

Leodis Academies Trust

(a Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2017

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

Leodis Academies Trust

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Leodis Academies Trust

Reference and Administrative Details

Members

S Alleston
R Charlston
A Grayson
S Rose

Appointed

27 July 2011
3 February 2016
21 March 2012
3 February 2016

Trustees

J Barton - Woodkirk Academy Principal
S Makin – Westerton Primary Academy Principal
K Hyams – Hill Top Primary Academy Principal
S Talbot – East Ardsley Primary Academy Principal
T Brookes
D Lester
N O'Donovan
S Rose (Chair)
E Shadbolt
C Stribley
I West
J Westwood

1 September 2015
3 February 2016
3 February 2016
3 February 2016
3 February 2016
3 February 2016
15 September 2016
3 February 2016
3 February 2016
3 February 2016
27 July 2011
21 September 2011

Accounting Officer

J Barton

Company Secretary

SG Sutcliffe FCA until 31 July 2017
W Beasley ACA from 1 August 2017

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
Chartered Accountants
Mitre House
North Park Road
Harrogate
HG1 5RX

Bankers

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

Responsible Officer

Financial Services to Schools
Resource Directorate
Merrion House
Leeds
LS2 8DT

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 ended 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Leodis Academies Trust comprises of three primary schools (East Ardsley, Hill Top and Westerton) and one secondary school (Woodkirk Academy) serving the Tingley and Ardsley area of South Leeds. Its academies had a roll of 3,278 in the school census on January 2017.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Leodis Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Leodis Academies Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

In January 2012 the trust set up a wholly owned subsidiary company called 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 31st August 2017.

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 Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 (2016: £5,000,000) 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 Trustees include the four Principals and a further eight Trustees representing the four member academies, who are nominated by each Academy Local Governing Board. The number of Trustees who are employees is equal to one third of the total number of Trustees.

Trustees' terms of office is four years. Parent and Staff Trustees have not been appointed as they are represented on the Local Governing Bodies.

Trustees meet at least four times per annum to discuss strategic matters, operational developments and financial and budget performance. Each academy also has a Local Governing Board and a number of sub committees, meeting at least once a term. The responsibilities of Local Governing Boards are set out in the Scheme of Delegation and in the Terms of Reference adopted by each annually. A number of sub committees have specific responsibility for Teaching and Learning, Personnel, Admissions and Finance & Property Management.

Leodis Academies Trust

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Roles and Responsibilities for Members, Trustees and Local Governing 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. Where necessary, training is provided on charity, educational, legal and financial matters. 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 governors are required to confirm their eligibility to act as a governor and to declare any business interest of theirs or their close family, which may conflict with the interests of the Academy.

Organisational Structure

The organisational structure comprise of 4 levels: Members, the Trust Board, Local Governing Boards 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 Trust has been mindful of potential expansion and has an additional level below the Trust Board – the Principals' Board which acts as the operational senior leadership team for the Trust. This allows for the full integration of joining Academies either via conversion or sponsorship.

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 ultimately responsible for the governance of the Trust. The four member Academies are equal partners and this is reflected in the membership of the Board.

The Memorandum and Scheme of Delegation demonstrate the decisions that are at Member, Trustee and Local Governing 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.

The Board of Trustees have set Delegated Responsibilities to Local Governing Boards and the Trust's policy is to delegate management and responsibilities to Local Governing Boards as much as possible as it believes that this is the best way to serve the needs of the individual schools and local communities.

Policies and procedures are developed at Trust level and these are applied across all four academies.

Arrangements for setting pay and remuneration of key management personnel

Trustees other than the Principals of each Academy receive no remuneration.

For all other 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. They are also responsible for the agreeing and setting of pay scales for all senior leaders in school.

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 note 9.

Leodis Academies Trust

Trustees' Report (continued)

Objectives and Activities

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.

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. The main aim for 2016-17 was the consolidation of Leodis Academies Trust to ensure that all partners were fully incorporated and that capacity be built via Strategic Aim 3 to allow for the implementation of Strategic Aim 4. This has been achieved and we are now in a strong position to consider expansion of the trust.

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.

Leodis Academies Trust

Trustees' Report (continued)

Objectives, Strategies and Activities (continued)

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.

Public Benefit

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

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 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
- We believe that every child, irrespective of its starting point, should succeed and achieve.

Strategic Report

Achievements and Performance

The Trust has now completed its first full year of operation as a Multi-Academy Trust. Each of the four founding Academies has fully met Strategic Aim 1 as follows:

Key Performance Indicators

East Ardsley Primary Academy

The school is part-way through an expansion from a one and 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 and the Academy has enjoyed improved results.

