

# **Leodis Academies Trust**

*(a Company Limited by Guarantee)*

## **Annual Report and Financial Statements**

**Year ended 31 August 2020**

**Company Registration Number:  
07720181 (England and Wales)**

# **Leodis Academies Trust**

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# **Leodis Academies Trust**

## **Reference and Administrative Details**

<b>Members</b>	<b>Appointed</b>	<b>Resigned</b>
S Alleston	27 July 2011	
R Charlston	3 February 2016	
A Grayson	21 March 2012	
S Rose	3 February 2016	
N Bilton	24 August 2018	
<b>Trustees</b>		
A Brodie-Browne	6 February 2020	
L Christensen	1 January 2019	17 September 2019
R Ganz	6 September 2018	
D Lester	3 February 2016	
N O'Donovan (Chair from 9 October 2019)	15 September 2016	
S Rose (Chair to 9 October 2019)	3 February 2016	9 October 2019
C Stribley	3 February 2016	
A Ward	1 April 2020	
I West	27 July 2011	

## **Leadership Team**

J Barton - Woodkirk Academy Principal/Leodis Academies Trust CEO Principal and Accounting Officer  
 J Coulson - Blackgates Primary Academy Principal  
 K Hyams - Hill Top Primary Academy Principal  
 S Makin - Westerton Primary Academy Principal  
 S Talbot - East Ardsley Primary Academy Principal  
 T Jones – Woodkirk Academy, Associate Principal  
 W Beasley - Director of Finance  
 K Stringer – Chief Operations Officer from 15 October 2020

Company Secretary	W Beasley
Company Name	Leodis Academies Trust
Principal and Registered Office	Woodkirk Academy, Rein Road, Tingley Wakefield WF3 1JQ
Company Registration Number	07720181 (England and Wales)
Independent Auditor	Saffery Champness LLP Chartered Accountants Mitre House North Park Road Harrogate HG1 5RX

# **Leodis Academies Trust**

## **Reference and Administrative Details**

### **Bankers**

Lloyds Bank  
Commercial Banking  
PO Box 1000  
BX1 1LT

National Westminster Bank plc  
89a Queen Street  
Morley  
Leeds  
LS27 8XR

### **Internal Auditor**

RSM Risk Assurance Services LLP  
Fifth Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

### **Solicitors**

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

# **Leodis Academies Trust**

## **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2020. This annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Leodis Academies Trust (the Trust) operates four primary schools (Blackgates Primary Academy, East Ardsley Primary Academy, Hill Top Primary Academy and Westerton Primary Academy) and one secondary school (Woodkirk Academy) serving the Tingley and Ardsley area of South Leeds. It had a roll of 3,657 in the school census on January 2020.

## **Structure, Governance and Management**

### **Constitution**

The 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 Trust. The Trustees of Leodis Academies Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Leodis Academies Trust.

Details of the Trustees who served during the year, and up to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

In January 2012 the Trust set up a wholly owned subsidiary company called Leodis Academy Services Ltd (formerly Woodkirk Academy Services Ltd) (reg.7918414) with the objective of pursuing non-charitable activities. The subsidiary company is currently dormant and did not trade during the financial year ended 31 August 2020.

### **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. The Members of the company are listed in the Reference and Administrative Details on page 3.

### **Trustees' Indemnities**

In accordance with normal commercial practice the Trust 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 £10,000,000 (2019: £10,000,000) on any one claim.

### **Method of Recruitment and Appointment or Election of Trustees**

The Trustees have been appointed by the Members who may appoint by ordinary resolution up to twelve Trustees. The total number of Trustees, including the Chief Executive Officer if they so chose to act as Trustee under Article 57 who are employees of the Trust shall not exceed one third of the total number of Trustees. A Trustee's term of office is four years. Parent and Staff Trustees have not been appointed to the Board of Trustees as they are represented on the Local Governing and Advisory Boards.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Method of Recruitment and Appointment or Election of Trustees (continued)**

Trustees meet at least five times per annum to discuss strategic matters, operational developments and financial and budget performance. Dedicated Finance & Risk and Standards Committees also meet frequently during the year. Each founding Academy also has a Local Governing Board and a number of sub committees, meeting at least once a term. The sub committees have specific remits for Teaching and Learning, Admissions, Pupil Support and Finance & Resources. A sponsored Academy has a Local Advisory Board which meets each half term. The responsibilities of Local Governing Boards and the Local Advisory Board are set out in the Scheme of Delegation and in the Terms of Reference adopted annually by each.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The Roles and Responsibilities for Members, Trustees, Local Governing Boards and Local Advisory Boards have been agreed in line with the Memorandum of Understanding and Scheme of Delegation.

The training and induction provided for Trustees depends on their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Leodis Academies Trust complies with the School Standards and Framework Act 1998 and all Trustees and Governors are required to confirm their eligibility to act as a Trustee/Governor and to declare any business interest of theirs or their close family, which may conflict with the interests of the Trust. All new Trustees are invited to visit each Academy during the school day and to meet with the CEO Principal to understand more about the day to day operation of the Trust. All Trustees are required to complete a skills audit and safeguarding training, and where necessary, training is provided on charity, educational, legal and financial matters using a blend of face to face and online packages.

#### **Organisational Structure**

The organisational structure comprises of: Members, the Trust Board, Executive Leadership Team, Local Governing Boards (Advisory Board for sponsored academies) and the Senior Leadership Team of each Academy. The aim of this structure is to allow for devolved responsibility in line with the Memorandum of Understanding allowing for the Scheme of Delegation to be fully implemented.

The Members are responsible for ensuring that the Trust fulfils its obligations as described in its Funding Agreement and Articles of Association.

The Board of Trustees are responsible for the strategic direction of the Trust, holding leaders to account for educational performance and overseeing financial performance.

The Memorandum and Scheme of Delegation demonstrate the decisions that are at Member, Trustee and Local Governing Board/Local Advisory Board Level as well as those delegated to individual Academies within Leodis. The Accounting Officer has been approved by the Board of Trustees and is the CEO Principal of Leodis Academies Trust (and Principal of Woodkirk Academy).

Policies and procedures are developed at Trust level and these are applied across all Academies within the Trust.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Arrangements for setting pay and remuneration of key management personnel**

Trustees receive no remuneration. Principals, including the CEO Principal, are not Trustees.

For all key personnel, the Pay Policy is set by the Board of Trustees in line with that used by the Local Authority. This is then implemented by each Academy. Performance Management is delegated to each individual Academy within the Trust with an overarching statement approved by Trustees. Each Local Governing Board has a pay committee responsible for the approval of pay progression for key management personnel based on individual performance management targets. Each Local Advisory Board, along with the CEO, recommends to the Board of Trustees pay progression for key management personnel based on individual performance management targets.

In the case of the CEO Principal, both the Board of Trustees and Local Governing Board are responsible for pay decisions due to the duality of role (Leodis and Woodkirk Principal).

For central Leodis staff, pay progression and performance management is overseen by the CEO Principal and the Board of Trustees.

#### **Trade Union Facility Time**

**Table 1 – Relevant Union Officials**

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
4	2.93

**Table 2 - Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	2
1-50%	0
51-99%	0
100%	2

## Leodis Academies Trust

### Trustees' Report (continued)

#### Trade Union Facility Time (continued)

**Table 3 - Percentage of pay bill spent on facility time**

	Figures
Provide the total cost of facility time	£80,713
Provide the total pay bill	£14,718,704
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0. 55%

**Table 4 - Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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**Note:** There were currently two members of Leodis staff (1.5 FTE) who were seconded to Unions. These individuals are included in the reporting figures. The salaries of these staff are fully funded and at no cost to the Trust. The time spent by other staff on Trade Union activities is 0% combined.

Since May there has been one member of Leodis staff (0.8 fte) seconded to Unions.

#### **Related Parties and other Connected Charities and Organisations**

During the financial year, there have been no transactions entered into with a related party and/or connected charity or organisation. See notes 9 and 26.



## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Engagement with employees (including disabled persons)**

Employee involvement in matters which affect their employment with the Trust are encouraged. Communication in the form of regular meetings and briefing sessions between staff and senior leaders is designed to be two way – ensuring that future developments can be communicated and current issues can be understood. Specific matters are widely communicated using email and senior leaders are happy to meet with staff to discuss any issues. Staff know what to do if there is a problem and are aware of what they need to report and who they would report to.

