Company Registration No. 07943227 (England and Wales)

LEADING LEARNERS MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

LEADING LEARNERS MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 7
Governance statement	8 – 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 – 15
Independent reporting accountant's report on regularity	16 – 17
Statement of financial activities including income and expenditure account	18
Balance sheet	19
Statement of cash flows	20
Notes to the accounts including accounting policies	21 – 41

LEADING LEARNERS MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Ald B Wilson (Chair of trustees) * Mr P Addison-Child Mr S Quigley * Mr N Fazackerley Mrs K Ardley (Resigned 2 December 2016) Mr C Holden (Resigned 10 November 2016) Mr E Fairchild (4 November 2016 to 2 December 2016) Mr J Smith (4 November 2016 to 2 December 2016) Mrs C Gradwell (appointed 17 October 2017)
Members	Ald B Wilson Mr S Quigley Mrs C Gradwell (resigned 17 October 2017) Mr K Royle Mrs J Brennan Dr A Thompson
Senior management team	
- CEO/ Executive Headteacher	Mrs Y Brown
- Interim Finance and Operations	Mr M Owen (From 2 February 2017)
- Finance and Operations Director	Mr M Lenaghan (Until 27 January 2017)
Company Number	07943227 (England and Wales)
Registered office	Ennerdale Road Astley Tyldesley Manchester M29 7PY
Independent auditor	Haines Watts Bridge House Ashley Road Hale Altrincham WA14 2UT
Bankers	Lloyds Bank Plc Hotel Street Bolton BL1 1DB

LEADING LEARNERS MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the audited financial statements of the academy trust, Leading Learners MAT, for the year ended 31 August 2017. The annual report serves the purposes of both a trustee's report and a directors' report under company law.

The academy trust operated four primary academies during the year. The academies have a combined pupil capacity of 1,200 ranging from 3 to 11 years old, serving catchments areas in Wigan and Bradford and had a roll of 1,154 in the school census at Autumn 2017.

Structure, governance and management

Constitution
The academy trust was incorporated on 9 February 2012 as Tyldesley Primary School Academy Trust, a company limited by guarantee with no share capital, registration number 07943227. The company commenced operation as an academy on 1 April 2012. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The Trust was renamed Leading Learners Multi Academy Trust on 21 April 2016 and its Articles, reflecting the change to Multi Academy Trust (MAT) status, were amended on 20 May 2016. The initial members of the charitable company were nominated by the governing body of Tyldesley Primary School. There was a significant change in the membership in April 2016 and subsequently to the Trustees in order to ensure independence and to better to reflect the needs of a MAT. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy trust.

The charitable company is known as Leading Learners Multi Academy Trust (MAT). The trustees of Leading Learners MAT are also the directors of the charitable company for the purposes of company law.

Details of the members and trustees who served throughout the year except as noted are included in the reference and administrative details on page 1 together with details of the company's registered office.

Members
The Members of the Trust are responsible for upholding its constitution and ultimately ensuring that the Trust pursues the objectives for which it was established. There were during the period six members who served throughout the year.

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

Trustees' indemnities
In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business. Further details are disclosed at Note 10.

Method of recruitment and appointment or election of trustees

- Trustees are recruited according to their role on the board of trustees. Trustees are nominated by the full board of trustees and hold office for four years.
- Members may appoint up to seven trustees as directors according to Article 50. Six member appointed trustees were on the Board at the commencement of the year, two of whom were also members. Two of those trustees resigned during the year.
- The trustees may appoint Co-opted Trustees and two trustees were co-opted during the course of the year. Trustees may not co-opt an employee of the academy trust to this role if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees (including the principal).
- The CEO, when appointed to the post, acts as ex officio trustee.

Policies and procedures adopted for the induction and training of trustees
Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing and are familiarised with all elements of the organisation and details of their responsibilities of trustees.