Early Years Foundation Stage

EYFS % meeting expected standard	Reading				Writing				Number				Good Level of Developme nt	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP.
East Ardsley	72	75	69	33	68	71	66	33	83	86	78	67	68	33

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Key Stage 1 (Year 2)

KS1 % meeting national standard	Reading				Writing				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
East Ardsley	83	81	85	83	68	50	85	33	76	66	85	67	64	33

Key Stage 2 (Year 6)

KS2 results %	Reading				Writing				SPAG				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
East Ardsley	79	77	80	67	79	73	80	50	69	68	70	58	79	73	85	58	65	50

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: +0.33 for reading, -1.12 for writing and -0.89 for maths.

Hill Top Primary Academy

Early Years Foundation Stage

EYFS % meeting expected standard	Reading				Writing				Number				Good Level of Developme nt	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP.
Hill Top	90	91	86*	66	90	91	86*	66	90	91	86*	66	90	66*

*1 student

Key Stage 1 (Year 2)

KS1 % meeting national standard	Reading				Writing				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
Hill Top	77	87	57	N/A	76	78	57	N/A	80	87	57	N/A	76	N/A

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Key Stage 2 (Year 6)

KS2 results %	Reading				Writing				SPAG				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
Hill Top	84	81	90	100	77	81	70	80	84	87	90	80	81	81	70	100	84	80

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: +0.4 for reading, -1.32 for writing and -0.48 for maths.

Westerton Primary Academy

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).

Early Years Foundation Stage

EYFS % meeting expected standard	Reading				Writing				Number				Good Level of Development	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
Westerton	90	84	87	100	81	78	85	82	83	84	90	100	78	81

Key Stage 1 (Year 2)

KS1 % meeting national standard	Reading				Writing				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
Westerton	90	87	93	70	81	78	84	60	83	76	69	70	79	40

Key Stage 2 (Year 6)

KS2 results %	Reading				Writing				SPAG				Mathematics				R,W,M combined	
	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	M	F	PP	All	PP
Westerton	86	77	87	73	82	77	87	60	86	82	81	69	86	82	81	67	75	53

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: +0.88 for reading, -2.47 for writing and -0.67 for maths.

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Woodkirk Academy

Key Stage 4 Results

The Progress 8 score for 2017 is +0.57, placing Woodkirk Academy in the top 9% of school nationally for this measure. This represents an increase of +0.2, from +0.37 in 2016. In terms of attainment, the average grade continued to be B- with 70% of students attained the Basics at grade 4 and above (50% at grade 5 and above) and 46% of students attained the English Baccalaureate at grade 4 and above (40% at grade 5 and above).

Comparison on attainment is favourable with the Leeds average (provisionally):

- Basics at grade 4+ is 62%
- Basics at grade 5+ is 40%
- EBacc is 21%

Comparison on Progress 8 is favourable both against other Leeds schools and against national figures.

Results for Disadvantaged students in 2017 has seen:

English 4+% = 55%

Maths 4+% = 52%

Ebacc 4+% = 27%

P8 for those in receipt of the Pupil Premium/Disadvantaged = +0.4

These results again show Disadvantaged students at Woodkirk far exceeding other students nationally.

Key Stage 5

The headline figures at Key Stage 5 of 99% A-E or equivalent 'pass rate', 56% A*-B or equivalent (37% A*/A equivalent) grades compare favourably with last year's very good results. A Level attainment remained very similar to 2016 and the overall increase in the number of the highest grades was because of some outstanding outcomes in the Applied General (vocational) qualifications. Once again there was a 100% pass rate and 95% (up from 91% in 2016) of students achieved the highest grades of Distinction*/Distinction.

Provisional Level 3 Value Added scores are -0.04 and +0.53 for A Level and Applied General respectively. Whilst the slightly negative Value Added for A Level is obviously a disappointment and is something that will be addressed in the year ahead, the increase for vocational subjects is pleasing.

The average grade at Applied General increased for the third consecutive year: Dist* in 2017, which follows Dist*- in 2016 and Dist+ in 2015, and in A2 outcomes the average grade is C+ for the second consecutive year.

Financial Performance

Financial Key Performance Indicators are discussed further on page 12.

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Other accomplishments across the Trust:

The Trust has created the Leodis Support Service in response to changes in funding from the Local Authority to SEMH and multi agency provision and the top slicing of the DSG for the High Needs Block. The model created will be expandable for trust growth.

Although unsuccessful in Westerton's quest to be a Teaching School, they will be the lead hub school in Leeds for the Exceed SCITT currently based in Bradford.

