

Leodis Academies Trust

(a Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

**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
N Bilton

Appointed

27 July 2011
3 February 2016
21 March 2012
3 February 2016
24 August 2018

Resigned

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
R Hillarby
R Ganz

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
18 April 2018
6 September 2018

20 February 2018
20 February 2018
20 February 2018
20 February 2018
4 May 2018

5 July 2018

3 April 2018
27 November 2018

Executive Leadership Team

J Barton - Woodkirk Academy Principal/Leodis Academies Trust CEO Principal and Accounting Officer
K Hyams – Hill Top Primary Academy Principal
S Makin – Westerton Primary Academy Principal
S Talbot – East Ardsley Primary Academy Principal
W Beasley – Director of Finance

Company Secretary

W Beasley ACA

Company Name

Leodis Academies Trust

Principal and Registered Office

Woodkirk Academy, Rein Road, Tingley
Wakefield WF3 1JQ

Company Registration Number

07720181 (England and Wales)

Independent Auditor

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

Leodis Academies Trust

Reference and Administrative Details

Bankers

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

Lloyds Bank
Commercial Banking
PO Box 1000
BX1 1LT

Responsible Officer

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

Solicitors

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

Leodis Academies Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

At 31 August 2018, Leodis Academies Trust comprised of three primary schools (East Ardsley Primary Academy, Hill Top Primary Academy and Westerton Primary Academy) and one secondary school (Woodkirk Academy) serving the Tingley and Ardsley area of South Leeds. Its academies had a roll of 3,274 in the school census on January 2018.

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 and up to the date these accounts were approved are included in the Reference and Administrative Details on page 3.

In January 2012 the Trust set up a wholly owned subsidiary company called Leodis Academy Services Ltd (Formerly Woodkirk Academy Services Ltd) (reg.7918414) with the objective of pursuing non-charitable activities. The subsidiary company is currently dormant and did not trade during the financial year ended 31 August 2018.

Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. The Members of the company are listed in the Reference and Administrative Details on page 3.

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 (2017: £10,000,000) on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The Trustees have been appointed by the Members who may appoint by ordinary resolution up to twelve Trustees. The total number of Trustees who are employees of the Trust shall not exceed one third of the total number of Trustees. A Trustee's term of office is four years. Parent and Staff Trustees have not been appointed as they are represented on the Local Governing Body Boards.

A governance review has taken place during the financial year and the Trust has moved away from its original set up of representation from each Academy to a skills based Trust Board. The current Trustees reflect the skills needed to move the Trust forward, but recognise that further growth is needed to strengthen the Trust Board, and they have engaged with Academy Ambassadors in the aim of recruiting further Trustees with specific skill sets.

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 annually by each. The sub committees have specific remits 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 Trustees and Governors are required to confirm their eligibility to act as a Trustee/Governor and to declare any business interest of theirs or their close family, which may conflict with the interests of the Academy Trust.

Organisational Structure

The organisational structure comprises of four 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 Executive Leadership Team (Founding 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 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.

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

Arrangements for setting pay and remuneration of key management personnel

Trustees other than the Principals of each Academy receive no remuneration. From 20 February 2018, Principals no longer served as Trustees due to changes in the Governance structure.

For all key personnel, the Pay Policy is set by the Board of Trustees in line with that used by the Local Authority. This is then implemented by each Academy. Performance Management is delegated to each individual Academy within the Trust with an overarching statement approved by Trustees. Each Local Governing Board has a pay committee responsible for the approval of pay progression for key management personnel based on individual performance management targets. They are also responsible for the agreeing and setting of pay scales for all senior leaders in school.

Leodis Academies Trust

Trustees' Report (continued)

Trade Union Facility Time

Table 1 – Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.1

Table 2 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1-50%	1
51-99%	0
100%	2

Table 3 - Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£42,023
Provide the total pay bill	£12,417,000
Provide the percentage of the total pay bill spent facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.34%

Table 4 - Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	99%
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Note: There are currently two members of Leodis staff (1.1 FTE) who are seconded to Unions. These individuals are included in the reporting figures. The salaries of these staff are fully funded and at no cost to the Trust.

Leodis Academies Trust

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

During the financial year, there have been no transactions entered into with a related party and/or connected charity or organisation. See notes 9 and 24.

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 2017-18 was to further the strategic aims of the Trust by building capacity particularly in leadership in order to build on aims 1 and 2 and achieve aim 4. The Trust submitted a MDIF application and was successful in gaining this funding to support Trust expansion. In the Autumn Term 2017, we were asked to sponsor a local primary school. This was approved by the Headteacher Board in February 2018. Due diligence took place following that decision and Blackgates Primary Academy became part of the Trust on 1 September 2018.

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.

Leodis Academies Trust

Trustees' Report (continued)

Objectives, Strategies and Activities (continued)

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

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

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

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

Public Benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to 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 their starting point, should succeed and achieve.

