276	40
Expenditure on fundraising trading	952	-	1,338	2,290	1,034
Academy's educational operations					
- Direct costs	32,478	1,125	2,320	35,923	28,214
- Support costs	11,888	4,834	4,907	21,629	11,869
	45,426	5,959	8,733	60,118	41,157
Total 2017	30,735	4,436	5,986	41,157	

7. Analysis of expenditure by activities

	Educational operations 2018 £000	Total 2018 £000	Total 2017 £000
Direct costs	35,923	35,923	28,214
Support costs	21,629	21,629	11,869
Total 2018	57,552	57,552	40,083
Total 2017	40,083	40,083	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2018 £000	Total 2017 £000
Staff costs	11,888	5,945
Depreciation	821	292
Technology costs	655	474
Premises costs	4,013	2,297
Other support costs	2,738	2,635
Governance	1,514	226
	<u>21,629</u>	<u>11,869</u>
At 31 August 2017	<u>11,869</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,946	1,733
Amortisation of intangible fixed assets	28	16
Auditor's remuneration - audit	31	24
Auditor's remuneration - other services	26	15
Operating lease rentals	<u>1,433</u>	<u>63</u>

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

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	31,322	21,501
Social security costs	3,130	2,126
Operating costs of defined benefit pension schemes	8,008	5,240
	42,460	28,867
Supply staff costs	2,328	1,765
Staff restructuring costs	638	103
	45,426	30,735

Staff restructuring costs comprise:

	2018	2017
	£000	£000
Redundancy payments	410	55
Severance payments	228	48
	638	103

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £228k (2017: £48k). Individually, the payments were £3,824, £2,918, £2,769, £7,959, £7,959, £5,562, £3,930, £2,710, £2,400, £1,175 and £18,000 (all on 31 December 2017), £18,542 on 30 November 2017, £6,562 on 31 October 2017, £10,000 and £18,000 (both on 31 January 2018), £4,000 on 31 May 2018, £7,768 and £5,388 (both on 30 April 2018), £14,808, £17,837, £667, £3,292, £3,301, £1,518, £2,607, £555, £1,577, £6,062, £452 and £11,106 (all on 15 April 2018), £1,382 on 31 March 2018, £5,000 on 11 May 2018, £6,000 on 27 February 2018, £13,637 on 31 July 2018 and £8,692 on 1 April 2018.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	489	302
Administration and support	950	695
Management	102	77
	1,541	1,074

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded

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9. Staff costs (continued)

£60,000 was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	15	11
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	4	5
In the band £100,001 - £110,000	4	2
In the band £120,001 - £130,000	1	1
In the band £130,001 - £140,000	1	1
In the band £160,001 - £170,000	0	1
In the band £180,001 - £190,000	1	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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £559k (2017: £548k).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Central services

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

- Educational support services
- ICT services
- Governance services
- Data services
- Academy conversion services
- Internal audit
- Human Resources services
- Financial services
- Estates services
- Procurement services
- Marketing
- Legal
- Software and licenses
- Strategic
- Systems and GDPR

The Academy charges for these services on the following basis:

Academy charges for these services is 6% for all academies part from PFI academies which have a 4.6% charge.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Birley Academy	321	143
Birley Primary Academy	125	59
Birley Spa Academy	104	45
Bishop Alexander Academy	75	71
Charnock Hall Primary School	86	41
Cloudside Academy	59	-
Da Vinci Academy	170	47
Edna G Olds Academy	70	63
Forest Lodge Academy	88	-
Glaption Academy	87	76
Hogarth Academy	60	54
Huntingdon Academy	101	85
Jubilee Academy	130	114
Manor Farm Academy	11	-
Millfield Academy	89	82
Noel Baker Academy	278	127
Radford Academy	62	53
Rainbow Forge Primary Academy	73	29
St Ann's Well Academy	71	65
Sycamore Academy	125	101
Uplands Junior Academy	109	87
Waddington All Saint Academy	51	-
Warren Academy	63	57
Windmill Academy	132	116

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FOR THE YEAR ENDED 31 AUGUST 2018

10. Central services (continued)

Witham St Hughes Academy	44	-
	<u>2,584</u>	<u>1,515</u>
Total	<u><u>2,584</u></u>	<u><u>1,515</u></u>