The Trust has a number of employment policies which cover a breadth of matters and follow best practice. The policies are available to staff and HR colleagues are able to discuss any queries in relation to these policies.

The Trust's positive outlook and excellent reputation enables us to attract and sustain high quality staff teams led by exceptional leadership teams. The Trust is committed to equal opportunities for all employees, regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. This applies in recruitment, career development and training.

The Trust recognises Trade Unions and works constructively with them.

#### **Engagement with suppliers, customers and others in a business relationship with the Trust**

The Trust's ethos is to foster good working relationships with all stakeholders, including suppliers, customers and others.

The Trust has a dedicated part-time Procurement Officer to ensure that the Trust follows best practice in relation to purchasing, using national and local frameworks and considering local suppliers where possible.

The Trust has a positive relationship with all parents and pupils, and plays a large part in the local community with links with a number of local sports clubs including Woodkirk Valley Football Club.

During the COVID-19 Pandemic, the Trust ensured that suppliers were paid promptly and supported.

Casual workers and exam invigilator contracts were honoured and no staff were furloughed.

#### **Objects and Aims**

The aims of the Trust are:

- To advance the education of our pupils by offering a broad and balanced curriculum within a safe and inspiring environment.
- To fulfil our moral purpose by engaging and collaborating with other schools to help improve the life-chances of all young people locally.

# **Leodis Academies Trust**

## **Trustees' Report (continued)**

### **Objectives and Activities**

#### **Objects and Aims (continued)**

Our vision is 'Forging Young Futures'. This vision is driven by every day, every action and every decision being based upon meeting the needs of our students whilst at school and in preparing them for adult life. This applies to all aspects of the organisation and at every level.

#### **Objectives, Strategies and Activities**

Leodis has a clear Strategic Plan in place to implement our vision.

**Strategic Aim 1:** All Academies within the Trust reach good or better outcomes.

- Improve standards at the end of each Key Stage to exceed national year-on-year in all areas through high quality teaching and learning.
- Secure high quality teaching and learning in a rich and broad curriculum that values every aspect of education.
- Ensure groups at risk of underachieving make accelerated progress.

**Strategic Aim 2:** All Academies within the Trust share a self-sustaining, system-led, collaborative approach to improvement.

- Secure an accurate and robust self-evaluation process that can be used to effectively monitor the outcomes and progress of each Academy.
- Develop a model for working within and across the Academies to embed our shared vision.
- Develop a model for school-to-school support moving forward.

**Strategic Aim 3:** Leadership within and across the Trust is at least good and mainly outstanding

- Develop a strong Board of Trustees that has the requisite skills to challenge and vision to drive improvement across the Trust.
- Embed high quality local governance across the Trust to focus on the development of individual Academies within the Trust.
- Secure strong leadership and direction through the collaborative working of the Principals across the Trust.
- Empower leadership teams within each Academy to work strategically and collaboratively to share and develop good practice within their Academy and across the Trust.

**Strategic Aim 4:** The number of Academies within the Trust has grown steadily to secure its future sustainability.

- Manage systematic growth through a planned approach.
- Deliver high quality services within the Trust and offer them for brokerage outside the Trust.
- Establish a clear structure across the Trust which works to effectively support the Academies within it.
- Deliver a robust and sustainable financial plan.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Objectives, Strategies and Activities (continued)**

The finance year 2019-2020 was a period of stability for the Trust. Main priorities were somewhat interrupted by the arrival of COVID-19. Despite this, strategic aims 1 to 3 were largely actioned. The sponsorship of Blackgates focussed on preparedness for Ofsted reinspection whilst founding Academies continued to offer quality education during the extended closure of schools. The curriculum was reviewed and changed at all five Academies, each developing this in line with the needs and context of individual Academies. Whilst there were no national outcomes in primary Academies, the secondary Academy performed well with the grade profile being in line with previous years at both Key Stages 4 and 5.

Collaborative approaches were at the heart of our approach both before and during extended closure. Daily communication between the Academies and joint approaches to welfare, safeguarding and free schools meals ensured that the most vulnerable pupils were supported through extended closure.

Leadership continued to develop and the Central Team was strengthened with additional posts (including a Chief Operating Officer) being added. Governance has been robust throughout the last year with additional meetings being held at Board of Trustees level to monitor each Academy's response to the pandemic.

Unfortunately we have not realised our growth plan. We have, however, had our Department for Education/RSC Regional Delivery Directorate Trust Review Meeting and been given the green light to expand.

#### **Public Benefit**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission guidance on public benefit.

With collaboration at the heart of our work as a Trust we are able to share good practice, resources, and a philosophy that secures high quality teaching and learning across our schools. We focus on the breadth of curriculum; and value and provide enrichment opportunities for our young people to develop their talents and to find new skills and interests.

In addition, the principles underlying our Academies are:

- We always put children first;
- We are fully inclusive and welcome children from vulnerable groups;
- We follow responsible admission criteria based on each Academy's circumstances;
- We believe local children should attend local schools and we are not selective;
- We believe that every child, irrespective of their starting point, should succeed and achieve;
- We provide high quality professional development opportunities for all our staff;
- We follow the School Teachers Pay and Conditions and National Joint Council conditions of service;
- We work positively with Trade Unions.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Strategic Report**

##### **Achievements and Performance**

Each of the Academies has contributed to the Strategic aims as follows:

#### **Key Performance Indicators**

##### **Blackgates Primary Academy**

The second year since academisation has continued to be very successful at Blackgates. Whilst no statutory test or outcomes were taken in the summer, each year group was on course to improve. The curriculum has been reviewed and designed to ensure that pupils, in line with the school mission, believe, achieve and succeed.

It is an aspirational curriculum designed to take all children beyond their limited life experiences to knowing and understanding about the world in the 21<sup>st</sup> Century. The Academy aims to equip children with the knowledge and skills they need for their future by providing them with the experiences all children should have in their childhood, such as visiting the seaside, going to a zoo or to the theatre.

Attendance, an action point from the last Ofsted, has improved significantly and the school has worked with BCL Consultancy in order to address this.

Governance has been embedded and the Academy is fully staffed by a well qualified team. The permanent appointment of the Deputy Principal, seconded from another Leodis Primary Academy, has helped to strengthen leadership further.

##### **East Ardsley Primary Academy**

The Academy has completed its expansion from a one and a half form to a two form entry. It is a larger than average school, although not significantly. The budget is secure and sustainable moving forward. During 2019-20, East Ardsley Primary Academy continued to support Blackgates Primary Academy through the secondment of a senior leader appointed permanently to the role of Deputy Principal and two days of school business manager support.

The curriculum has been reviewed to ensure that learners are challenged and that they experience a rich, exciting and relevant curriculum. First hand experiences are used as a starting point for each new topic which may be a visit, visitor in school or other awareness raising activity. Inclusion is central to the school aims and implicit in all areas of the curriculum. The Academy continues to be a Growth Mindset school also.

Inclusion is also a strength as staff work hard to manage the needs of the children in school and ensure they are met. Every year children, whose needs have been met throughout school, transfer to specialist provision at the end of Key Stage 2. The pastoral team is really strong and works hard to support all children and families whilst prioritising the needs of children with pupil premium funding to address the inequality created by disadvantage. As a result, attendance is in the top 20% of schools nationally.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Key Performance Indicators (continued)**

Much of the improvement work at East Ardsley was, and remains, focussed on improving outcomes in reading and mathematics. Support for this was provided by the central school improvement team and indications were that this would have resulted in improved outcomes for Summer 2020.

There has also been a change in senior leadership with the departure of the Deputy Principal to become Principal in a neighbouring authority from September 2020.

#### **Hill Top Primary Academy**

A one form entry school, Hill Top has seen the number on roll remain constant. The school mission, 'Learning to shine together', is borne out in the use of the International Primary Curriculum. It is a comprehensive, thematic, creative curriculum, with a clear process of learning and specific learning goals for every subject and was key to being able to provide a comprehensive learning offer during the extended school closure. The Academy is committed to this approach and compliments it with additional opportunities for pupils such as Forest school provision.

Attendance is high at Hill Top. Other strengths include Early Years Provision with the lead for this mentoring trainee students for the SCITT, Mathematics, and SEND provision.