Significant building projects to re-roof and replace windows in main teaching block were completed at Woodkirk Academy and additional CIF bid funding secured to complete the project in 2017-18. In addition the Sixth Form Centre was expanded and a Design Technology workshop resited.

Attendance

Average attendance figures for the Trust for the end of the academic year 31 August 2017 were:

Academy	%
East Ardsley Primary Academy	96%
Hill Top Primary Academy	97%
Westerton Primary Academy	96.9%
Woodkirk Academy	96.1%

Ofsted Ratings

No Academy was inspected in 2016-17 and as such ratings remain the same:

Academy	Rating
East Ardsley Primary Academy	Good
Hill Top Primary Academy	Good
Westerton Primary Academy	Outstanding
Woodkirk Academy	Good

Going Concern

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.

Leodis Academies Trust

Trustees' Report (continued)

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 period ended the 31st August 2017 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 Condition Improvement Funding programme and Devolved Formula Capital grants. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), 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 2017, total expenditure (excluding restricted fixed asset funds) of £16,046,000 exceeded recurrent grant funding and other incoming resources by £461,000.

At 31 August 2017, the net book value of fixed assets was £15,909,000 and movements in fixed assets are shown in note 12 to the financial statements. The land and buildings at Woodkirk and Westerton Academies are included in the value of fixed assets, along with furniture, equipment, ICT and motor vehicles across all 4 schools. A capital grant of £241,000 recently awarded for further window repairs is recognised and included within the restricted fund balance along with small balances on Devolved Capital grants.

Current assets have decreased slightly in the year from £3,050,000 to £2,687,000 while creditors have also decreased to £813,000 (2016: £1,222,000), resulting in a slight increase in net current assets from £1,828,000 to £1,874,000. Creditors falling due after more than one year relate to a Salix loan repayable over 8 years.

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 £2,565,000.

The trust held fund balances at 31 August 2017 of £15,184,000 comprising £481,000 of restricted funds, £16,191,000 of fixed assets funds, £1,077,000 of unrestricted general funds and a pension reserve deficit of £2,565,000.

Reserves Policy

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

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 purpose of the policy is 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, such as non-receipt of GAG funding or an urgent need for working capital. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of Leodis Trust.

The trust holds an appropriate level of unrestricted reserves available for general purpose use. The Academies Financial Handbook 2017 (3.10.2) states:

'Trusts should use their allocated GAG funding for the full benefit of their current pupils. If a trust has a substantial surplus they should have a clear plan for how it will be used to benefit their pupils, for example a long-term capital project'.

Leodis Academies Trust

Trustees' Report (continued)

Reserves Policy (continued)

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.

Reserves falling outside these bands will require governors to provide trustees with a rationale for the decision, with a plan of how reserves will be maintained at the agreed levels over the 3-year budget plan. This should be in writing and approved by Local Governing Bodies and ratified by Trustees.

At 31 August 2017, the reserve levels at each academy were above 5% of annual GAG funding, with the exception of East Ardsley which had reserves equivalent to 4.7% of GAG due to agreed spend in 2016/17 in preparation for the expansion of the school roll.

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 £50,000.

Annual Budgets

Individual academies are expected to produce at least breakeven budgets each year.

Individual academy fund balances are listed in note 16 to the financial statements.

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.

Cash balances at 31 August 2017 were £2,208,000.

Principal Risks and Uncertainties

The Trustees are ultimately responsible for the management of risk. This is overseen by the Risk Committee, which is chaired by a Trustee and comprises the Principals and senior management from the four Academies. The day to day management of risk is delegated to each Academy.

A Risk Register is kept for each academy alongside an overarching trust register. The Risk register is monitored at both academy and trust level, and it is clear which risks are managed locally and which are held at central trust level. The Risk Register identifies the principal risks and uncertainties to which the Trust is exposed, and each risk is scored for severity prior to and after control measures and contingency plans have been put in place. Trustees are clear on the principal risks and uncertainties that face the Trust.

Leodis Academies Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

The Risk Committee meets at least twice a year to review the Risk Register. 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. They are satisfied that there are sound systems of internal controls in place. Critical Incident Plans and Business Continuity Plans are being adopted across the Trust.

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

- Reputation of the schools and the Academy Trust;
- Student experience, safeguarding issue, maintaining optimal pupil numbers;
- Major accident or incident, such as fire or flood;
- Staffing instability/loss of key staff/succession management for key posts;
- Reductions in funding and rising costs;
- Legislation breach or inability to deliver full curriculum;
- Serious loss of functionality e.g. ICT system failure or serious fraud attack.