Constituent parts of the organisation

Tyldesley Primary School, a two form entry school, located in the Metropolitan Borough of Wigan, was the only school within the organisation at the commencement of the year. On 1 October 2016, Woodside Academy, a two form entry primary school, located in the City of Bradford was transferred into the Trust. On 1 November 2016, Reevy Hill Community Primary, a single form entry school, located in the City of Bradford, was transferred into the Trust. On 1 December 2016, Worth Valley Community Primary School, a single form entry primary school, located in Keighley, in the City of Bradford, was transferred into the Trust.

Organisational structure

Trustees are responsible for the strategic management of the trust including setting strategic direction, approval of annual budgets, senior staff appointments and approval of policies. Collectively they make decisions on annual spending for all expenditure, and set the trust budget for the year, including the budget for each school in liaison with the Chief Executive Officer (CEO) and the Finance and Operations Director (FOD) and Headteachers. They also offer expertise in the various areas of trust management including capital bids. Trustees are responsible for the recruitment of some staff; in particular, the appointment of the CEO, FOD and of Headteachers.

Schools

The Headteacher of each school is responsible for the daily management and organisation of that school. They are supported by senior leaders and the school business manager/finance officer who are responsible for Key Stage management, standards of attainment and curriculum provision within the school; Foundation Stage, Key Stage 1, upper and lower KS2. The school business manager has responsibility for finance, capital funding and academy administration.

The school management team develop policies for trustee or LGB approval. They provide information about the standards, curriculum, pupil attainment and attendance for trustee information and monitoring purposes. This is verified by external inspection and monitoring reports. Through performance management, they challenge the senior leadership and hold them to account regarding priorities for improvement set out in the School Improvement Plan.

Each school has a Local Governing Body appointed by the Board and comprising of people with a range of appropriate skills and elected parent and staff representatives. The Local Governing Board meets at least once each term to receive reports from its leadership team and manage its strategic objectives and matters relating to local finance, premises, staffing, curriculum, standards and the safeguarding, the care of pupils and relations with the community.

Arrangements for setting pay and remuneration of key management personnel

Having become a multi academy trust and incorporated three additional schools, the trust board has taken on responsibility for the performance management and setting of the remuneration of the Chief Executive, and the Finance and Operations Director. Whilst the CEO is responsible directly for the performance management of any Executive Headteacher or Headteacher at the respective schools, the level of remuneration of these post holders will be the responsibility of the Board. For all other staff, performance management is the responsibility of the Executive Headteacher or Headteacher and any additional threshold or main scale payments must be approved by the respective school's pay committee or the Board. The basis of any awards, so approved, is to be in accordance with the Recommendations on Teachers Pay and Conditions.

Related parties and other connected charities and organisations

Leading Learners MAT is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Objectives and activities

Objects and aims
The principal object and activity of the charitable company is the operation of Tyldesley, Reevy Hill, Worth Valley and Woodside Primary Schools to provide a high quality of education for pupils between the ages of 3 – 11 years. To establish, maintain, manage and develop the school; offering a broad and balanced curriculum for children on the roll at the school.

The schools provide an education for pupils who are principally drawn from the area in which the school is situated.

Objectives, strategies and activities
In doing this the board of trustees are determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and longer term development plans.

The aims of the school rest on the following mission statement:

Leading Learners MAT enables every child to develop as an individual in a caring, safe and stimulating learning environment in which children feel secure and happy. In partnership with parents, we motivate children to achieve the highest standards of attainment, within a balanced curriculum of academic, social, cultural, physical and moral teaching. We aim to enable all pupils to become independent, self-confident and respectful individuals who are equipped with the skills for life.

Public benefit
The trustees have considered the Charity Commission's guidance on public benefit. The key public benefit delivered by Leading Learners MAT is the maintenance and development of the high quality education provided by the schools to the young people of Wigan and Bradford.

In doing this Leading Learners MAT not only offers a broad-based education but aims to educate the whole individual. A wide-range of extra-curricular activities, educational visits, authors and consultant workshops, including artists and musicians, are commissioned throughout the year.