11. Trustees' remuneration and expenses

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

		2018 £000	2017 £000
D Owen (Chief Executive and Trustee)	Remuneration		180-185
	Pension contributions paid	185-190	-
T Shrestha (Executive Head Teacher and Trustee)	Remuneration	-	85-90
	Pension contributions paid	-	10-15

D Owen received no pension contribution cost

During the year ended 31 August 2018, travel expenses totalling £1,309 (2017 - £1,033) were reimbursed to 5 Trustees (2017 - 4).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the year ended 31 August 2018 was included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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13. Intangible fixed assets

		Computer Software £000
Group		
Cost		
At 1 September 2017 and 31 August 2018		138
Amortisation		
At 1 September 2017		16
Charge for the year		28
At 31 August 2018		44
Carrying amount		
At 31 August 2018		94
At 31 August 2017		122
Academy		
Cost		
At 1 September 2017 and 31 August 2018		138
Amortisation		
At 1 September 2017		16
Charge for the year		28
At 31 August 2018		44
Carrying amount		
At 31 August 2018		94
At 31 August 2017		122

14. Tangible fixed assets

	Assets under Construction £000	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000
Group						
Cost						
At 1 September 2017	376	79,030	30,761	1,585	1,617	11
Additions	485	244	2,161	729	612	-
Donated assets	-	(22,847)	11,829	74	108	-

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14. Tangible fixed assets (continued)

Transfer between classes	(360)	-	295	65	-	-
At 31 August 2018	501	56,427	45,046	2,453	2,337	11
Depreciation						
At 1 September 2017	-	684	1,599	687	646	3
Charge for the year	-	377	725	377	460	7
At 31 August 2018	-	1,061	2,324	1,064	1,106	10
Net book value						
At 31 August 2018	501	55,366	42,722	1,389	1,231	1
At 31 August 2017	376	78,346	29,162	898	971	8

Group	Total
Cost	£000
At 1 September 2017	113,380
Additions	4,231
Donated assets	(10,836)
Transfer between classes	-
At 31 August 2018	106,775
Depreciation	
At 1 September 2017	3,619
Charge for the year	1,946
At 31 August 2018	5,565
Net book value	
At 31 August 2018	101,210
At 31 August 2017	109,761

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14. Tangible fixed assets (continued)

Academy	Assets under Construction £000	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000
Cost						
At 1 September 2017	376	79,030	30,761	1,585	1,617	11
Additions	485	244	2,161	726	592	-
Donated assets	-	(22,847)	11,829	74	108	-
Transfer between classes	(360)	-	295	65	-	-
At 31 August 2018	501	56,427	45,046	2,450	2,317	11
Depreciation						
At 1 September 2017	-	684	1,599	687	646	3
Charge for the year	-	377	725	377	459	7
At 31 August 2018	-	1,061	2,324	1,064	1,105	10
Net book value						
At 31 August 2018	501	55,366	42,722	1,386	1,212	1
At 31 August 2017	376	78,346	29,162	898	971	8

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets (continued)

Academy	Total £000
Cost	
At 1 September 2017	113,380
Additions	4,208
Donated assets	(10,836)
Transfer between classes	-
At 31 August 2018	106,752
Depreciation	
At 1 September 2017	3,619
Charge for the year	1,945
At 31 August 2018	5,564
Net book value	
At 31 August 2018	101,188
At 31 August 2017	109,761

15. Stocks

	Group		Academy	
	2018 £000	2017 £000	2018 £000	2017 £000
Goods for resale	36	38	20	38

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NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	<u>Group</u>		<u>Academy</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Due after more than one year				
Other debtors	-	18	-	18
Due within one year				
Trade debtors	280	66	43	66
VAT recoverable	347	186	306	186
Other debtors	34	23	493	23
Prepayments and accrued income	1,628	1,425	1,507	1,425
	<u>2,289</u>	<u>1,718</u>	<u>2,349</u>	<u>1,718</u>

17. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other loans	-	2	-	2
Trade creditors	1,755	1,011	1,309	1,011
Other taxation and social security	713	988	709	988
Other creditors	361	91	861	91
Accruals and deferred income	2,310	2,066	2,250	2,066
	<u>5,139</u>	<u>4,158</u>	<u>5,129</u>	<u>4,158</u>