Leodis Academies Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The Trust has now completed its second full year of operation as a Multi-Academy Trust. Each of the four founding Academies has contributed to the Strategic aims 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 added leadership capacity in order to support a neighbouring school in 2017-18.

Early Years Foundation Stage

EYFS		All Students	Boys	Girls	Disadvantaged
East Ardsley Primary Academy	Achieved	44	27	17	5
	Total	54	34	24	7
	Percentage	81.5	79.4	70.8	71.4

Key Stage 1 (Year 2)

Year 1		All Students	Boys	Girls	Disadvantaged
East Ardsley Primary Academy	Achieved	51	23	21	8
	Total	58	27	31	13
	Percentage	87.9	85.2	67.7	61.5

Year 2		All Students	Boys	Girls	Disadvantaged
East Ardsley Primary Academy	Reading	79.7	74.1	78.1	44.4
	Writing	71.2	66.7	78.1	11.1
	Mathematics	72.9	66.7	75	22.2
	Combined	67.8	63	71.9	11.1

Leodis Academies Trust
Trustees' Report (continued)
Key Performance Indicators (continued)

Key Stage 2 (Year 6)

Year 6		All Students	Boys	Girls	Disadvantaged
East Ardsley Primary Academy	Reading	69.6	72.7	70.8	57.1
	Writing	80.4	77.3	87.5	57.1
	Mathematics	69.6	72.7	66.7	57.1
	SPAG	69.6	68.2	70.8	28.6
	Combined	58.7	63.6	54.2	42.9

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: +0.3 for reading, -1.5 for writing and -1.4 for maths.

Year 6 Greater depth		All Students	Boys	Girls	Disadvantaged
East Ardsley Primary Academy	Reading	32.61	36.36	29.17	7.14
	Writing	8.7	9.09	8.33	0
	Mathematics	21.74	36.36	8.33	14.29
	SPAG	28.26	36.36	20.83	14.29
	Combined	8.7	9.09	4.17	0

Hill Top Primary Academy

A one form entry school, Hill Top has seen the number on roll remain constant. As with East Ardsley, they have used the year to build capacity in leadership and are now in a position to offer support to other schools.

Early Years Foundation Stage

EYFS		All Students	Boys	Girls	Disadvantaged
Hill Top Primary Academy	Achieved	26	9	17	1
	Total	30	12	18	4
	Percentage	86.7	75	94.4	25

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Key Stage 1 (Year 2)

Year 1		All Students	Boys	Girls	Disadvantaged
Hill Top Primary Academy	Achieved	27	20	7	0
	Total	31	23	8	0
	Percentage	87.1	87	87.5	

Year 2		All Students	Boys	Girls	Disadvantaged
Hill Top Primary Academy	Reading	79.3	45.5	100	100
	Writing	75.9	45.5	94.4	100
	Mathematics	79.3	63.6	88.9	100
	Combined	72.4	54.5	83.3	100

Key Stage 2 (Year 6)

Year 6		All Students	Boys	Girls	Disadvantaged
Hill Top Primary Academy	Reading	80	64.7	100	66.7
	Writing	83.3	70.6	100	66.7
	Mathematics	73.3	52.9	100	33.3
	SPAG	73.3	52.9	100	66.7
	Combined	70	41.2	100	33.3

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: -0.9 for reading, -0.3 for writing and -0.8 for maths.

Year 6 Greater Depth		All Students	Boys	Girls	Disadvantaged
Hill Top Primary Academy	Reading	20	0	46.2	0
	Writing	23.3	0	53.8	0
	Mathematics	23.3	11.8	38.5	0
	SPAG	30	11.8	53.8	0
	Combined	13.3	0	30.8	0

Please note only there are only 3 students in the disadvantaged cohort.

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

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). Westerton acts as the hub for the Exceed SCITT Initial Teacher training and the Principal is a National Leader of Education supporting schools beyond the Trust.

Early Years Foundation Stage

EYFS		All Students	Boys	Girls	Disadvantaged
Westerton Primary Academy	Achieved	70	32	38	4
	Total	90	44	46	8
	Percentage	77.8	72.7	82.6	50

Key Stage 1 (Year 2)

Year 1		All Students	Boys	Girls	Disadvantaged
Westerton Primary Academy	Achieved	76	41	34	9
	Total	90	50	40	10
	Percentage	84.4	82	85	90

Year 2		All Students	Boys	Girls	Disadvantaged
Westerton Primary Academy	Reading	76.7	75.5	80.5	40
	Writing	72.2	65.3	82.9	40
	Mathematics	76.7	69.4	87.8	50
	Combined	64.4	57	73	30

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Key Stage 2 (Year 6)

Year 6		All Students	Boys	Girls	Disadvantaged
Westerton Primary Academy	Reading	78.7	74.5	85.3	33.3
	Writing	85.4	80	94.1	66.7
	Mathematics	75.3	76.4	73.5	55.6
	SPAG	80.9	76.4	88.2	55.6
	Combined	68.5	65.5	76.5	33.3

- Provisional progress score for Year 6 indicated that students have performed above the floor standard: -0.2 for reading, +1.8 for writing and +0.6 for maths.