Plans for Future Periods

The Trust has a Strategic Plan in place outlined earlier in this document. Trustees intend to build on current successes through this plan and to continue to seek opportunities to work collaboratively both within and outside the Trust including Initial Teacher Training and Leadership Development. Sponsor Academy status already granted to Woodkirk has now been reviewed in order to look at trust expansion.

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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 29th November 2017 and signed on the board's behalf by:



Dr S Rose
Trustee

November 2017

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.

The day to day management of the academy members of Leodis Academies Trust is delegated to the Local Governing Boards by a Memorandum of Understanding. The Principals and the Senior Leadership Teams of each academy report to their Local Governing Board, who in turn are responsible to the Board of Trustees.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met five times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Barton - Woodkirk Academy Principal	4	5
T Brookes	3	5
K Hyams – Hill Top Academy Principal	5	5
D Lester	5	5
S Makin – Westerton Academy Principal	5	5
N O'Donovan	5	5
S Rose - Chair	5	5
E Shadbolt	4	5
C Stribley	3	5
S Talbot – East Ardsley Academy Principal	5	5
I West	5	5
J Westwood	3	5

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, Finance and Risk Committee comprising of Academy staff with a Trustee linked to each to provide feedback to the Board.

Leodis Academies Trust

Governance Statement (continued)

Attendance at the Local Governing Board meetings was as follows:

	Meetings attended	Out of a possible
East Ardsley Primary Academy		
N Hargreaves – Co Chair	5	5
S Talbot	5	5
S Rose	3	5
S Wilkinson – Co Chair	5	5
K Renshaw	2	5
J Courtney	3	5
R Chadwick	4	5
S Hirst	5	5
A Fearn	4	5
T Brookes	2	5
S Volante	2	5
T Sherbourne	3	5
S Shires	4	5
B Whittleston (resigned 13/12/16)	0	1
A Baines (resigned 13/12/16)	0	1
Hill Top Primary Academy		
R Charlston - Chair	3	4
K Hyams	4	4
N O'Donovan	4	4
K Renshaw	2	4
L Monaghan	3	4
S O'Donovan	4	4
F Woolaston	3	4
V Dilley	4	4
A Wheat	4	4
S Wilkinson	3	4
E Shadbolt	2	4
Westerton Primary Academy		
S Makin	4	4
A Grayson - Chair	4	4
A Curry	3	4
S Dawson	2	4
J Finnigan	3	4
M Gape	3	4
A Lazarus	4	4
D Lester	3	4
C Stribley	3	4

Leodis Academies Trust

Governance Statement (continued)

Woodkirk Academy

J Westwood	4	4
J Barton	4	4
I West	4	4
G Beacon	3	4
N Bilton	4	4
J Elliott	2	4
D Fisher (resigned 05/07/17)	4	4
W Bartholomew	3	4
A Rawlins (resigned 05/07/17)	1	4
R Aiston	2	4
K Grey	4	4
J Standage	4	4
S Alleston - Chair	4	4
A Grayson	3	4
E Lester	4	4
P Long (resigned 04/04/17)	3	4
L Zwalf (resigned 05/07/17)	2	4

Review of Value for Money

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

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

- The successful completion of major roof and windows projects and the securing of funding to complete phase 2 of the windows work; all funded from DfE capital grants;
- Setting up a cluster support service which will meet the needs of all our students and families through joined up pastoral support, focussed commissioning of services such as counselling, and close partnerships with social services and the police;
- Centralisation of the finance function across the trust, embedding trust wide financial reporting and sharing expertise and best practice.

Financial governance and oversight

The Board of Trustees ratifies the annual school budgets and consolidated trust budget, after each school budget has been scrutinised and approved by the Local Governing Body. A three year financial model is used to forecast budgets projections to ensure continuing financial viability and solvency, and this is reported to Trustees on a regular basis.

Leodis Academies Trust

Governance Statement (continued)

Financial governance and oversight (continued)

A number of Trustees and Governors have a financial background, as evidenced in the governing body skills audit. This allows for robust challenges to be made to ensure value for money. Financial policies & regulations along with delegation limits for ordering and commitments to expenditure are subject to annual review and approval by the Trustees.

Income and expenditure is monitored monthly against budgets by the Principals, the Director of Finance and School Business Managers. The Local Governing Body Finance and Premises Committees meet termly to review the budget performance reports. They monitor financial reporting and approve larger expenditure items and ensure compliance with the Trust's tender and procurement policies. These are then reported upwards to the Board of Trustees.