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17. Creditors: Amounts falling due within one year (continued)

	<u>Group</u>		<u>Academy</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Deferred income				
Deferred income at 1 September 2017	763	813	763	813
Resources deferred during the year	1,051	763	941	763
Amounts released from previous years	(763)	(813)	-	(813)
Deferred income at 31 August 2018	<u>1,051</u>	<u>763</u>	<u>1,704</u>	<u>763</u>

Deferred income includes the following income received in advance:

Universal Infant Free School Meal Income of £527k (2017: £389k)
 SEN of £228k (2017: £212k)
 Early Years of £55k (2017: £45k)
 Rates Relief of £Nil (2017: £8k)
 Trip income of £84k (2017: £45k)
 Converter grant funding of £6k (2017: £51k)
 Expansion funding of £32k (2017: £Nil)
 Miscellaneous items of £9k (2017: £13k)
 ICT support services of £110k (2017: £Nil)

18. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Academy</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Other loans	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

Included within other loans is a loan from Salix, which is an approved ESFA loan via the Salix loan programme for capital projects. The loan is interest free, unsecured and repayable via a General Annual Grant sacrifice.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	2,090	4,026	(3,589)	-	-	2,527
Restricted funds						
General Annual Grant (GAG)	602	43,007	(41,886)	(1,391)	-	332
Start Up Grants	-	60	(60)	-	-	-
Pupil Premium	-	4,276	(3,557)	-	-	719
Other restricted grants	1,086	5,349	(6,435)	-	-	-
Pension reserve	(24,848)	(2,120)	(2,645)	-	5,526	(24,087)
	(23,160)	50,572	(54,583)	(1,391)	5,526	(23,036)
Restricted fixed asset funds						
Capital Donations	105,500	(9,794)	(1,829)	-	-	93,877
DfE Group capital grants	3,048	1,569	(88)	-	-	4,529
Capital expenditure from GAG	1,536	-	(29)	1,391	-	2,898
	110,084	(8,225)	(1,946)	1,391	-	101,304
Total restricted funds	86,924	42,347	(56,529)	-	5,526	78,268
Total of funds	89,014	46,373	(60,118)	-	5,526	80,795

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 academy at the discretion of the Trustees;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents 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.

Transfers relate to GAG funds used for capital expenditure.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Birley Academy	(109)	5
Birley Primary Academy	92	22
Birley Spa Academy	41	86
Bishop Alexander Academy	(21)	81
Charnock Hall Primary School	23	99
Cloudside Academy	132	-
Da Vinci Academy	(89)	(23)
Edna G Olds Academy	144	139
Forest Lodge Academy	298	-
Glaption Academy	226	278
Hogarth Academy	163	108
Huntingdon Academy	345	296
Jubilee Academy	(101)	-
Manor Farm Academy	87	-
Millfield Academy	198	225
Noel Baker Academy	(501)	(253)
Radford Academy	29	(4)
Rainbow Forge Primary Academy	132	84
St Ann's Well Academy	153	238
Sycamore Academy	735	661
Uplands Junior Academy	167	201
Waddington All Saint Academy	241	-
Warren Academy	(10)	99
Windmill Academy	689	1,330
Witham St Hughes Academy	384	-
Central	97	106
L.E.A.D. Services Limited	33	-
Total before fixed asset fund and pension reserve	3,578	3,778
Restricted fixed asset fund	101,304	110,084
Pension reserve	(24,087)	(24,848)
Total	80,795	89,014

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

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

Name of academy	Amount of deficit £000
Birley Academy	(109)
Bishop Alexander Academy	(21)
Da Vinci Academy	(89)
Jubilee Academy	(101)
Noel Baker Academy	(501)
Warren Academy	(10)

Birley Academy

The academy required additional short term investment in 2017/18 and is already on track to secure surplus position during the 2018/19 financial year.

Jubilee Academy

The academy required a restructure during 2017/18 resulting in one off restructure cost which contributed towards the deficit position. However the academy is already on track to secure a surplus position during the 2018/19 financial year.

Bishop Alexander Academy

The academy is under review with regards to securing a surplus position within the next three financial years.

Noel Baker Academy

The academy required a restructure during 2017/18 resulting in one off restructure cost which contributed towards the deficit position. However the academy is already on track to secure a stable financial position over the next two financial years.