Year 6 Greater Depth		All Students	Boys	Girls	Disadvantaged
Westerton Primary Academy	Reading	29.2	34.5	20.6	22.2
	Writing	28.1	25.5	32.4	22.2
	Mathematics	31.5	40	17.6	33.3
	SPAG	32.6	30.9	35.3	22.2
	Combined	16.9	20	11.8	22.2

Woodkirk Academy

Key Stage 4 Results

The Progress 8 score (unvalidated) for 2018 is +0.24, significantly above the national average once again. In terms of attainment, the average attainment score for each student was 50.92 with 77.2% of students attained the Basics at grade 4 and above (54.7% at grade 5 and above) and 39.1% of students attained the English Baccalaureate at grade 4 and above (27% at grade 5 and above).

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

Results for Disadvantaged students in 2017 has seen:

English 4+ = 76.6%; 5+ = 53.3%

Maths 4+ = 80%; 5+ = 45%

Basics 4+ = 70.5%; 5+ = 36.1%

Ebacc 4+ = 23%; 5+ = 23%

P8 for those in receipt of the Pupil Premium/Disadvantaged = +0.28

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

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Key Stage 5

The headline figures at Key Stage 5 of 98% A-E or equivalent 'pass rate', 57% A*-B or equivalent (32% A*/A equivalent) grades compare favourably with last year's very good results. A Level attainment remained very similar to 2017 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.

The provisional Level 3 Value Added score is -0.06 for A Level, which is broadly in line with the national average. For Applied general subjects we have maintained some courses that do not appear on the performance tables but which still allow students to progress to University and attract funding. As such this traditionally high measure has reduced to a merit grade from distinction*. If we apply the previous measure to all courses that average grade would be distinction*- and the value added would be +0.41.

Financial Performance

Financial Key Performance Indicators are discussed further on page 16.

Other accomplishments across the Trust:

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

Westerton Primary offers a fully school led route into teaching in collaboration with Exceed SCITT and Teaching Schools.

CIF funding secured in 2017-18 has been used to complete the replacement windows project at Woodkirk Academy and further CIF funds have been achieved in 2018-19 to address fire safety improvements along with a SEEF Salix loan which is enabling improved and more energy efficient lighting to be fitted throughout the school. In addition, three science laboratories have been refurbished, the stage has been refurbished and stage lighting improved, and ceilings are being replaced.

Attendance

Average attendance figures for the Trust for the end of the academic year 31 August 2018 were:

Academy	%
East Ardsley Primary Academy	96.7%
Hill Top Primary Academy	96.2%
Westerton Primary Academy	96.5%
Woodkirk Academy	96.1%

Leodis Academies Trust

Trustees' Report (continued)

Key Performance Indicators (continued)

Ofsted Ratings

Woodkirk Academy received a 1 day inspection in November 2017 and maintained its rating of Good. As such, ratings remain as:

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.

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 2018 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 2018, total expenditure (excluding restricted fixed asset funds) of £17,019,000 exceeded recurrent grant funding and other incoming resources by £391,000. The operational position for the year was a £466,000 surplus (calculated as the movement on the restricted and unrestricted income funds, prior to the transfers to fund capital expenditure).

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

At 31 August 2018, the net book value of fixed assets was £16,088,000 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 four schools. A capital grant of £374,000 awarded for fire safety improvements is recognised and included within the restricted fund balance along with small balances on Devolved Formula Capital grants.

Leodis Academies Trust

Trustees' Report (continued)

Financial Review (continued)

Current assets have increased in the year from £2,687,000 to £2,799,000 while creditors have increased to £948,000 (2017: £813,000), resulting in a slight decrease in net current assets from £1,874,000 to £1,851,000. Creditors falling due after more than one year relate to Salix loans repayable over 7 and 8 years and have increased from £34,000 to £149,000.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS102 and currently stands at a liability of £2,262,000.

The Trust held fund balances at 31 August 2018 of £15,528,000 comprising £16,407,000 of fixed assets funds, £1,383,000 of unrestricted general funds and a pension reserve deficit of £2,262,000.

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'.

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

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

The Trust considers that the appropriate level of reserves for each Academy is equivalent to 5% of annual GAG funding for the year just ended.

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 Boards and ratified by Trustees.