Fitness for purpose

Contracts and SLAs are reviewed on an annual basis for best value, appropriateness and fit for purpose. The finance functions of the trust have been centralised and it is envisaged that this will increase the opportunities for economies of scale and joint procurement. Benchmarking data from the DFE and audit firms is used to identify areas for savings and as and when staff leave, staff structures are reviewed to determine whether a direct replacement is the best option or if a restructure is desirable to make more effective use of resources.

Income generation

The Trust continues to seek additional funding from the CIF Capital Maintenance funding whenever this is available, and was again successful in securing a significant grant in the year end 31 August 2017.

Lettings income has increased significantly through increased hiring of the school facilities and sports halls, and training and catering income continue to increase. This includes the provision of catering services to a local primary school.

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 2017 and up to the date of approval of the annual report and financial statements.

Leodis Academies Trust

Governance Statement (continued)

Reviewing controls and managing risks

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 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

A Risk Committee was established in 2012 to review the Trust's exposure to risk. A Risk Register has been compiled and this has been reported to the Board of Trustees. Risks are assessed and rated according to Probability and Impact. Mitigating actions are identified for each risk and a further assessment is made of the residual risk. The register is reviewed and updated regularly by the Risk Committee. The Risk Register is used to inform the Trust's Business Continuity Plan, budget forecasting and the Reserves Policy.

The Risk Committee is chaired by a Trustee and comprises the Principals and senior management from the four Academies. The day to day management of risk is delegated to each Academy.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Local Governing Board Finance and General Purposes 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
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for an internal audit function and has decided not to employ an internal auditor. Instead they have appointed Leeds City Council's Financial Services to Schools, to undertake this function previously known as the Responsible Officer. The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The RO reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The role includes giving advice on financial matters and performing checks on the Academy Trust's financial systems across all schools within the trust.

Leodis Academies Trust

Governance Statement (continued)

The Risk and Control Framework (continued)

The RO has carried out termly visits to each school during the year to 31 August 2017. It has submitted reports to the Trustees. To date there have been no material control issues identified. In particular the checks carried out in the current period included:

- Governance and Financial oversight
- Financial Planning, Monitoring & Reporting
- Internal Control and Internal Scrutiny
- Financial Health and Cash Flow
- Proper and regular use of funds

Review of Effectiveness

As Accounting Officer the Executive 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 Responsible Officer
- the work of the external auditor
- 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 Trustees and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 29th November 2017 and signed on its behalf by:



Dr S Rose
Trustee



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 Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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

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

A handwritten signature in dark ink, appearing to be 'JB' followed by a long horizontal stroke.

J Barton

Accounting Officer

29 November 2017

Leodis Academies Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Leodis Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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:

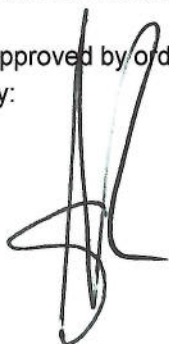
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) 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 29th November 2017 and signed on its behalf by:



Dr S Rose
Trustee

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 2017 which comprise Statement of Financial Activities, Balance Sheet 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017

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.

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.

Leodis Academies Trust

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

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.

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.

Leodis Academies Trust

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, 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.

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. This description forms part of our auditor's report.



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: 11 December 2017 .

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 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leodis Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Davis
Senior Statutory Auditor

11 December 2017.

For and on behalf of

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

Leodis Academies Trust

Statement of Financial Activities for the year ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
Income and endowments from:						
Donations and capital grants:	2	-	-	968	968	747
Transfer from local authority on conversion	2	-	-	-	-	5,361
Charitable activities:						
Funding for the Academy Trust's educational operations	3	822	14,715	-	15,537	12,312
Other trading activities	4	46	-	-	46	18
Investments	5	2	-	-	2	6
Total		870	14,715	968	16,553	18,444
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	6,7	478	15,568	1,582	17,628	13,353
Total		478	15,568	1,582	17,628	13,353
Net income / (expenditure)		392	(853)	(614)	(1,075)	5,091
Transfers between funds	16	20	(145)	125	-	-
Other recognised (losses)/gains:						
Actuarial gains / (losses) on defined benefit pension schemes	24	-	2,390	-	2,390	(2,756)
Net movement in funds		412	1,392	(489)	1,315	2,335
Reconciliation of funds						
Total funds brought forward		665	(3,476)	16,680	13,869	11,534
Total funds carried forward		1,077	(2,084)	16,191	15,184	13,869