Da Vinci Academy

The academy is under review with regards to securing a surplus position within the next three financial years.

Warren Academy

The academy required additional short term investment in 2017/18 and is already on track to secure a surplus position during the 2018/19 financial year.

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19. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Birley	3,574	1,364	322	1,083	6,343	3,674
Birley Primary	1,546	531	159	430	2,666	1,501
Birley Spa	1,327	422	93	414	2,256	1,250
Bishop Alexander	1,006	245	108	275	1,634	1,650
Charnock Hall	1,031	292	60	384	1,767	960
Cloudside	709	144	94	277	1,224	-
Da Vinci	1,723	780	329	976	3,808	1,226
Edna G Olds	715	288	109	306	1,418	1,427
Forest Lodge	1,263	359	74	276	1,972	-
Glapton	1,081	203	89	377	1,750	1,687
Hogarh	631	278	63	221	1,193	1,277
Huntingdon	1,279	438	134	425	2,276	2,059
Jubilee	1,483	699	118	537	2,837	2,973
Manor Farm	143	57	27	81	308	-
Millfield	1,195	374	89	325	1,983	1,840
Noel Baker	4,252	1,174	389	1,937	7,752	4,405
Radford	689	344	81	233	1,347	1,368
Rainbow Forge	967	275	92	277	1,611	847
St Ann's Well	901	320	145	288	1,654	1,586
Sycamore	1,432	435	206	420	2,493	2,304
Uplands	1,400	365	99	383	2,247	2,461
Waddington All Saint	710	108	40	197	1,055	-
Warren	821	254	82	273	1,430	1,307
Windmill	1,480	550	156	483	2,669	2,482
Witham St Hughes	578	164	73	184	999	-
Central services	1,212	1,425	43	473	3,153	2,599
Teaching School	-	-	-	-	-	40
L.E.A.D. Services Limited	390	-	521	-	911	-
Head Office re- charge	-	-	-	(2,584)	(2,584)	(1,515)
	<u>33,538</u>	<u>11,888</u>	<u>3,795</u>	<u>8,951</u>	<u>58,172</u>	<u>39,408</u>

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19. Statement of funds (continued)

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Funds	2,410	1,463	(1,783)	-	-	2,090
Restricted funds						
General Annual Grant (GAG)	1,712	29,165	(29,781)	(494)	-	602
Other DfE Grants	323	4,415	(4,415)	-	-	323
Other restricted grants	-	2,496	(1,733)	-	-	763
Pension reserve	(13,363)	(10,726)	(1,696)	-	937	(24,848)
	(11,328)	25,350	(37,625)	(494)	937	(23,160)
Restricted fixed asset funds						
Capital Donations	25,605	81,633	(1,328)	-	-	105,910
DfE Group capital grants	1,147	1,565	(74)	-	-	2,638
Capital expenditure from GAG	1,389	-	(347)	494	-	1,536
	28,141	83,198	(1,749)	494	-	110,084
Total restricted funds	16,813	108,548	(39,374)	-	937	86,924
Total of funds	19,223	110,011	(41,157)	-	937	89,014

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Intangible fixed assets	-	-	94	94
Tangible fixed assets	-	-	101,210	101,210
Current assets	2,527	6,197	-	8,724
Creditors due within one year	-	(5,139)	-	(5,139)
Creditors due in more than one year	-	(7)	-	(7)
Provisions for liabilities and charges	-	(24,087)	-	(24,087)
	<u>2,527</u>	<u>(23,036)</u>	<u>101,304</u>	<u>80,795</u>

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	122	122
Tangible fixed assets	-	-	109,761	109,761
Debtors due after more than 1 year	-	18	-	18
Current assets	2,090	5,835	201	8,126
Creditors due within one year	-	(4,158)	-	(4,158)
Creditors due in more than one year	-	(7)	-	(7)
Provisions for liabilities and charges	-	(24,848)	-	(24,848)
	<u>2,090</u>	<u>(23,160)</u>	<u>110,084</u>	<u>89,014</u>