Leadership has remained stable at the Academy as has staffing.

#### **Westerton Primary Academy**

Westerton is a larger than average, three form entry primary school.

The curriculum supports the school mission statement wanting children to be happy, healthy, safe and successful, to believe in themselves and to make a positive mark in the community. This is done by giving all children the opportunity to study a breadth of subjects, preparing them to become resilient, well-adjusted members of society and is underpinned by knowledge-rich learning that builds year on year.

In order to support the delivery of the following educational outcomes, Westerton continues to prioritise considerable resource in terms of staff, time and financial capital to develop leading approaches to a wide range of Social, Emotional and Mental Health needs (SEMH) as required.

Westerton acts as the hub for the Exceed SCITT Initial Teacher training and the Principal is a National Leader of Education supporting schools within and beyond the Trust. The school actively promotes research and staff wellbeing approaches to further strengthen the workforce.

Leadership has been stable for a number of years and the Academy provides key staff to augment the Leodis Central Team in procurement and school improvement.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Key Performance Indicators (continued)**

##### **Woodkirk Academy**

Woodkirk is a larger than average secondary Academy with 11 form entry in Main School and a Sixth Form of over 300 students. It is significantly oversubscribed annually and has taken additional students (up to 20 over the 300 PAN annually) at the request of the Local Authority.

Whilst outcomes were eventually Centre Assessed Grades Summer 2020, the trajectory for results was strong as in previous years. At Key Stage 4, students performed similarly to previous years with Attainment and progress being above the national average. At Key Stage 5, the results continued on the upward trajectory seen in 2019 placing the cohort well above the national average.

As with the primary Academies, the curriculum has been reviewed. In line with the school mission of 'Shaping Young Lives', the curriculum is designed to empower students to be the best they can be in all aspects of their lives as 21<sup>st</sup> Century global citizens, including the impact they make on society. The curriculum at Woodkirk Academy aims to ensure that all students have the necessary knowledge and character to realise this.

The subject offer is broad with sufficient time for students to develop a deep and long-lasting knowledge of key ideas. All students study across the suite of subjects in Years 7 and 8 where they are exposed to the breadth and depth of the National Curriculum.

During Year 8, students select their qualification options. All students have access to a full suite of subjects (over 30 different courses, both academic and vocational). The EBacc subjects are central to the curriculum for many learners, with over 60% typically following this route.

Year 9 study seeks to provide the knowledge and character development required to form the bridge between childhood and adulthood. Year 9 is spent supporting students' self-development through the Duke of Edinburgh Award, furthered into Year 10 and the Sixth Form and complimented by the National Citizen Service from Year 11 and above.

In Years 10 and 11, students work towards their qualifications. Students complete 9 or 10 qualifications. At Key Stage 5, students continue to study a wide range of academic and vocational qualifications selected by them to suit best their interests, passions and strengths. Students are guided in identifying the most appropriate routes to support aspirational next steps.

Leadership has been stable for a number of years and the Academy provides key staff to augment the Leodis Central Team.

##### **Financial Performance**

Financial Key Performance Indicators are discussed further on page 17.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Key Performance Indicators (continued)**

##### **Other accomplishments across the Trust:**

The Trust has continued to develop and grow Leodis Support Services, which provides additional guidance and support for all students and families across the Trust. The team work closely with pastoral staff to provide family support, emotional health and well-being, counselling, and access to external commissioned services and resources. Support is offered to all issues which affect family functioning and wellbeing and act as a barrier to education. This model is expandable as the Trust grows.

The Trust receives SCA funding, and significant re-roofing has taken place at Blackgates Academy during 2020. SCA funding has allowed the Central Team and Trustees to plan works strategically across the estate including the refurbishment of Early Years provision at Westerton Primary Academy, improving lighting at Blackgates and Westerton Primary Academies and fire remedial works at Westerton Academy to meet fire and health and safety standards.

Funding for pitch drainage was secured via the Premier League and FA Facilities Fund (£205k) in collaboration with Woodkirk Valley FC, enabling this work to be undertaken at Woodkirk Academy. In addition, three more science laboratories have been refurbished as part of a well established programme of improvement.

A full ICT audit across Leodis has been completed and the appointment of a new post to the Central Team, Chief Operating Officer, will see the recommendations of this being implemented.

In an unprecedented year, it has to be noted that all five schools were able to remain open to keyworker and vulnerable pupils through the extended school closure including holidays at the peak of the crisis. Pupils, parents and staff have felt well supported and whilst undoubtedly the education of young people has suffered, the Trust's action have done much to mitigate against this. Robust risk assessments have been undertaken throughout, approved by Trustees. Improving remote learning as well as addressing learning gaps is central to the Trust's development priorities going forward.

##### **Attendance**

Average attendance figures for the Trust until extended closure were:

<b>Academy</b>	<b>%</b>
Blackgates Primary Academy	95.6%
East Ardsley Primary Academy	96.8%
Hill Top Primary Academy	96.8%
Westerton Primary Academy	95.9%
Woodkirk Academy	94.8%

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Key Performance Indicators (continued)**

##### **Ofsted Ratings**

<b>Academy</b>	<b>Rating</b>	<b>Date of report</b>
Blackgates Primary Academy	Inadequate as Blackgates Primary School Academised September 2018	September 2017
East Ardsley Primary Academy	Good	March 2019
Hill Top Primary Academy	Good	June 2019
Westerton Primary Academy	Outstanding	January 2010
Woodkirk Academy	Good	December 2017

##### **Going Concern**

The Trustees acknowledge that these financial statements are being approved during the Covid-19 pandemic. They recognise that this will continue to bring uncertainty and risk to the Trust during the next 12 months, some of which cannot be planned for. In the immediate future the Trustees also recognise that there will undoubtedly be unpredictable and unbudgeted costs and reduced income as a result of Covid. However the strong cash balances, asset base and reserves position held mean that the Trust is sustainable in the longer term.

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

##### **Promoting the success of the company**

The Board of Trustees is keen to further promote the success of Leodis Academies Trust, and as such has considered the Leadership model to enable sustained development and growth. As part of that Leadership model, the new post of Chief Operating Officer has been appointed to the Central Team. The strategic plan has been reviewed and updated to reflect changes in the Leadership structure. A new website has been procured for the Trust to strengthen its profile within the local community and beyond. There has been Trustee representation at 'People and purpose: the talent strategy at the heart of a successful organisations and trusts'. Senior leaders within the Trust include School Resource Management Advisors, National Leader of Education and several Specialist Leaders of Education as well as providing representation on a number of local and regional groups. Part of the Trust response to COVID-19 included providing resources and targeted support to the local community.

The Central Team has ensured implementation of the strategic plan with regard to the following:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others



## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Promoting the success of the company (continued)**

- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly between each Academy within the Trust.

#### **Financial Review**

The majority of the Trust's income is received from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also received grants for capital projects through the School Condition Allocation (SCA) programme and Devolved Formula Capital grants. In accordance with the Academies Accounts Direction 2019/20, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, the in-year movement on unrestricted and restricted general funds excluding pensions was £(817,000).

The Trust has made judicious use of annual funding. Alongside the use of reserves to fund capital projects, there has been a commitment to ensure in-year savings to offset the erosion of said reserves. This response has been appropriate and proportionate to concerns that the Trust holds with regard to future funding.

At 31 August 2020, the net book value of fixed assets was £18,746,000 and movements in fixed assets are shown in note 12 to the financial statements. The land and buildings at Blackgates Primary, Westerton Primary and Woodkirk Academies are included in the value of fixed assets, along with furniture, equipment, ICT and motor vehicles across all five Academies. The Trust School Condition Allocation capital grant of £777,000 is recognised, and £489,000 of this is included as unspent funds within the restricted fund balance along with balances on Devolved Formula Capital grants.

Current assets have increased in the year from £3,656,000 to £4,098,000 while creditors have increased to £1,557,000 (2019: £1,251,000), resulting in an increase in net current assets from £2,405,000 to £2,541,000. Creditors falling due after more than one year relate to Salix loans repayable over 7 and 8 years and have reduced from £227,000 to £185,000.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS102 and currently stands at a liability of £9,877,000.