Leodis Academies Trust

Balance Sheet as at 31 August 2017

Company Number 07720181

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	12		15,909		16,459
Current assets					
Debtors	13	479		741	
Cash at bank and in hand		2,208		2,309	
		<u>2,687</u>		<u>3,050</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(813)		(1,222)	
Net current assets			<u>1,874</u>		<u>1,828</u>
Total assets less current liabilities			17,783		18,287
Creditors: Amounts falling due after more than one year	15		(34)		-
Net assets excluding pension liability			<u>17,749</u>		<u>18,287</u>
Defined benefit pension scheme liability	24		(2,565)		(4,418)
Total net assets			<u>15,184</u>		<u>13,869</u>
Funds of the Academy Trust:					
Restricted funds					
. Fixed asset fund	16		16,191		16,680
. Restricted income fund	16		481		942
. Pension reserve	16		(2,565)		(4,418)
Total restricted funds			14,107		13,204
Unrestricted income funds	16		1,077		665
Total funds			<u>15,184</u>		<u>13,869</u>

The financial statements on pages 28 to 49 were approved by the Trustees and authorised for issue on 29th November 2017 and are signed on their behalf by



Dr S. Rose

Trustee

Leodis Academies Trust

Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	20	(818)	195
Cash inflows / (outflows) from investing activities	21	717	(59)
Change in cash and cash equivalents in the reporting period		<u>(101)</u>	<u>136</u>
Cash and cash equivalents at 1 September 2016		2,309	2,173
Cash and cash equivalents at 31 August 2017	22	<u>2,208</u>	<u>2,309</u>

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017

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

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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Sponsorship Income**

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

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (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 Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets 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 Transfer on conversion within Donations and capital grants income.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

Tangible Fixed Assets

Assets costing £500 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 by the academy. For Woodkirk Academy this was 1st September 2011 and for Westerton Primary Academy this was 1st March 2016.
- Leasehold land over the term of the 125 year lease.
- 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.

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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

Provisions

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

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

Leased Assets

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

Investments

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits

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

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

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

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

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the 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 25.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (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 Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital grants	-	956	956	747
Donated fixed assets	-	-	-	5,678
Other donations	-	12	12	(317)
	-	968	968	6,108
2016 Total	392	5,716	-	6,108

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA grants				
- General Annual Grant (GAG)	-	13,072	13,072	10,409
- Other DfE/ESFA grants	-	864	864	868
	-	13,936	13,936	11,277
Other Government grants				
- Local authority grants	-	509	509	164
- Special educational projects	-	180	180	60
Other income from the Academy Trust's educational operations	822	90	912	811
Total	822	14,715	15,537	12,312
2016 Total	680	11,632	-	12,312

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	46	-	46	18
Total	46	-	46	18
2016 Total	18	-	-	18

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	2	-	2	6
Total	2	-	2	6
2016 Total	6	-	-	6

6 Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2017 £000	Total 2016 £000
Expenditure on raising funds					
Academy's educational operations:					
· Direct costs	10,913	642	1,040	12,595	9,663
· Allocated support costs	2,110	1,693	1,230	5,033	3,690
	13,023	2,335	2,270	17,628	13,353
2016 Total	9,700	1,687	1,966	-	13,353

Of the 2016 total expenditure of £13,353,000, £12,943,000 related to restricted funds and £410,000 related to unrestricted funds.

	2017 £000	2016 £000
Net income/(expenditure) for the period includes:		
Operating lease rentals	56	39
Depreciation	791	585
Fees payable to auditor for:		
- audit	20	20

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

7 Charitable activities

	Total 2017 £000	Total 2016 £000
Direct costs – educational operations	12,595	9,663
Support costs – educational operations	5,033	3,690
	17,628	13,353

Analysis of support costs	Educational operations £000	Total 2017 £000	Total 2016 £000
Support staff costs	2,110	2,110	1,300
Depreciation	49	49	37
Technology costs	68	68	37
Premises costs	1,693	1,693	1,195
Other support costs	1,092	1,092	909
Governance costs	21	21	212
Total support costs	5,033	5,033	3,690

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £000	Total 2016 £000
Wages and salaries	9,765	7,538
Social security costs	897	619
Operating costs of defined benefit pension schemes	2,044	1,283
Apprenticeship levy	14	-
	12,720	9,440
Supply staff costs	276	241
Staff restructuring costs	27	19
	13,023	9,700
Staff restructuring costs comprise:		
Severance payments	27	19

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £27,063 (2016: £18,376). Individually, the payments were: £17,500 and £9,563.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

8 Staff (continued)

c. Staff numbers

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

	2017 No.	2016 No.
Teachers	193	185
Administration and support	240	223
Management	4	4
	437	412

d. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	9	5
£70,001 - £80,000	1	-
£100,000 - £110,000	1	1

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £358,000 (2016: £198,000).