Leodis Academies Trust

Trustees' Report (continued)

Reserves Policy (continued)

At 31 August 2018, the reserves levels were as follows:

	Reserves	5% of 2017-18 GAG
East Ardsley Primary Academy	£100,000	£75,000
Hill Top Primary Academy	£176,000	£42,000
Westerton Primary Academy	£170,000	£103,000
Woodkirk Academy	£587,000	£438,000

The balance on general funds (excluding pension reserves) plus the balance on unrestricted funds at 31 August 2018 is £1,383,000. Trustees have reviewed this balance and agree that it is adequate to meet future needs.

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 £70,000.

An additional £175,000 has been designated for capital projects in progress but not complete at 31 August 2018.

Investment Policy

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

In addition to this, the Trust has invested £800,000 in fixed term deposits with £200,000 maturing every 3 months. This has enabled the Trust to increase the interest received alongside reducing risk by spreading cash balances between different banks.

Cash balances at 31 August 2018 were £2,189,000.

Principal Risks and Uncertainties

The Trustees are ultimately responsible for the management of risk. A Risk Management Committee was established in 2012 to review the Trust's exposure to risk. The Risk Management Committee is chaired by a Trustee and comprises the Principals and senior management from each Academy, and central Leodis staff. The 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 identifies the principle 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.

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 is used to inform the Trust's Business Continuity Plan, budget forecasting and the Reserves Policy.

Trustees are clear on the principle 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 and update 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. A Trustee Finance and Risk Committee has been established. Critical Incident Plans and Business Continuity Plans are in place across the Trust.

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

- Trust expansion; growing too quickly without infrastructure or in a way which is detrimental to the existing schools within the Trust, or not growing and facing a takeover;
- Reputational damage to the Academy Trust or any of the schools within it;
- Student experience, safeguarding issue, maintaining optimal pupil numbers;
- Drop in standards or inability to deliver full curriculum;
- Staffing instability, loss of key staff, succession management for key posts;
- Reductions in funding and rising costs;
- Significant compliance failure or legislation breach;
- Serious loss of functionality e.g. ICT system failure or serious fraud attack.
- Numbers on roll especially in sponsored schools.

Fundraising

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

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

Plans for Future Periods

The Trust has a Strategic Plan in place outlined earlier in this document. Trustees revisit this annually to re-examine the vision for Leodis and priorities for the forthcoming year. The strategic aims will remain the same for 2018-19 as the Trust is now in a period of controlled expansion and anticipates another school joining within the next 12 months in line with Strategic Aim 4. Priorities will also see the embedding of our first sponsored school, Blackgates Primary Academy, into the Trust and improved results for them in Summer 2019. In order to do this we need to re-examine central functions and further develop leadership capacity in line with strategic aim 3. We anticipate Ofsted inspections in at least one school this year and as such have implemented a review system to support this. In addition, we have established a series of cross Trust networks and training in order to secure strategic aims 1 and 2.

Leodis Academies Trust

Trustees' Report (continued)

Auditor

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2018 and signed on the board's behalf by:

Dr S Rose
Trustee

December 2018

Leodis Academies Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Joanne Barton as the CEO Principal and Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Leodis Academies Trust and the Secretary of State for Education. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

	Meetings attended	Out of a possible
J Barton - Woodkirk Academy Principal (resigned 20 February 2018)	3	3
K Hyams – Hill Top Primary Academy Principal (resigned 20 February 2018)	3	3
S Makin – Westerton Primary Academy Principal (resigned 20 February 2018)	3	3
S Talbot – East Ardsley Primary Academy Principal (resigned 20 February 2018)	3	3
S Rose - Chair	5	5
T Brookes (resigned 4 May 2018)	0	4
R Hillarby (appointed 18 April 2018)	0	1
D Lester	4	5
N O'Donovan	5	5
E Shadbolt (resigned 5 July 2018)	2	5
C Stribley	4	5
I West	5	5
J Westwood (resigned 3 April 2018)	2	4

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

Leodis Academies Trust

Governance Statement (continued)

There have been significant changes to the Trustee Board during the year following RSC recommendations and a skills audit. The membership has moved from one of equal representation of the founding Academies to a fully skills based Board.

Local Governing Bodies

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

	Meetings attended	Out of a possible
East Ardsley Primary Academy		
S Talbot - Principal	3	4
N Hargreaves – Co Chair	4	4
S Wilkinson – Co Chair	4	4
T Brookes (resigned 19 June 2018)	0	3
R Chadwick (resigned 19 June 2018)	2	3
J Courtney	4	4
A Fearn	4	4
S Hirst	3	4
K Martin (appointed 3 October 2017)	3	3
K Renshaw	4	4
S Rose (resigned 13 March 2018)	3	3
T Sherbourne	2	4
S Volante	4	4
S Shires (Associate)	3	4
 Hill Top Primary Academy		
K Hyams - Principal	4	4
R Charlston - Chair	1	4
V Dilley (resigned 26 November 2017)	0	1
E Jackson (appointed 8 March 2018)	0	1
L Monaghan	2	4
N O'Donovan (resigned 31 August 2018)	2	4
S O'Donovan	4	4
K Renshaw	4	4
E Shadbolt	3	4
A Wheat	4	4
S Wilkinson	3	4
F Woolaston	4	4
J Lancaster (Associate)	4	4