The Trust held fund balances at 31 August 2020 of £11,225,000 comprising £19,259,000 of fixed assets funds, £65,000 of restricted general funds, £1,778,000 of unrestricted general funds and a pension reserve deficit of £9,877,000.

#### **Reserves Policy**

The Trustees review the level of reserves on an annual basis to ensure that they are maintained at the required level.

A revised Reserves and Investment Policy was agreed in May 2020.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Financial Review (continued)**

##### **Reserves Policy (continued)**

The purpose of the Policy is to establish a framework within which decisions will be made regarding the level of reserves held by Leodis Academies Trust and the purposes for which they will be used and maintained.

The Policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will inform the management of financial risk and restrict the impact of any risk upon the continuing operations of the Trust. It serves to ensure the stability of the Trust's organisational operations and to protect it so it has the ability to make sufficient provision for future cash flow requirements and adjust quickly to any financial circumstances.

The DfE expects academy trusts to use their allocated funding each year for the full benefit of the current pupils. Therefore it is important that if the Trust has a substantial surplus there is a clear plan how it will be used to benefit the pupils and to fulfil the Trust's charitable objectives.

The Trust holds reserves to inform the budget and risk management process by identifying uncertainty in future income streams, for funding new projects (e.g. premises and infrastructure) and achieving a balanced budget.

The ESFA do not impose any restriction on the level of reserves held, but can challenge the level if deemed to be excessive. To avoid such challenge, full disclosure is made in the Trustees' report to explain the reason(s).

The Trustees do not consider the pension liability to be part of the short and medium term reserves requirements providing the Trust can meet the monthly contributions.

The Trust considers that the appropriate level of reserves for each Academy is equivalent to 5% of annual GAG funding for the relevant financial year, which equates to £780,000.

Reserves falling below this will require Local Governing Boards to provide Trustees with a rationale for approval, with a plan of how reserves will be maintained at the agreed levels over the next 3 years. This should be in writing. For sponsored schools with a Local Advisory Board, this will be completed at Trust Board level. This has not been necessary in this financial year.

It is expected that all Academies within the Trust will set a balanced budget for each financial year.

Where reserves have accumulated:

- reserves should have a specific purpose related to future spending or covering current and future risks;
- the size of reserves should balance the benefit of current spending with the risks the reserves cover;
- the use of any reserves should be transparent and maintain the link with the purposes for which the income was given; and
- sufficient resources should be available so that unexpected events can be accommodated without causing current year problems, leading to deficit or cash-flow issues.

Reserves held in excess of the target percentage will be reviewed by the Trust on an annual basis.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Financial Review (continued)**

##### **Reserves policy (continued)**

The balance on general funds (excluding pension reserves) plus the balance on unrestricted funds at 31 August 2020 is £1,843,000. Trustees have reviewed this balance and agree that it is adequate to meet future needs. It is higher than the 5% level detailed above, but was built up to protect the Trust from financial uncertainties and to protect against falling pupil numbers and rising PFI costs, along with the cost implications and the potential reduction of self generated income due to COVID-19 . It also includes £122,000 of designated funds.

##### **Designated Reserves**

Woodkirk Academy has agreed to designate £20,000 p.a. towards maintenance of the 3G pitch. The year end balance on the designated building fund is £110,000.

Trustees have also agreed to designate £12,000 for the costs to the Trust for the completion of the pitch drainage works part funded through the Premier League and FA Facilities Fund.

##### **Investment Policy**

The Trustees are keen to optimise a return on working capital whilst allowing easy access of the funds. In balancing risk against return the Trust's policy is geared towards avoiding risk rather than to maximise return. The Trust has an interest bearing account into which funds are placed that are not needed immediately. This is a short term deposit account which allows instant access to the funds.

In addition to this, the Trust has invested £800,000 in fixed term deposits with £200,000 maturing every three months. This has enabled the Trust to increase the interest received alongside reducing risk by spreading cash balances between different banks.

Cash balances at 31 August 2020 were £3,513,000 (2019: £3,079,000).

##### **Principal Risks and Uncertainties**

The Trustees are ultimately responsible for the management of risk.

The Finance and Risk Committee, which was established in September 2018 and also fulfils the role of the Audit Committee for the Trust, is responsible for ensuring that risks are being adequately identified and managed. This is comprised of Trustees, and the Trust CEO Principal and Finance Director also attend meetings. The Committee meets at least once a term and every meeting includes a review of items on the risk register.

A Risk Management Committee carries out the day to day management of risk. The Risk Management Committee is chaired by a Trustee and comprises the Principals and senior management from each Academy and central Leodis staff. The Risk Management Committee meets at least twice a year to review and update the Risk Register. The day to day management of risk is delegated to each Academy.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Principal Risks and Uncertainties (continued)**

A Risk Register is kept for each Academy alongside the overarching Trust register. The Risk Register identifies the principal risks and uncertainties to which the Trust is exposed. Each risk is scored for severity prior to and after control measures and contingency plans have been put in place.

Risk registers are monitored at both Academy and Trust level, and it is clear which risks are managed locally and which are held at central Trust level. Risk Registers are used to inform the Trust's Business Continuity Plan, budget forecasting and the Reserves Policy.

Trustees are clear on the principal risks and uncertainties that face the Trust.

The Trustees are continuing to develop and embed risk management throughout the Trust, and understand the need of risk management to evolve as the Trust grows.

The principal risks and uncertainties that face the Trust are considered to be:

- The impact on learning and future outcomes for students as a result of COVID-19;
- The social, emotional and mental health impact of COVID-19 on both pupils and staff;
- Additional costs incurred through loss of income and additional spend as a result of COVID-19;
- Trust expansion; growing too quickly without infrastructure or in a way which is detrimental to the existing schools within the Trust, or not growing and facing a takeover;
- Reputational damage to the Trust or any of the schools within it;
- Student experience, safeguarding issue, maintaining optimal pupil numbers;
- Drop in standards or inability to deliver the curriculum;
- Staffing instability, loss of key staff, succession management for key posts;
- Reductions in funding and rising costs, particularly pay and pension costs;
- Significant compliance failure or legislation breach;
- Serious loss of functionality e.g. ICT system failure or serious fraud attack; and
- Numbers on roll, especially in sponsored schools.

#### **Fundraising**

Low level fundraising activities have taken place during the year on a voluntary basis and the Trust does not currently work with professional fundraisers.

Amounts raised in the year have been mainly fundraising for external charities alongside small amounts for school resources. These have been through non uniform days and charity 'fun days'.

All fundraising undertaken during the year was monitored by Trustees.

## Leodis Academies Trust

### Trustees' Report (continued)

#### Streamlined Energy and Carbon Reporting

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>  Figures for 2019/20 are not a full picture of energy usage, due to the Government directive to partially close school buildings on 23 March 2020.	
Energy consumption used to calculate emissions (kWh)	<b>3,448,730</b>
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>• gas,</li> <li>• electricity,</li> <li>• transport fuel</li> </ul>	2,475,966 952,946 19,818
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – mini-buses <u>Total scope 1</u>	455.26 4.43 459.69
<u>Scope 2 emissions in metric tonnes CO2e</u>  Purchased electricity	222.17
<u>Scope 3 emissions in metric tonnes CO2e</u>  Business travel in employee owned vehicles	0.65
Total gross emissions in metric tonnes CO2e	<b>682.5</b>
<u>Intensity ratio</u>  Tonnes CO2e per pupil	<b>0.19</b>

#### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

## **Leodis Academies Trust**

### **Trustees' Report (continued)**

#### **Streamlined Energy and Carbon Reporting (continued)**

##### **Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

##### **Measures taken to improve energy efficiency**

We have installed energy efficient lighting in our non-PFI Academies and replaced the roof at the Academy with the highest CO2e ratio per pupil. Some existing heating has been replaced as part of the science lab refurbishments.

##### **Plans for Future Periods**

The Trust has a Strategic Plan in place outlined earlier in this document. Trustees revisit this annually to re-examine the vision for Leodis and priorities for the forthcoming year. The strategic aims will remain the same for 2020-21 as the Trust is now in a period of consolidation in light of COVID-19 and controlled expansion and anticipates another school joining within the next 12 months in line with Strategic Aim 4. Priorities will also see the embedding of remote learning and our response to extended school closure in ensuring that pupils 'catch up' and are fully prepared for statutory assessment Summer 2021.