9 Related Party Transactions – Trustees' remuneration and expenses

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

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

J Barton (Accounting Officer and Principal of Woodkirk Academy)

Remuneration £105,001 - £110,000 (2016: £100,001 - £105,000)

Employer's pension contributions paid £15,001 - £20,000 (2016: £15,001 - £20,000)

S Makin (Principal of Westerton Primary Academy)

Remuneration £75,001 - £80,000 (2016: £35,001 - £40,000)

Employer's pension contributions paid £10,001 - £15,000 (2016: £5,001 - £10,000)

K Hyams (Principal of Hill Top Primary Academy)

Remuneration £60,001 - £65,000 (2016: £10,001 - £15,000)

Employer's pension contributions paid £10,001 - £15,000 (2016: £0 - £5,000)

S Talbot (Principal of East Ardsley Primary Academy)

Remuneration £60,001 - £65,000 (2016: £10,001 - £15,000)

Employer's pension contributions paid £10,001 - £15,000 (2016: £0 - £5,000)

During the period ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid to Trustees (2016: £nil).

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

10 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2017 is included in the total insurance cost.

11 Central Services

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

The Trust charges for these services on an amount per pupil of £97.46 (2016: £118.94)

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Woodkirk Academy	182	111
Westerton Primary Academy	71	44
East Ardsley Primary Academy	44	13
Hill Top Primary Academy	24	7
	321	175

12 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2016	18,039	223	447	23	18,732
Additions	-	129	104	8	241
Disposals	-	-	(2)	-	(2)
At 31 August 2017	18,039	352	549	31	18,971
Depreciation					
At 1 September 2016	1,981	100	183	9	2,273
Charged in year	642	50	93	6	791
Disposals	-	-	(2)	-	(2)
At 31 August 2017	2,623	150	274	15	3,062
Net book values					
At 31 August 2017	15,416	202	275	16	15,909
At 31 August 2016	16,058	123	264	14	16,459

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

13 Debtors

	2017 £000	2016 £000
Trade debtors	16	7
VAT recoverable	39	109
Other debtors	-	-
Prepayments and accrued income	424	625
Total	479	741

14 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	190	708
Other taxation and social security	230	182
Accruals and deferred income	393	332
	813	1,222

Deferred income

Deferred income at 1 September 2016	135	242
Released from previous years	(135)	(242)
Resources deferred in the year	84	135
Deferred income at 31 August 2017	84	135

At the balance sheet date the Academy Trust was holding funds received in advance for educational visits.

15 Creditors: amounts falling due in greater than one year

	2017 £000	2016 £000
Other creditors	34	-
	34	-

Included within other creditors is a loan of £39,000 from Salix which is provided on the following terms: repayable over 8 years in equal instalments.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

16 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted General Funds					
General Annual Grant (GAG)	550	13,072	(13,369)	(145)	108
Other DfE/ESFA grants	-	864	(864)	-	-
Local Authority Grants	-	689	(689)	-	-
Other Income	-	90	(90)	-	-
Reserves transferred on conversion	392	-	(19)	-	373
Pension reserve	(4,418)	-	(537)	2,390	(2,565)
	(3,476)	14,715	(15,568)	2,245	(2,084)
Restricted Fixed Asset Funds					
Transfer on conversion	14,548	-	(498)	-	14,050
DfE/EFA capital grants	817	968	(794)	(100)	891
Capital expenditure from GAG	425	-	(210)	102	317
Transfer from General Funds	420	-	(15)	123	528
Transfer from Designated Building Fund	470	-	(65)	-	405
	16,680	968	(1,582)	125	16,191
Total Restricted Funds	13,204	15,683	(17,150)	2,370	14,107
Unrestricted General Funds					
General Funds	635	870	(478)	-	1,027
Designated Building Fund	30	-	-	20	50
Total Unrestricted Funds	665	870	(478)	20	1,077
Total Funds	13,869	16,553	(17,628)	2,390	15,184

The Restricted General Funds relate to grants receivable from the ESFA and other sources that are used to fund the operating activities of the academy trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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 academy at the discretion of the trustees.