Leodis Academies Trust

Governance Statement (continued)

Westerton Primary Academy

S Makin - Principal	3	4
A Grayson – Chair	4	4
A Booth	3	4
A Curry	4	4
S Dawson	2	4
L Dowd	4	4
J Finnigan (resigned 26 March 2018)	1	2
M Gape	4	4
R Hall	3	4
D Hawley	4	4
A Lazarus	4	4
T Leadley	4	4
D Lester (resigned 31 August 2018)	3	4
E Park	4	4
S Puissegur	2	4
C Stribley (resigned 31 August 2018)	4	4
N Westle	3	4
J Whawell	3	4

Woodkirk Academy

J Barton - Principal	4	4
S Alleston – Chair	3	4
R Aiston	2	4
D Ashworth-Smith (appointed 22 November 2107)	3	3
W Bartholomew	3	4
G Beacon	4	4
N Bilton (resigned 21 June 2018)	3	4
J Elliott	4	4
A Grayson	4	4
K Grey	3	4
A Lazarus (appointed 22 November 2017)	3	3
E Lester	4	4
R Naglis (appointed 14 March 2018)	1	1
J Standage	4	4
I West (resigned 31 August 2018)	4	4
J Westwood	4	4

Leodis Academies Trust

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the CEO Principal 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 windows projects and the securing of funding to improve fire safety; all funded from DfE capital grants;
- The appropriate use of reserves to refurbish the main hall at Woodkirk Academy and accommodation for centralised services for the Trust.
- Expanding the cluster support service which meets 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;
- Further centralisation of the support functions across the Trust, developing robust Trust wide procedures and sharing expertise and best practice.
- Clarification of centralised costs to a percentage rather than per capita model to allow for Trust expansion accommodating both converter and sponsored schools.
- Undertaking applications for additional funding to allow for Trust expansion and establishing a robust due diligence procedure to underpin such.

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 2018 and up to the date of approval of the annual report and financial statements.

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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Leodis Academies Trust

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the 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 Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems across all schools within the trust.

In particular the checks carried out in the current period included:

- Governance and Financial Oversight;
- Financial planning, monitoring and reporting;
- Financial health and Cash Flow;
- Proper and regular use of funds.

The Responsible Officer reports to the Trustees through Local Governing Bodies on the operation of the systems of internal control and on the discharge of the Board of Trustees financial responsibilities.

The Board have reviewed the effectiveness of the Responsible Officer function and have decided to appoint RSM as internal auditor for the year commencing 1 September 2018.

Leodis Academies Trust

Governance Statement (continued)

Review of Effectiveness

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

- the work of the Responsible Officer
- the work of the external auditor
- the work of the executive managers within the Academy 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 a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2018 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 Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



J Barton

Accounting Officer

December 2018

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 (FRS 102) and the Academies Accounts Direction 2017 to 2018
- 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 6 December 2018 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 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Leodis Academies Trust

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 28, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Leodis Academies Trust

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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



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

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

Date: 12 December 2018

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 6 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leodis Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

Leodis Academies Trust

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

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

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

The work undertaken to draw to our conclusions includes

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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

12 December 2018.

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 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants:	2	-	-	438	438	968
Charitable activities:						
Funding for the Academy Trust's educational operations	3	981	15,154	-	16,135	15,537
Other trading activities	4	48	-	-	48	46
Investments	5	7	-	-	7	2
Total		1,036	15,154	438	16,628	16,553
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	6,7	573	15,583	863	17,019	17,628
Total		573	15,583	863	17,019	17,628
Net income / (expenditure)		463	(429)	(425)	(391)	(1,075)
Transfers between funds	16	(157)	(484)	641	-	-
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	24	-	735	-	735	2,390
Net movement in funds		306	(178)	216	344	1,315
Reconciliation of funds						
Total funds brought forward		1,077	(2,084)	16,191	15,184	13,869
Total funds carried forward		1,383	(2,262)	16,407	15,528	15,184

All results relate to continuing operations.

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

The notes on pages 37 to 57 form part of these financial statements.