We anticipate that Blackgates will be inspected once Ofsted reintroduces these and are prepared also for a potential visit during the Autumn Term in any of the Academies. Two other Academies are also in the window for inspection.

Our review and self-evaluation systems as well as across-Trust networks and training will continue to support both the strategic plan and implementation of Trust priorities/development plan.

##### **Auditor**

In so far as the Trustees are aware:

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

Saffery Champness have expressed their willingness to remain in office as auditors to the Trust.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3 December 2020 and signed on the Board's behalf by:



**N O'Donovan**  
**Chair of Trustees**

# Leodis Academies Trust

## Governance Statement

### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Joanne Barton as the CEO Principal and 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 Leodis Academies Trust and the Secretary of State for Education. She is 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 eight times during the year. Effective oversight of funds was maintained across the year with management accounts circulated on a monthly basis to enable Trustees to maintain effective oversight of funds. The Finance and Risk sub committee has met five times during the year between Trust Board meetings and Local Governing Boards review funds at individual school level.

From 23 March onwards, meetings were held remotely and increased in frequency to provide robust governance.

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

	Meetings attended	Out of a possible
A Brodie-Browne (appointed 6 February 2020)	5	5
L Christensen (appointed 1 January 2019, resigned 17 September 2019)	0	0
R Ganz	7	8
D Lester	7	8
N O'Donovan (Chair)	8	8
S Rose (resigned 9 October 2019)	0	1
C Stribley	6	8
A Ward (appointed 1 April 2020)	5	5
I West	8	8

The Board of Trustees and Local Governing Boards annually review the Finance Regulations, the Scheme of Delegation and Committee membership and Terms of Reference. The Board of Trustees has appointed a Trustee overseeing Safeguarding and another for Health and Safety. It has also established a Safeguarding Committee comprising of Academy staff.

An annual review of the Skills Audit has taken place for the Trust Board and all Local Governing Boards/Local Advisory Board. This has informed both Governor and Trustee recruitment and ensures that skills are closely matched to responsibilities as defined in the Scheme of Delegation.

## **Leodis Academies Trust**

### **Governance Statement (continued)**

The Finance and Risk Committee is a subcommittee of the main Board of Trustees. It's purpose is to provide assurance to the Board over the suitability of, and compliance with, its financial systems and operational controls, and to ensure that risks are being adequately identified and managed.

Attendance during the year at meetings of the Finance and Risk Committee was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
R Ganz	6	6
D Lester	6	6
I West	6	6

### **Standards Committee**

The Standards Committee has continued to meet during the year. This committee meets three times a year. The purpose of the meeting is to provide a forum between Trustees and the Chairs of Local Governing Boards/Local Advisory Boards to share educational good practice, analyse performance data and monitor school and Trust improvement.

### **Local Governing Boards**

Each founding Academy operates a Local Governing Board which meets regularly during the year. Attendance at the Local Governing Board meetings was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>East Ardsley Primary Academy</b>		
T Brookes	3	3
J Courtney (resigned 20 December 2019)	2	2
A Fearn	2	3
S Foster	1	3
N Hargeaves (Co Chair)	3	3
S Hirst (resigned 4 July 2020)	2	3
K Martin (resigned 14 September 2019)	0	1
G Pollard	3	3
K Renshaw	3	3
T Sherborne	1	3
S Talbot (Principal)	3	3
S Volante	3	3
S Wilkinson (Co Chair)	2	3



# **Leodis Academies Trust** **Governance Statement (continued)**

## **Local Governing Boards (continued)**

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Hill Top Primary Academy</b>		
K Baker	3	4
M Howard (appointed 11 February 2020)	2	2
K Hyams (Principal)	4	4
E Jackson	2	4
J Kirkpatrick (appointed 11 February 2020)	2	2
J Lancaster	4	4
S O'Donovan	4	4
K Renshaw	3	4
E Shadbolt (Chair, resigned 31 August 2020)	3	4
A Wheat (resigned 12 November 2019)	2	2
S Wilkinson	4	4
F Woolaston	2	4

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Westerton Primary Academy</b>		
A Booth	4	4
C Clegg (appointed 2 December 2019)	3	3
S Dawson	2	4
M Gape	4	4
A Grayson (Chair)	4	4
D Hawley	4	4
R Hill (appointed 22 June 2020)	1	1
A Lazarus	1	4
T Leadley	3	4
S Makin (Principal)	4	4
E Park	4	4
S Puissegur	4	4
S Rook (appointed 2 December 2019)	3	3
N Westle	2	4
J Whawell	3	4

**Leodis Academies Trust**  
**Governance Statement (continued)**  
**Local Governing Boards (continued)**

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Woodkirk Academy</b>		
R Aiston (Chair)	4	4
J Barton (Principal)	4	4
G Beacon	2	4
K Channer (appointed 26 November 2019)	3	3
A Grayson	4	4
D Hughes (appointed 2 October 2018)	3	4
T Jones	4	4
A Lazurus	4	4
E Lester	4	4
J Lumb	4	4
R Naglis	4	4
E Powell (appointed 24 February 2020)	1	2
J Standage	4	4
S Whittingham (resigned 16 June 2020)	2	3

**Local Advisory Boards**

Blackgates Primary Academy operates a Local Advisory Board which meets regularly during the year. Attendance at the Local Advisory Board meetings was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Blackgates Primary Academy</b>		
M Briggs	4	6
L Clarkson	4	6
J Coulson (Principal)	6	6
A Grayson (Co Chair)	6	6
J Honour	4	6
K Jordan	4	6
G Leathley (Co Chair)	4	6
L Rumford	6	6
J Town	4	6

## **Leodis Academies Trust**

### **Governance Statement (continued)**

#### **Review of Value for Money**

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

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

- All five Academies remaining open to keyworker and vulnerable students during extended school closure as well as offering remote education to others;
- The second half of the summer term saw all primary age pupils being offered some form of on-site provision before the summer break. At secondary all Years 12 and 10 students were provided with on site provision.
- Expanded Leodis support service continues to meet the needs of all our pupils and families through joined up pastoral support, focussed commissioning of services such as counselling, and close partnerships with social services and the police. This was vital to safeguarding pupils throughout extended closure and in supporting their return to school;
- Improved procurement procedures have led to significant savings of over £100k per year;
- Despite additional costs, a drop in generated income and a decision not to furlough any staff to not put additional pressure on the public purse, all five schools were able to balance spend in 2019-20 and to set balanced budgets for 2020-21;
- The successful incorporation of Blackgates Primary Academy into the Trust with a second year of improved outcomes for students. In addition, the Academy has made significant savings to allow for a balanced budget to be set despite a falling roll;
- Further centralisation of the support functions across the Trust, developing robust Trust wide procedures, policies and sharing expertise/best practice;
- Premier League and FA Facilities Fund funding with community partners Woodkirk Valley FC to improve the pitches at Woodkirk Academy.
- Implementation of a costed estate development plan in line with SCA requirements for the Trust.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed

- to identify and prioritise the risks to the achievement of Trust policies, aims and objectives,
- to evaluate the likelihood of those risks being realised and the impact should they be realised,
- and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Leodis Academies Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

# **Leodis Academies Trust**

## **Governance Statement (continued)**

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by Finance and Risk Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to buy-in an internal audit service from RSM.

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

- GDPR review;
- Monthly VAT return review;
- testing of payroll systems;
- testing of purchase systems.

The internal auditor reports to the Board of Trustees through the Finance and Risk Committee on the operation of the systems of internal control and on the discharge of the Board of Trustees' financial responsibilities.

# **Leodis Academies Trust**

## **Governance Statement (continued)**

### **Review of Effectiveness**

As Accounting Officer, the CEO Principal 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 financial management and governance self-assessment process and the school resource management self-assessment tool; and
- the work of the executive managers within the Trust 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 Finance and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2020 and signed on its behalf by:



**N O'Donovan**  
**Chair of Trustees**

  
**J Barton**  
**Accounting Officer**

## **Leodis Academies Trust**

### **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of Leodis Academies Trust I have considered my responsibility to notify the Leodis Academies Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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

A handwritten signature in black ink, appearing to be 'J Barton', with a long horizontal flourish extending to the right.