During the year £145,000 was transferred from restricted general funds and unrestricted funds to fund capital expenditure.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (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 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 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Woodkirk Academy	1,185	1,077
Westerton Primary Academy	188	231
East Ardsley Primary Academy	70	172
Hill Top Primary Academy	115	127
Total before fixed assets and pension reserve	1,558	1,607
Restricted Fixed Asset Funds	16,191	16,680
Pension reserve	(2,565)	(4,418)
Total	15,184	13,869

Total cost analysis by academy

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

	Teaching and Educational Support staff costs £'000	Other Support staff costs £'000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £'000	Total 2016 £000
Woodkirk Academy	7,140	1,057	561	972	9,730	10,737
Westerton Primary Academy	2,040	372	108	299	2,819	1,242
East Ardsley Primary Academy	1,158	166	121	536	1,981	402
Hill Top Primary Academy	616	76	51	281	1,024	225
Academy Trust	10,954	1,671	841	2,088	15,554	12,606

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,909	15,909
Current assets	1,077	1,328	282	2,687
Current liabilities	-	(813)	-	(813)
Non current liabilities	-	(34)	-	(34)
Pension scheme liability	-	(2,565)	-	(2,565)
Total net assets	1,077	(2,084)	16,191	15,184

18 Capital commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	-	217

19 Commitments under operating leases

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

	2017 £000	2016 £000
Amounts due within one year	520	519
Amounts due between one and five years	1,972	1,983
Amounts due after five years	3,473	3,952

The academy 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 2017 (continued)

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

	2017 £000	2016 £000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,075)	5,091
Adjusted for:		
Depreciation (note 12)	791	585
Capital grants from DfE and other capital income (note 2)	(956)	(747)
Interest receivable (note 5)	(2)	(6)
Fixed Assets received on conversion	-	(5,678)
Defined benefit pension scheme obligation inherited (note 24)	-	709
Defined benefit pension scheme cost less contributions payable (note 24)	453	127
Defined benefit pension scheme finance cost (note 24)	84	34
Decrease/(increase) in debtors	262	(648)
(Decrease)/increase in creditors	(375)	728
Net cash (used in) / provided by Operating Activities	(818)	195

21 Cash flows from investing activities

	2017 £000	2016 £000
Bank interest received	2	6
Purchase of tangible fixed assets	(241)	(812)
Capital grants from DfE/ESFA (note 2)	956	747
Net cash used in investing activities	717	(59)

22 Analysis of cash and cash equivalents

	At 31 August	
	2017 £000	2016 £000
Cash in hand and at bank	2,208	2,309
Total cash and cash equivalents	2,208	2,309

23 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.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

24 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

24 Pension and similar obligations (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,094,575 (2016: £835,222).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 2017 was £569,000 (2016: £391,000), of which employer's contributions totalled £415,000 (2016: £286,000) and employees' contributions totalled £154,000 (2016: £105,000). The agreed contribution rates for future years are 16.2% 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.25%	3.4%
Rate of increase for pensions in payment/inflation	2.0%	1.9%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.0%	1.9%

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.1	22.7
Females	23.0	25.6
<i>Retiring in 20 years</i>		
Males	25.2	24.9
Females	27.0	28.0

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

24 Pension and similar obligations (continued)

	Fair value at 31 August	
	2017 £000	2016 £000
The academy trust's share of the assets in the scheme were:		
Equity instruments	5,890	4,796
Debt instruments	1,031	983
Property	344	306
Cash & Other	374	300
Total market value of assets	7,639	6,385

The actual return on scheme assets was £842,000 (2016: £916,000)

	2017 £000	2016 £000
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	(863)	(405)
Net interest cost	(84)	(35)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(947)	(440)

	2017 £000	2016 £000
Changes in the present value of defined benefit obligations were as follows:		
At 1 September	10,803	3,881
Upon conversion (<i>of the 3 Primaries</i>)	-	2,758
Current service cost	863	405
Interest cost	216	188
Employee contributions	154	105
Actuarial (gain)/loss	(1,680)	3,519
Benefits paid	(152)	(53)
At 31 August	10,204	10,803

	2017 £000	2016 £000
Changes in the fair value of academy's share of scheme assets:		
At 1 September	6,385	3,090
Upon conversion (<i>of the 3 Primaries</i>)	-	2,049
Interest income	132	153
Return on plan assets (excluding net interest on the net defined pension liability)		
Actuarial gain/(loss) or Re-measurement gains/(losses) on assets	710	763
Employer contributions	410	278
Employee contributions	154	105
Benefits paid	(152)	(53)
At 31 August	7,639	6,385

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

24 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 8.

25 Agency arrangements

The academy trust distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £29,126 (2016: £32,544) and disbursed £20,828 (2016: £28,473) from the fund. 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. An amount of £14,519 (2016: £7,557) is included as deferred income, representing the undistributed funds which will be distributed to students in the accounting period ended 31 August 2018.