Leodis Academies Trust

Balance Sheet as at 31 August 2018

Company Number 07720181

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		16,088		15,909
Current assets					
Debtors	13	610		479	
Cash at bank and in hand		2,189		2,208	
		<u>2,799</u>		<u>2,687</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(948)		(813)	
Net current assets			<u>1,851</u>		<u>1,874</u>
Total assets less current liabilities			17,939		17,783
Creditors: Amounts falling due after more than one year	15		(149)		(34)
Net assets excluding pension liability			<u>17,790</u>		<u>17,749</u>
Defined benefit pension scheme liability	24		(2,262)		(2,565)
Total net assets			<u>15,528</u>		<u>15,184</u>
Funds of the Academy Trust:					
Restricted funds					
. Fixed asset fund	16		16,407		16,191
. Restricted income fund	16		-		481
. Pension reserve	16		(2,262)		(2,565)
Total restricted funds			14,145		14,107
Unrestricted income funds	16		<u>1,383</u>		<u>1,077</u>
Total funds			<u>15,528</u>		<u>15,184</u>

The financial statements on pages 34 to 57 were approved by the Trustees and authorised for issue on 6th December 2018 and are signed on their behalf by



Dr S Rose

Trustee

Leodis Academies Trust

Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	560	(818)
Cash (outflows) / inflows from investing activities	21	(579)	717
Change in cash and cash equivalents in the reporting period		(19)	(101)
Cash and cash equivalents at 1 September 2017		2,208	2,309
Cash and cash equivalents at 31 August 2018	22	2,189	2,208

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018

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 2017 to 2018 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 2018 (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 2018 (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 (1st September 2011) by the academy for Woodkirk Academy. Depreciation is charged based on the ESFA valuation at the date of conversion (1st March 2016) for Westerton Primary Academy.
- Leasehold land over the term of the 125 year lease.
- Buildings improvements 10%, or over the terms of guarantee (maximum 50 years)
- Fixtures, fittings and equipment 20%.
- ICT equipment 20%.
- Motor Vehicles 20%.

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

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

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	438	438	956
Other donations	-	-	-	12
	-	438	438	968
2017 Total	-	968	968	968

3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
- General Annual Grant (GAG)	-	13,149	13,149	13,072
- Other DfE/ESFA grants	-	1,039	1,039	864
	-	14,188	14,188	13,936
Other Government grants				
- Local authority grants	-	623	623	509
- Special educational projects	-	227	227	180
Other income from the Academy Trust's educational operations	981	116	1,097	912
Total	981	15,154	16,135	15,537
2017 Total	822	14,715	15,537	15,537

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	48	-	48	46
Total	48	-	48	46
2017 Total	46	-	46	46

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	7	-	7	2
Total	7	-	7	2
2017 Total	2	-	2	2

6 Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
Academy's educational operations:					
. Direct costs	10,913	674	1,194	12,781	12,595
. Allocated support costs	2,075	1,130	1,033	4,238	5,033
	12,988	1,804	2,227	17,019	17,628
2017 Total	13,023	2,335	2,270	17,628	17,628

Of the 2017 total expenditure of £17,628,000, £17,150,000 related to restricted funds and £478,000 related to unrestricted funds.

	2018 £000	2017 £000
Net income/(expenditure) for the period includes:		
Operating lease rentals	62	56
Depreciation	840	791
Fees payable to auditor for:		
- audit	19	20

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

7 Charitable activities

	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	12,864	12,595
Support costs – educational operations	4,155	5,033
	17,019	17,628

Analysis of support costs	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	2,075	2,075	2,110
Depreciation	51	51	49
Technology costs	17	17	68
Premises costs	1,130	1,130	1,693
Other support costs	848	848	1,092
Governance costs	34	34	21
Total support costs	4,155	4,155	5,033

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2018 £000	Total 2017 £000
Wages and salaries	9,883	9,765
Social security costs	940	911
Operating costs of defined benefit pension schemes	1,976	2,044
	12,799	12,720
Supply staff costs	189	276
Staff restructuring costs	-	27
	12,988	13,023

Staff restructuring costs comprise:

Severance payments	-	27
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b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £27,063).

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

8 Staff (continued)

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	189	193
Administration and support	235	240
Management	5	4
	<u>429</u>	<u>437</u>

d. Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	10	9
£70,001 - £80,000	-	1
£80,001 - £90,000	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 £434,000 (2017: £358,000).

9 Related Party Transactions – Trustees' remuneration and expenses

Due to changes in Governance, the Principals no longer serve as Trustees. However, they have been paid remuneration or have received other benefits from an employment with the Academy Trust during the year. The Principals 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 (2017: £105,001 - £110,000)

Employer's pension contributions paid £15,001 - £20,000 (2017: £15,001 - £20,000)

S Makin (Principal of Westerton Primary Academy)

Remuneration £80,001 - £85,000 (2017: £75,001 - £80,000)

Employer's pension contributions paid £10,001 - £15,000 (2017: £10,001 - £15,000)

K Hyams (Principal of Hill Top Primary Academy)

Remuneration £60,001 - £65,000 (2017: £60,001 - £65,000)

Employer's pension contributions paid £10,001 - £15,000 (2017: £10,001 - £15,000)

S Talbot (Principal of East Ardsley Primary Academy)

Remuneration £60,001 - £65,000 (2017: £60,001 - £65,000)

Employer's pension contributions paid £10,001 - £15,000 (2017: £10,001 - £15,000)

During the period ended 31 August 2018, travel and subsistence expenses of £72.40 were reimbursed or paid to Trustees (2017: £nil).