**J Barton**  
**Accounting Officer**

**3 December 2020**

# **Leodis Academies Trust**

## **Statement of Trustees' Responsibilities**

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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 3 December 2020 and signed on its behalf by:



**N O'Donovan**  
**Chair of Trustees**

# **Leodis Academies Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Leodis Academies Trust**

### **Opinion**

We have audited the financial statements of Leodis Academies Trust for the year ended 31 August 2020 which comprise Statement of Financial Activities, Balance Sheet, 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **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 company 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 charitable company'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.



# **Leodis Academies Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Leodis Academies Trust (continued)**

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.

### **Opinions 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 which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 31, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

# **Leodis Academies Trust**

## **Independent Auditor's Report on the Financial Statements to the Members of Leodis Academies Trust (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

### **Use of our report**

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Jonathan Davis  
Senior Statutory Auditor  
For and on behalf of

Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

Date: 14 December 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# **Leodis Academies Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Leodis Academies Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 14 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leodis Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Leodis Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leodis Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leodis Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Leodis Academies Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Leodis Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

## **Leodis Academies Trust**

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

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 Trust's income and expenditure.

The work undertaken to draw to our conclusions includes

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place
- Making appropriate enquiries of the accounting officer

### **Conclusion**

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



**Jonathan Davis**  
**Reporting Accountant**

### **For and on behalf of**

Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

14 December 2020

# Leodis Academies Trust

## Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>						
Donations and capital grants:	2	-	-	856	856	996
Transfer from Local Authority on conversion		-	-	-	-	2,450
Charitable activities:						
Funding for the Trust's educational operations	3	635	18,313	-	18,948	18,294
Other trading activities	4	57	-	-	57	58
Investments	5	13	-	-	13	13
<b>Total</b>		<b>705</b>	<b>18,313</b>	<b>856</b>	<b>19,874</b>	<b>21,811</b>
<b>Expenditure on:</b>						
Charitable activities:						
Trust educational operations	6,7	524	19,088	1,079	20,691	19,852
<b>Total</b>		<b>524</b>	<b>19,088</b>	<b>1,079</b>	<b>20,691</b>	<b>19,852</b>
<b>Net income/(expenditure)</b>		<b>181</b>	<b>(775)</b>	<b>(223)</b>	<b>(817)</b>	<b>1,959</b>
<b>Transfers between funds</b>	16	-	(223)	223	-	-
<b>Other recognised (losses)/gains:</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(2,303)	-	(2,303)	(3,142)
<b>Net movement in funds</b>		<b>181</b>	<b>(3,301)</b>	<b>-</b>	<b>(3,120)</b>	<b>(1,183)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,597	(6,511)	19,259	14,345	15,528
<b>Total funds carried forward</b>		<b>1,778</b>	<b>(9,812)</b>	<b>19,259</b>	<b>11,225</b>	<b>14,345</b>

All results relate to continuing operations.

There are no recognised gains and losses other than those passing through the statement of financial activities.

The notes on pages 40 to 59 form part of these financial statements.

# Leodis Academies Trust

Balance Sheet as at 31 August 2020

Company Number 07720181

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Tangible assets	12		18,746		18,678
<b>Current assets</b>					
Debtors	13	585		577	
Cash at bank and in hand		<u>3,513</u>		<u>3,079</u>	
		<u>4,098</u>		<u>3,656</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(1,557)</u>		<u>(1,251)</u>	
<b>Net current assets</b>			<u>2,541</u>		<u>2,405</u>
<b>Total assets less current liabilities</b>			<u>21,287</u>		<u>21,083</u>
Creditors: Amounts falling due after more than one year	15		<u>(185)</u>		<u>(227)</u>
<b>Net assets excluding pension liability</b>			<u>21,102</u>		<u>20,856</u>
Defined benefit pension scheme liability	25		<u>(9,877)</u>		<u>(6,511)</u>
<b>Total net assets</b>			<u>11,225</u>		<u>14,345</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	16		19,259		19,259
. Restricted income fund	16		65		-
. Pension reserve	16		<u>(9,877)</u>		<u>(6,511)</u>
<b>Total restricted funds</b>			<u>9,447</u>		<u>12,748</u>
<b>Unrestricted income funds</b>	16		<u>1,778</u>		<u>1,597</u>
<b>Total funds</b>			<u>11,225</u>		<u>14,345</u>

The financial statements on pages 37 to 59 were approved by the Trustees and authorised for issue on 3rd December 2020 and are signed on their behalf by

N O'Donovan



Chair of Trustees

# Leodis Academies Trust

## Statement of Cash Flows for the year ended 31 August 2020

	Notes	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	694	836
<b>Cash inflows / (outflows) from investing activities</b>	21	(260)	54
<b>Change in cash and cash equivalents in the reporting period</b>		<b>434</b>	<b>890</b>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>3,079</b>	<b>2,189</b>
<b>Cash and cash equivalents at 31 August 2020</b>	22	<b>3,513</b>	<b>3,079</b>

# **Leodis Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020**

### **1 Statement of accounting policies**

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

#### **Basis of Preparation**

The financial statements of the 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

#### **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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

#### **Income**

All incoming resources are recognised when the 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**

Sponsorship income provided to the 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.



# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 1 Statement of accounting policies (continued)

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Donations and capital grant income to the net assets received.

- **Donated Fixed Assets (excluding Transfers on conversion/into the Trust)**

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

### **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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

# **Leodis Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

### **1 Statement of accounting policies (continued)**

All resources expended are inclusive of irrecoverable VAT.

#### **Tangible Fixed Assets**

Assets costing £1,000 or more individually or as a group 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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Long leasehold buildings are assumed to have a life of 50 years from the date of construction. Depreciation is charged based upon the depreciated replacement cost basis at the date of acquisition (1 September 2011) by the academy for Woodkirk Academy. Depreciation is charged based on the ESFA valuation at the date of conversion (1 March 2016) for Westerton Primary Academy, and on a Professional Valuation at the date of conversion (1 September 2018) for Blackgates Primary Academy.
- Leasehold land over the term of the 125 year lease.
- Buildings improvements 10%, or over the terms of guarantee (maximum 50 years)
- Fixtures, fittings and equipment 20%.
- ICT equipment 20%.
- Motor Vehicles 20%.

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.

#### **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 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.

# **Leodis Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

### **1 Statement of accounting policies (continued)**

#### **Provisions**

Provisions are recognised when the 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.

#### **Leased Assets**

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

#### **Investments**

The wholly owned subsidiary Leodis Academy Services Ltd is dormant and is included in the balance sheet at value £nil.

#### **Financial Instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the TRUST 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 13. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in notes 14 and 15. 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 charity's wholly owned subsidiary are held at face value less any impairment.

#### **Taxation**

The 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 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.

# **Leodis Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

### **1 Statement of accounting policies (continued)**

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income/(expenditure) 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.

#### **Fund Accounting**

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

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

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

#### **Agency Arrangements**

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 27.

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 1 Statement of accounting policies (continued)

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	849	849	975
Transfers on conversion	-	-	-	2,450
Other donations	-	7	7	21
	-	856	856	3,446
2019 Total	50	3,396	3,446	3,446

### 3 Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
<b>DfE / ESFA grants</b>				
- General Annual Grant (GAG)	-	14,854	14,854	14,734
- Other DfE/ESFA grants	-	1,994	1,994	1,351
	-	16,848	16,848	16,085
<b>Other Government grants</b>				
- Local authority grants	-	826	826	804
- Special educational projects	-	432	432	300
Other income from the Trust's educational operations	635	207	842	1,105
<b>Total</b>	635	18,313	18,948	18,294
2019 Total	963	17,331	18,294	18,294

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	57	-	57	58
<b>Total</b>	<b>57</b>	<b>-</b>	<b>57</b>	<b>58</b>
2019 Total	58	-	58	58

### 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	13	-	13	13
<b>Total</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>13</b>
2019 Total	13	-	13	13

### 6 Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2020 £000	Total 2019 £000
Trust's educational operations:					
. Direct costs	13,407	931	1,214	15,552	14,587
. Allocated support costs	2,864	1,456	819	5,139	5,265
	<b>16,271</b>	<b>2,387</b>	<b>2,033</b>	<b>20,691</b>	<b>19,852</b>
2019 Total	15,278	2,256	2,318	19,852	19,852

Of the 2019 total expenditure of £19,852,000, £19,077,000 related to restricted funds and £775,000 related to unrestricted funds.