Strategic report

Achievements and performance
Following the expansion of the trust in the autumn of 2016, there has been a very clear focus on school improvement and the development of sustainable structures and systems to support rapid improvement in 2017/18. The current year's main focus has been on stabilising leadership in the schools, improving behavior and learning environments and eradicating inadequate teaching. Basic educational procedures and systems currently in place at Tyldesley Primary School have been developed to meet the needs of the Bradford schools.

The Trust has worked closely with senior leaders from the four schools to develop a clear school improvement strategy. Systems and procedures are robust and there are specific non-negotiables in place.

Non- negotiables relate to:
- Safeguarding procedures
- Clear expectations for teaching and learning linked to teachers' standards, upper pay scale and leadership scale
- Trust assessment and tracking systems
- Performance Management procedures
- Curriculum development
- Moderation of work
- SEF, School Improvement and monitoring and evaluation structures
- Senior Leadership Support
- CPD and extended training

The trust is keen that schools retain their individual ethos and culture but values are aligned to trust core values.

Although every school has shown some improvement in outcomes, the trust fully acknowledges that achievement and outcomes for pupils is still not good enough and rapid progress is needed in 2017/2018.

Performance

School	EYFS – GLD	Y1 Phonics	Y2 Phonics re-take
Reevy Hill	47%	67%	50%
Tyldesley Primary	73%	76%	91%
Worthvalley	67%	67%	83%
Woodside	67%	78%	83%

School	KS1 Reading	KS1 Maths	KS1 Writing
Reevy Hill	75%	71%	61%
Tyldesley Primary	89%	84%	76%
Worth Valley	80%	80%	60%
Woodside	71%	76%	59%

School	KS2 Reading	KS2 Maths	KS2 Writing
Reevy Hill	37%	50%	57%
Tyldesley Primary	83%	91%	91%
Worth Valley	35%	35%	59%
Woodside	56%	61%	76%

Further performance information is available on the DfE performance tables.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies note of the financial statements.

Financial review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102 SORP), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. In addition to the grants received, the Trust recognised fixed asset related voluntary income in the current year in respect of the value of land and building occupied by Woodside Academy, Reevy Hill Primary School and Worth Valley Primary School and other fixed assets transferred on conversion (£10.3m) and in prior years in respect of the value of the land and buildings occupied by Tyldesley Primary School. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The transfer of Woodside Academy and the conversion of Reevy Hill Primary School and Worth Valley Primary School resulted in the transfer of school reserve balances to the Trust totalling £344,907.

The trust's financial position for the year to 31 August 2017 shows total income of £15.6m with a surplus for the year ended 31 August 2017 of £8.8m. Income for the year excluding amounts transferred on conversion was £6.3m with a deficit of £0.25m (excluding depreciation, actuarial loss on the LGPS pension reserve and balances transferred on conversion). This deficit reflects additional expenditure and allocation of staff to the schools joining the trust in order to drive rapid improvement, and costs incurred procuring new systems for cross trust working.

The focus, and expenditure, on the new schools has supported the key objectives of the trust, however it has resulted in an in year deficit. In 2017/18, the trust will need to take measures to ensure that it builds on the foundations that were put in place during 2016/17 in respect of school improvement whilst significantly reducing the financial expenditure.

The principal financial management policies adopted by the trust are:

- regular financial reviews of income and expenditure versus planned budgets at finance & premises committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

Non-teaching staff are members of the Local Government Pension Scheme (LGPS). The board of trustees acknowledges the defined pension scheme deficit of £2,009,000 (2016: £725,000) which is set out at Note 18 to the annual report. It considers that the academy trust is able to meet its known contribution commitments for the foreseeable future.

The Academy held fund balances at 31 August 2017 of £11,636,000 comprising £250,000 Unrestricted Fund, £13,395,000 Restricted Fixed Asset Fund, £nil Restricted General Fund and a pension reserve deficit of £2,009,000.

The trust monitors cash flow and prepares financial forecasts to anticipate and manage financial risk and meet financial objectives.