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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 2018 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 £99.11 (2017: £97.46)

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Woodkirk Academy	186	182
Westerton Primary Academy	72	71
East Ardsley Primary Academy	43	44
Hill Top Primary Academy	24	24
	325	321

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 2017	18,039	352	549	31	18,971
Additions	817	114	93	-	1,024
Disposals	-	-	(15)	-	(15)
At 31 August 2018	18,856	466	627	31	19,980
Depreciation					
At 1 September 2017	2,623	150	274	15	3,062
Charged in year	674	61	100	5	840
Disposals	-	-	(10)	-	(10)
At 31 August 2018	3,297	211	364	20	3,892
Net book values					
At 31 August 2018	15,559	255	263	11	16,088
At 31 August 2017	15,416	202	275	16	15,909

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

13 Debtors

	2018 £000	2017 £000
Trade debtors	10	16
VAT recoverable	86	39
Other debtors	-	-
Prepayments and accrued income	514	424
Total	610	479

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	303	190
Other taxation and social security	194	230
Accruals and deferred income	451	393
	948	813

Deferred income

Deferred income at 1 September 2017	84	135
Released from previous years	(84)	(135)
Resources deferred in the year	95	84
Deferred income at 31 August 2018	95	84

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

	2018 £000	2017 £000
Other creditors	149	34
	149	34

Included within other creditors are three interest-free loans of £16,061, £24,553 and £128,000 from Salix which are provided on the following terms: repayable over 8, 8 and 7 years in equal instalments.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

16 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted General Funds					
General Annual Grant (GAG)	108	13,149	(13,146)	(111)	-
Other DfE/ESFA grants	-	1,039	(1,039)	-	-
Local Authority Grants	-	850	(850)	-	-
Other Income	-	116	(116)	-	-
Reserves transferred on conversion	373	-	-	(373)	-
Pension reserve	(2,565)	-	(432)	735	(2,262)
	(2,084)	15,154	(15,583)	251	(2,262)
Restricted Fixed Asset Funds					
Transfer on conversion	14,050	-	(590)	189	13,649
DfE/ESFA capital grants	891	438	(32)	(527)	770
Capital expenditure from GAG	317	-	(120)	68	265
Transfer from General Funds	528	-	(121)	1,316	1,723
Transfer from Designated Building Fund	405	-	-	(405)	-
	16,191	438	(863)	641	16,407
Total Restricted Funds	14,107	15,592	(16,446)	892	14,145
Unrestricted General Funds					
General Funds	1,027	1,016	(573)	(332)	1,138
Designated Capital Projects	-	-	-	175	175
Designated Building Fund	50	20	-	-	70
Total Unrestricted Funds	1,077	1,036	(573)	(157)	1,383
Total Funds	15,184	16,628	(17,019)	735	15,528

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 2018.

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 £641,000 was transferred from restricted general funds and unrestricted funds to fund capital expenditure.

A balance at the year end of £70,000 has been designated towards the recarpetting of the 3G pitch at Woodkirk, and additional funds of £175,000 have been designated to cover the costs of works in progress but not complete at 31 August 2018. These are all due for completion during the Autumn 2108 term.

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Woodkirk Academy	587	1,185
Westerton Primary Academy	170	188
East Ardsley Primary Academy	100	70
Hill Top Primary Academy	176	115
Central funds	105	-
Total before fixed assets, designated and pension reserve	1,138	1,558
Restricted Fixed Asset Funds	16,407	16,191
Designated funds	245	-
Pension reserve	(2,262)	(2,565)
Total	15,528	15,184

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 2018 £'000	Total 2017 £000
Woodkirk Academy	7,051	1,166	551	1,050	9,818	9,730
Westerton Primary Academy	2,045	429	138	321	2,933	2,819
East Ardsley Primary Academy	1,166	133	107	552	1,958	1,981
Hill Top Primary Academy	605	97	65	266	1,033	1,024
Academy Trust	10,867	1,825	861	2,189	15,742	15,554