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

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

	Group	
	2018	2017
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(13,745)	68,854
Adjustment for:		
Depreciation charges	1,946	1,733
Amortisation	28	16
Dividends, interest and rents from investments	(4)	(4)
Decrease in stocks	2	9
Increase in debtors	(571)	(213)
Increase in creditors	983	2,185
Capital grants from DfE and other capital income	(1,569)	(1,565)
Defined benefit pension scheme obligation inherited	2,120	10,726
Defined benefit pension scheme cost less contributions payable	1,968	1,246
Defined benefit pension scheme finance cost	655	450
Net gain/(loss) on assets and liabilities from local authority on conversion	8,414	(81,971)
Net cash provided by operating activities	227	1,466

22. Analysis of cash and cash equivalents

	Group	
	2018	2017
	£000	£000
Cash in hand	6,399	6,388
Total	6,399	6,388

23. Capital commitments

At 31 August 2018 the Group and Academy had capital commitments as follows:

	Group		Academy	
	2018	2017	2018	2017
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	330	852	330	852

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

24. Pension commitments

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council, Derbyshire County Council, Leicestershire County Council, Lincolnshire County Council and South Yorkshire Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £336k were payable to the schemes at 31 August 2018 (2017 - £461k) 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.

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £3,076k (2017 - £2,044k).

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

24. Pension commitments (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £3,000k (2017 - £1,865k), of which employer's contributions totalled £2,368k (2017 - £1,477k) and employees' contributions totalled £632k (2017 - £418k). The agreed contribution rates for future years are 12.2 - 24.3% for employers and 5.5 - 12.5% 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.

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Nottinghamshire County Council

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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24. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.6	25.5
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

Derbyshire County Council

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50%
Rate of increase in salaries	2.90 %	2.90%
Rate of increase for pensions in payment / inflation	2.40 %	2.40%
Inflation assumption (CPI)	2.40%	2.40%

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	23.9
Retiring in 20 years		
Males	23.9	24.4
Females	26.5	26.5

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24. Pension commitments (continued)

Leicestershire County Council

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50%
Rate of increase in salaries	3.40 %	3.40%
Rate of increase for pensions in payment / inflation	2.40 %	2.40%

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

Lincolnshire County Council

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	-
Rate of increase in salaries	2.70 %	-
Rate of increase for pensions in payment / inflation	2.30 %	-

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

	2018	2017
Retiring today		
Males	22.1	-
Females	24.4	-
Retiring in 20 years		
Males	24.1	-
Females	26.6	-

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

24. Pension commitments (continued)

South Yorkshire Pension Fund

Principal actuarial assumptions

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50%
Rate of increase in salaries	3.40 %	3.45%
Rate of increase for pensions in payment / inflation	2.20 %	2.20%
Inflation assumption (CPI)	2.20 %	2.20%

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

	2018	2017
Retiring today		
Males	23.0	22.9
Females	25.8	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.1	28.0

	At 31 August	At 31 August
Sensitivity analysis	2018	2017
	£000	£000
Discount rate +0.1%	(1,152)	(675)
Discount rate -0.1%	1,216	761
Mortality assumption - 1 year increase	1,547	966
Mortality assumption - 1 year decrease	(1,524)	(669)
CPI rate +0.1%	1,012	963
CPI rate -0.1%	(998)	(447)

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24. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	13,663	10,169
Gilts	295	976
Bonds	3,527	1,837
Property	2,421	1,506
Cash and other liquid assets	1,693	974
Total market value of assets	21,599	15,462

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £000	2017 £000
Current service cost	(4,274)	(2,688)
Administration expenses	(11)	(6)
Interest income	476	272
Interest cost	(1,131)	(722)
Past service costs	(72)	-
Total	(5,012)	(3,144)

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

	2018 £000	2017 £000
Opening defined benefit obligation	40,311	22,698
Upon conversion	4,473	14,366
Current service cost	4,274	2,688
Interest cost	1,131	722
Employee contributions	632	418
Actuarial gains	(4,909)	(216)
Benefits paid	(298)	(365)
Past service costs	72	-
Closing defined benefit obligation	45,686	40,311

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

24. Pension commitments (continued)

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	15,462	9,335
Upon conversion	2,353	3,640
Interest income	476	272
Actuarial losses	617	721
Employer contributions	2,368	1,447
Employee contributions	632	418
Benefits paid	(298)	(365)
Administration expenses	(11)	(6)
Closing fair value of scheme assets	21,599	15,462