Net income/(expenditure) for the period includes:	2020 £000	2019 £000
Operating lease rentals	56	79
Depreciation	1,052	1,027
Loss on disposal of fixed assets	9	6
Fees payable to auditor for:		
audit	16	16
other services	5	4

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 7 Charitable activities

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
<b>Direct costs – educational operations</b>	<b>15,552</b>	<b>14,587</b>
<b>Support costs – educational operations</b>	<b>5,139</b>	<b>5,265</b>
	<b>20,691</b>	<b>19,852</b>

<b>Analysis of support costs</b>	<b>Educational operations £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Support staff costs	2,864	2,864	2,770
Depreciation	130	130	120
Technology costs	31	31	38
Premises costs	1,323	1,323	1,123
Legal costs – conversion	-	-	5
Legal costs - other	3	3	3
Other support costs	756	756	1,176
Governance costs	32	32	30
<b>Total support costs</b>	<b>5,139</b>	<b>5,139</b>	<b>5,265</b>

### 8 Staff

#### a. Staff costs

Staff costs during the period were:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Wages and salaries	11,548	11,355
Social security costs	1,096	1,074
Pension costs	3,420	2,597
	<b>16,064</b>	<b>15,026</b>
Agency staff costs	207	209
Staff restructuring costs	-	43
	<b>16,271</b>	<b>15,278</b>

Staff restructuring costs comprise:

Redundancy payments	-	16
Severance payments	-	27
	<b>-</b>	<b>43</b>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £9,000).

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 8 Staff (continued)

#### c. Staff numbers

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

	2020 No.	2019 No.
Teachers	198	208
Administration and support	262	274
Management	7	6
	<u>467</u>	<u>488</u>

#### d. Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	10	10
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£90,000 - £100,000	1	-
£110,000 - £120,000	1	1

#### e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Leadership Team as listed on page 3. 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 Trust was £749,000 (2019: £582,000).

### 9 Related Party Transactions – Trustees' remuneration and expenses

No Trustee has been paid remuneration or have received other benefits from an employment with the Trust during the year.

During the period ended 31 August 2020, travel and subsistence expenses of £232.20 were reimbursed or paid to Trustees (2019: £657.90).

### 10 Trustees and officers insurance

In accordance with normal commercial practice, the Trust 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 £10,000,000 on any one claim and the cost for the period ended 31 August 2020 is included in the total insurance cost.



# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 11 Central Services

The Trust has provided the following central services to its academies during the year, such as: SEMH and attendance provision, human resources, financial services, legal services, educational support services, and others as arising.

The Trust charged for these services based on 3.4% of GAG and Early Years funding for founding Academies and 5% for sponsored Academies (2019: 3.2% and 5%)

The actual amounts charged during the year were as follows:

	2020 £000	2019 £000
Blackgates Primary Academy	75	79
East Ardsley Primary Academy	60	55
Hill Top Primary Academy	34	31
Westerton Primary Academy	81	74
Woodkirk Academy	301	282
	<b>551</b>	<b>521</b>

### 12 Tangible fixed assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2019	22,374	513	685	17	23,589
Additions	909	112	108	-	1,129
Disposals	-	-	(26)	-	(26)
At 31 August 2020	<b>23,283</b>	<b>625</b>	<b>767</b>	<b>17</b>	<b>24,692</b>
<b>Depreciation</b>					
At 1 September 2019	4,148	289	461	13	4,911
Charged in year	875	82	94	1	1,052
Disposals	-	-	(17)	-	(17)
At 31 August 2020	<b>5,023</b>	<b>371</b>	<b>538</b>	<b>14</b>	<b>5,946</b>
<b>Net book values</b>					
At 31 August 2020	<b>18,260</b>	<b>254</b>	<b>229</b>	<b>3</b>	<b>18,746</b>
At 31 August 2019	<b>18,226</b>	<b>224</b>	<b>224</b>	<b>4</b>	<b>18,678</b>

Included within Land and Buildings is £111,000 of assets not depreciated as the assets are in the course of construction and not available for use.

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 13 Debtors

	2020 £000	2019 £000
Trade debtors	5	8
VAT recoverable	109	64
Prepayments and accrued income	471	505
<b>Total</b>	<b>585</b>	<b>577</b>

### 14 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	526	345
Other taxation and social security	258	255
Loans	42	42
Accruals and deferred income	731	609
	<b>1,557</b>	<b>1,251</b>

#### Deferred income

Deferred income at 1 September 2019	125	95
Released from previous years	(125)	(95)
Resources deferred in the year	185	125
Deferred income at 31 August 2020	<b>185</b>	<b>125</b>

At the balance sheet date the Trust was holding funds received in advance for educational visits, fundraising activities and the 16-19 Bursary.

### 15 Creditors: amounts falling due in greater than one year

	2020 £000	2019 £000
Loans	185	227
	<b>185</b>	<b>227</b>

Loans comprise three interest-free loans of £16,061, £24,553 and £256,000 from Salix which are provided on the following terms: repayable over 8, 8 and 7 years in equal instalments.

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 16 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	-	14,854	(14,566)	(223)	65
Other DfE/ESFA grants	-	1,994	(1,994)	-	-
Local Authority Grants	-	1,258	(1,258)	-	-
Other Income	-	207	(207)	-	-
Pension reserve	(6,511)	-	(1,063)	(2,303)	(9,877)
	<b>(6,511)</b>	<b>18,313</b>	<b>(19,088)</b>	<b>(2,526)</b>	<b>(9,812)</b>
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	15,642	-	(678)	-	14,964
DfE/ESFA group grants	1,534	849	(124)	-	2,259
Capital expenditure from GAG	216	-	(98)	101	219
Transfer from General Funds	1,641	-	(171)	83	1,553
Other capital grants	226	7	(8)	39	264
	<b>19,259</b>	<b>856</b>	<b>(1,079)</b>	<b>223</b>	<b>19,259</b>
<b>Total Restricted Funds</b>	<b>12,748</b>	<b>19,169</b>	<b>(20,167)</b>	<b>(2,303)</b>	<b>9,447</b>
<b>Unrestricted General Funds</b>					
General Funds	1,452	705	(524)	23	1,656
Designated Capital Projects	55	-	-	(43)	12
Designated Building Fund	90	-	-	20	110
<b>Total Unrestricted Funds</b>	<b>1,597</b>	<b>705</b>	<b>(524)</b>	<b>-</b>	<b>1,778</b>
<b>Total Funds</b>	<b>14,345</b>	<b>19,874</b>	<b>(20,691)</b>	<b>(2,303)</b>	<b>11,225</b>

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

Restricted General Funds relate to grants receivable from the ESFA and other sources that are used to fund the operating activities of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Restricted Fixed Asset Funds represents the value of tangible fixed assets acquired at conversion of each Academy plus capital grants received and capital expenditure funded from GAG income and unrestricted reserves since that date, less depreciation charges.

Unrestricted General Funds have arisen from funds transferred at conversion plus surpluses created from the school fund, catering services and trading activities. These funds may be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

During the year £223,000 was transferred from restricted general funds and unrestricted funds to fund capital expenditure.

A balance at the year end of £110,000 has been designated towards the recarpetting of the 3G pitch at Woodkirk Academy, and additional funds of £12,000 have been designated to cover the Woodkirk Academy contribution to the Premier League and FA Facilities Fund grant pitch drainage works remaining element not complete at 31 August 2020.

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 16 Funds (continued)

The land and buildings at Hill Top Primary Academy and East Ardsley Primary Academy are occupied under lease arrangement. After considering the attributable risks and rewards of occupation of the building the Trustees believe that the Academies do not control the buildings and as such they are not recognised within the financial statements. The future lease commitments in relation to these buildings are shown within note 19.

#### Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Blackgates Primary Academy	249	147
East Ardsley Primary Academy	230	155
Hill Top Primary Academy	211	221
Westerton Primary Academy	169	152
Woodkirk Academy	813	688
Central funds	49	89
<b>Total before fixed assets, designated and pension reserve</b>	<b>1,721</b>	<b>1,452</b>
Restricted Fixed Asset Funds	19,259	19,259
Designated funds	122	145
Pension reserve	(9,877)	(6,511)
<b>Total</b>	<b>11,225</b>	<b>14,345</b>

#### Total cost analysis by Academy

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

	<b>Teaching and Educational Support staff costs £'000</b>	<b>Other Support staff costs £'000</b>	<b>Educational Supplies £000</b>	<b>Other Costs (excluding Depreciation) £000</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £000</b>
Blackgates Primary Academy	1,389	158	126	294	1,967	1,903
East Ardsley Primary Academy	1,375	64	128	553	2,120	2,022
Hill Top Primary Academy	727	55	119	290	1,191	1,107
Westerton Primary Academy	2,406	229	147	328	3,110	2,970
Woodkirk Academy	7,301	1,087	590	1,093	10,071	9,979
Central services	209	208	-	(327)	90	32
<b>Trust</b>	<b>13,407</b>	<b>1,801</b>	<b>1,110</b>	<b>2,231</b>	<b>18,549</b>	<b>18,013</b>

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 16 Funds (continued)

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	-	14,734	(14,622)	(112)	-
Other DfE/ESFA grants	-	1,351	(1,351)	-	-
Local Authority Grants	-	1,104	(1,104)	-	-
Other Income	-	142	(142)	-	-
Pension reserve	(2,262)	(285)	(822)	(3,142)	(6,511)
	<b>(2,262)</b>	<b>17,046</b>	<b>(18,041)</b>	<b>(3,254)</b>	<b>(6,511)</b>
<b>Restricted Fixed Asset Funds</b>					
Transfer on conversion	13,649	2,685	(676)	(16)	15,642
DfE/ESFA group grants	770	770	(83)	77	1,534
Capital expenditure from GAG	265	-	(108)	59	216
Transfer from General Funds	1,723	-	(169)	87	1,641
Other capital grants	-	226	-	-	226
	<b>16,407</b>	<b>3,681</b>	<b>(1,036)</b>	<b>207</b>	<b>19,259</b>
<b>Total Restricted Funds</b>	<b>14,145</b>	<b>20,727</b>	<b>(19,077)</b>	<b>(3,047)</b>	<b>12,748</b>
<b>Unrestricted General Funds</b>					
General Funds	1,138	1,084	(624)	(146)	1,452
Designated Capital Projects	175	-	(151)	31	55
Designated Building Fund	70	-	-	20	90
<b>Total Unrestricted Funds</b>	<b>1,383</b>	<b>1,084</b>	<b>(775)</b>	<b>(95)</b>	<b>1,597</b>
<b>Total Funds</b>	<b>15,528</b>	<b>21,811</b>	<b>(19,852)</b>	<b>(3,142)</b>	<b>14,345</b>

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 17 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	18,746	18,746
Current assets	1,778	1,807	513	4,098
Current liabilities	-	(1,557)	-	(1,557)
Non current liabilities	-	(185)	-	(185)
Pension scheme liability	-	(9,877)	-	(9,877)
<b>Total net assets</b>	<b>1,778</b>	<b>(9,812)</b>	<b>19,259</b>	<b>11,225</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	18,678	18,678
Current assets	1,597	1,478	581	3,656
Current liabilities	-	(1,251)	-	(1,251)
Non current liabilities	-	(227)	-	(227)
Pension scheme liability	-	(6,511)	-	(6,511)
<b>Total net assets</b>	<b>1,597</b>	<b>( 6,511)</b>	<b>19,259</b>	<b>14,345</b>

### 18 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	73	80

### 19 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	636	658
Amounts due between one and five years	2,439	2,405
Amounts due after five years	3,332	3,803

The Trust receives funding from the ESFA in relation to land and buildings lease commitments for East Ardsley Primary Academy and Hill Top Primary Academy.

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 20 Reconciliation of net income to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(817)	1,959
Adjusted for:		
Depreciation (note 12)	1,052	1,027
Capital grants from DfE and other capital income (note 2)	(856)	(996)
Interest receivable (note 5)	(13)	(13)
Write off on disposal (note 12)	9	6
Defined benefit pension scheme obligation inherited (note 25)	-	285
Defined benefit pension scheme cost less contributions payable (note 25)	945	391
Defined benefit pension scheme finance cost (note 25)	118	64
Defined benefit pension scheme past service cost (note 25)	-	367
(Increase)/decrease in debtors	(8)	33
Increase in creditors	264	381
Transfer on conversion	-	(2,668)
<b>Net cash provided by Operating Activities</b>	<b>694</b>	<b>836</b>

### 21 Cash flows from investing activities

	2020 £000	2019 £000
Bank interest received (note 5)	13	13
Purchase of tangible fixed assets (note 12)	(1,129)	(955)
Capital grants from DfE/ESFA (note 2)	856	996
<b>Net cash used in investing activities</b>	<b>(260)</b>	<b>54</b>

### 22 Analysis of cash and cash equivalents

	At 31 August	
	2020 £000	2019 £000
Cash in hand and at bank	3,513	3,079
<b>Total cash and cash equivalents</b>	<b>3,513</b>	<b>3,079</b>

### 23 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash in hand and at bank	3,079	434	3,513
		434	
Loans falling due within one year	(42)	-	(42)
Loans falling due after more than one year	(227)	42	(185)
<b>Total</b>	<b>2,810</b>	<b>476</b>	<b>3,286</b>

# **Leodis Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2020 (continued)**

### **24 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.

### **25 Pension and similar obligations**

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

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

Contributions amounting to £275,000 were payable to the schemes at 31 August 2020 (2019: £223,000) and are included within creditors.

#### **Teachers' Pension Scheme**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million



# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 25 Pension and similar obligations (continued)

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.
- The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,798,000 (2019: £1,245,000).

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

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

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £759,000 (2019: £722,000), of which employer's contributions totalled £559,000 (2019: £530,000) and employees' contributions totalled £200,000 (2019: £192,000). The agreed contribution rates for future years are 16.7% rising to 17.6% over 3 years for employers and between 5.5% and 8.5% for employees.

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

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55%	3.35%
Rate of increase for pensions in payment/inflation	2.3%	2.1%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.3%	2.1%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 25 Pension and similar obligations (continued)

Sensitivity analysis	At 31 August 2020	At 31 August 2019
Discount rate +0.1%	(489)	(364)
Discount rate -0.1%	509	373
Mortality assumption – 1 year increase	(733)	(548)
Mortality assumption – 1 year decrease	753	554

The Trust's share of the assets in the scheme were:	Fair value at 31 August	
	2020 £000	2019 £000
Equity instruments	8,155	7,836
Debt instruments	1,541	1,514
Property	451	444
Cash and other liquid assets	335	303
<b>Total market value of assets</b>	<b>10,482</b>	<b>10,097</b>

The actual return on scheme assets was £219,000 (2019: £658,000)

Amount recognised in the Statement of Financial Activities	2020 £000	2019 £000
Current service cost	(1,504)	(921)
Past service cost	-	(367)
Interest cost	(118)	(64)
<b>Total amount recognised in the SOFA</b>	<b>(1,622)</b>	<b>(1,352)</b>

Changes in the present value of defined benefit obligations were as follows:	2020 £000	2019 £000
<b>At 1 September</b>	<b>16,608</b>	<b>10,652</b>
Net increase in liabilities from transfers in	-	862
Current service cost	1,504	921
Interest cost	316	322
Employee contributions	200	192
Actuarial loss/(gain)	1,886	3,542
Benefits paid	(155)	(250)
Past service cost	-	367
<b>At 31 August</b>	<b>20,359</b>	<b>16,608</b>

# Leodis Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2020 (continued)

### 25 Pension and similar obligations (continued)

	2020 £000	2019 £000
<b>Changes in the fair value of Trust's share of scheme assets:</b>		
<b>At 1 September</b>	<b>10,097</b>	<b>8,390</b>
Net increase in assets from transfers in	-	577
Interest income	198	258
Remeasurement gains on assets	(417)	400
Employer contributions	559	530
Employee contributions	200	192
Benefits paid	(155)	(250)
<b>At 31 August</b>	<b>10,482</b>	<b>10,097</b>

### 26 Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

### 27 Agency arrangements

The Trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £30,033 (2019: £31,682) and disbursed £25,770 (2019: £29,946) from the fund. An amount of £11,938 (2019: £7,675) is included as deferred income, representing the undistributed funds which will be distributed to students in the accounting period ended 31 August 2021.