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

16 Funds (continued)

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

	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

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

16 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted General Funds					
General Annual Grant (GAG)	550	26,221	(26,515)	(256)	-
Other DfE/ESFA grants	-	1,903	(1,903)	-	-
Local Authority Grants	-	1,539	(1,539)	-	-
Other Income	-	206	(206)	-	-
Reserves transferred on conversion	392	-	(19)	(373)	-
Pension reserve	(4,418)	-	(969)	3,125	(2,262)
	(3,476)	29,869	(31,151)	2,496	(2,262)
Restricted Fixed Asset Funds					
Transfer on conversion	14,548	-	(1,088)	189	13,649
DfE/EFA capital grants	817	1,406	(826)	(627)	770
Capital expenditure from GAG	425	-	(330)	170	265
Transfer from General Funds	420	-	(136)	1,439	1,723
Transfer from Designated Building Fund	470	-	(65)	(405)	0
	16,680	1,406	(2,445)	766	16,407
Total Restricted Funds	13,204	31,275	(33,596)	3,262	14,145
Unrestricted General Funds					
General Funds	635	1,886	(1,051)	(332)	1,138
Designated Capital Projects	-	-	-	175	175
Designated Building Fund	30	20	-	20	70
Total Unrestricted Funds	665	1,906	(1,051)	(137)	1,383
Total Funds	13,869	33,181	(34,647)	3,125	15,528

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	16,088	16,088
Current assets	1,383	1,097	319	2,799
Current liabilities	-	(948)	-	(948)
Non current liabilities	-	(149)	-	(149)
Pension scheme liability	-	(2,262)	-	(2,262)
Total net assets	1,383	(2,262)	16,407	15,528

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	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

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	466	-

19 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	586	520
Amounts due between one and five years	2,143	1,972
Amounts due after five years	3,975	3,473

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 2018 (continued)

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

	2018 £000	2017 £000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(391)	(1,075)
Adjusted for:		
Depreciation (note 12)	840	791
Capital grants from DfE and other capital income (note 2)	(438)	(956)
Interest receivable (note 5)	(7)	(2)
Loss on disposal	5	-
Defined benefit pension scheme obligation inherited (note 24)	-	-
Defined benefit pension scheme cost less contributions payable (note 24)	373	453
Defined benefit pension scheme finance cost (note 24)	59	84
(Decrease)/increase in debtors	(131)	262
Increase/(decrease) in creditors	250	(375)
Net cash provided / (used in) by Operating Activities	560	(818)

21 Cash flows from investing activities

	2018 £000	2017 £000
Bank interest received	7	2
Purchase of tangible fixed assets	(1,024)	(241)
Capital grants from DfE/ESFA (note 2)	438	956
Net cash used in investing activities	(579)	717

22 Analysis of cash and cash equivalents

	At 31 August	
	2018 £000	2017 £000
Cash in hand and at bank	2,189	2,208
Total cash and cash equivalents	2,189	2,208

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 2018 (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 2018 (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 £1,112,281 (2017: £1,094,575).

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 2018 was £587,000 (2017: £569,000), of which employer's contributions totalled £432,000 (2017: £415,000) and employees' contributions totalled £155,000 (2017: £154,000). 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 2018	At 31 August 2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.0%	2.0%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.0%	2.0%

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	23.0
<i>Retiring in 20 years</i>		
Males	23.1	25.2
Females	27.1	27.0

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

	Fair value at 31 August	
	2018 £000	2017 £000
The academy trust's share of the assets in the scheme were:		
Equity instruments	6,259	5,890
Debt instruments	906	1,031
Property	352	344
Cash & Other	873	374
Total market value of assets	8,390	7,639

The actual return on scheme assets was £251,000 (2017: £842,000)

Amount recognised in the statement of financial activities	2018 £000	2017 £000
Current service cost (net of employee contributions)	(801)	(863)
Net interest cost	(59)	(84)
Total operating charge	(860)	(947)

Changes in the present value of defined benefit obligations were as follows:	2018 £000	2017 £000
At 1 September	10,204	10,803
Current service cost	801	863
Interest cost	256	216
Employee contributions	155	154
Actuarial (gain)/loss	(681)	(1,680)
Benefits paid	(83)	(152)
At 31 August	10,652	10,204

	2018 £000	2017 £000
Changes in the fair value of academy's share of scheme assets:		
At 1 September	7,639	6,385
Interest income	197	132
Return on plan assets (excluding net interest on the net defined pension liability)		
Actuarial gain/(loss) or Re-measurement gains/(losses) on assets	54	710
Employer contributions	428	410
Employee contributions	155	154
Benefits paid	(83)	(152)
At 31 August	8,390	7,639

Leodis Academies Trust

Notes to the Financial Statements for the year ended 31 August 2018 (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 9.

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 2018 the trust received £30,483 (2017: £29,126) and disbursed £39,063 (2017: £20,828) 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 £5,939 (2017: £14,519) is included as deferred income, representing the undistributed funds which will be distributed to students in the accounting period ended 31 August 2019.

26 Post Balance Sheet events

On 1 September 2018, Blackgates Primary joined Leodis Academies Trust. At the point of signing of these financial statements, sufficient information around the value of the transferring assets and liabilities was not available and therefore is not disclosed in these accounts.