25. Operating lease commitments

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

Group	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	1,385	1,291
Between 1 and 5 years	5,369	5,038
After more than 5 years	16,197	16,072
Total	22,951	22,401

At 31 August 2018 the Academy had annual commitments under non-cancellable operating leases as follows:

Academy		
Amounts payable:		
Within 1 year	1,385	1,291
Between 1 and 5 years	5,369	5,038
After more than 5 years	16,197	16,072
Total	22,951	22,401

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NOTES TO THE FINANCIAL STATEMENTS
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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. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. Agency Arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £6,290 (2017: £3,874) and disbursed £382 (2017: £283) from the fund.

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NOTES TO THE FINANCIAL STATEMENTS
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29. Conversion to an academy trust

On 1 September 2017 Cloudside Academy converted to academy trust 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 Derbyshire County Council 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 Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,725	1,725
- Other tangible fixed assets	-	-	30	30
Budget surplus/(deficit) on LA funds	67	-	-	67
LGPS pension surplus/(deficit)	-	(244)	-	(244)
Net assets/(liabilities)	67	(244)	1,755	1,578

The above net assets include £67k that were transferred as cash.

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

Conversion to academy trust

On 1 January 2018 Forest Lodge Academy converted to academy trust 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 Leicestershire County Council 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 incorporating Income and Expenditure Account 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 Activities incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	3,993	3,993
DFC on conversion	-	-	53	53
Budget surplus/(deficit) on LA funds	457	-	-	406
LGPS pension surplus/(deficit)	-	(1,122)	-	(1,122)
Net assets/(liabilities)	457	(1,122)	4,046	3,330

The above net assets include £457k that were transferred as cash.

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Conversion to academy trust (continued)

On 1 January 2018 Waddington All Saint Academy converted to academy trust 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 Lincolnshire County Council 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 incorporating Income and Expenditure Account 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 Activities incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	4,640	4,640
DFC on conversion	-	-	71	71
Budget surplus/(deficit) on LA funds	324	-	-	324
LGPS pension surplus/(deficit)	-	(336)	-	(336)
Net assets/(liabilities)	324	(336)	4,711	4,699

The above net assets include £324k that were transferred as cash.

L.E.A.D. MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

30. Transfer of existing academies into the Academy

Manor Farm Academy

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Long-term leasehold property	2,770	-	2,770
Fixtures and fittings	5	-	5
Computer equipment	4	-	4
Cash in bank and in hand	133	-	133
Pensions			
Pensions - pension scheme assets	4	-	4
Pensions - pension scheme liabilities	(15)	-	(15)
Net assets	<u>2,901</u>	<u>-</u>	<u>2,901</u>

Witham St Hughs Academy

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Freehold property	2,922	-	2,922
Fixtures and fittings	11	-	11
Computer equipment	8	-	8
Cash in bank and in hand	399	-	399
Pensions			
Pensions - pension scheme assets	535	-	535
Pensions - pension scheme liabilities	(942)	-	(942)
Net assets	<u>2,933</u>	<u>-</u>	<u>2,933</u>

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NOTES TO THE FINANCIAL STATEMENTS
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31. Teaching school trading account

	2018	2018	2017	2017
	£000	£000	£000	£000
Income				
Direct income				
Other income	283		40	
Total income		283		40
Expenditure				
Direct staff costs	77		40	
Other expenditure				
Other staff costs	30		-	
Other support costs	169		-	
Total expenditure		276		40
Surplus from all sources		7		-
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		<u>7</u>		<u>-</u>

L.E.A.D. MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

32. Principal subsidiaries

L.E.A.D. Services Limited

Subsidiary name	L.E.A.D. Services Limited
Company registration number	08423697
Basis of control	100% owned subsidiary
 Total assets as at 31 August 2018	 £ 1,028,000
Total liabilities as at 31 August 2018	£ (995,000)
Total equity as at 31 August 2018	£ 33,000
 Turnover for the year ended 31 August 2018	 £ 1,653,000
Expenditure for the year ended 31 August 2018	£ (1,620,000)
Profit for the year ended 31 August 2018	£ 33,000

The subsidiary was acquired on 1 September 2017 at £Nil consideration (fair value). The subsidiary had nil reserves at the date of acquisition (fair value).