Reserves policy
The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to at least 1 month of the GAG, approximately £364,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of general restricted and unrestricted funds is £250,000. The trust will be assessing options to reduce expenditure in 2017/18 to ensure that reserves increase to the appropriate level determined.

Investment policy
In a period of financial uncertainty and low interest rates, the academy trust's policy has been to maximise liquidity and minimise risk. The academy had no financial investments during the financial year ended 31 August 2017. The policy will be kept under review.

Principal risks and uncertainties
The trustees have assessed the major risks to which the trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the trust. The trustees have implemented a number of processes and controls to minimise and manage the risks that the trust faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. These include operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, insurance cover has been put in place.

The trustees have identified the following principal risks and uncertainties facing the academy trust:

Financial risk
The trust is operating in a period of considerable financial uncertainty with regard to public funding. The trust's activities expose it primarily to cash flow risk. The board of trustees continually monitors cash flows to ensure the trust has sufficient funds available to meet debts as they fall due. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets already projected by central government and further potential reductions resulting from the implementation of the National Funding Formula.

Failures in governance and/or management
Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational risk
The continuing success of the trust depends on maintaining the highest educational standards in order to maintain the current Ofsted rating of outstanding within Tyldesley, drive significant improvement within the Bradford schools and therefore attract pupils to the schools and maximise pupil numbers. Trustees are clearly focused on monitoring and reviewing the achievement and progress of children. Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including behaviour management, safeguarding, health and safety etc.

Safeguarding and child protection risks
Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection polices in school and in training and support, in order to protect the vulnerable young people in its care.

Significant changes in staff
Trustees regularly review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

Plans for future periods
The immediate plans for the trust are to drive significant improvement in the educational standards within the Bradford schools and to maintain the outstanding provision at Tyldesley. The Forward Together teaching school, based at Tyldesley, will continue to help to support the development of outstanding teachers across the trust and within other schools.

The trust will also focus on ensuring that the central services provided to the schools offers a cost effective, efficient service that is capable of supporting further schools in the future. The trust has plans to expand in the medium term and would welcome the prospect of schools that share the same vision and ethos choosing to join.

Auditors
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps 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.

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26th January 2018 and signed on the board's behalf by:

B. M. Wilson

Ald B Wilson
Chair of trustees

LEADING LEARNERS MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility
As trustees, we acknowledge we have overall responsibility for ensuring that Leading Learners Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Leading Learners Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met eight times during the period. Attendance during the meeting of the full board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ald B Wilson (Chair)	8	8
Mrs Y Brown (CEO)	8	8
Mr P Addison-Child	8	8
Mrs K Ardley	0	2
Mr E Fairchild	2	2
Mr N Fazackerley	6	8
Mr C Holden	0	2
Mr J Smith	1	2
Mr S Quigley	7	8

The finance and premises committee is a sub-committee of the main board of trustees, however for the financial year 2016/17 all trustees were invited to the finance and premises committee meetings as they were dealt with as part of the main trust board agenda.

During the year to 31 August 2017 the finance and premises meeting agendas included the following areas: reviewing and agreeing the budget, monitoring financial performance and expenditure, considering applications for capital funding, monitoring financial procedures in line with reports from internal audit, authorising expenditure (when required by scheme of delegation), ensuring all ESFA reporting requirements were met and receiving the reports of the external auditor.

Attendance at the finance and premises committee meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Ald B Wilson (Chair)	8	8
Mrs Y Brown (CEO)	8	8
Mr P Addison-Child	8	8
Mrs K Ardley	0	2
Mr E Fairchild	2	2
Mr N Fazackerley	6	8
Mr C Holden	0	2
Mr J Smith	1	2
Mr S Quigley	7	8

In addition, there are two further sub-committees of the board of trustees: standards and pay committee.

Review of value for money
As accounting officer, the CEO has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Improving educational results
- Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment.
- We have good tracking systems to record all aspects of student data which includes progress through school; this ensures that interventions and support are targeted to achieve value for money.
- Results at Tyldesley in Early Years, KS1 and KS2 are consistently higher than national average, with the KS2 results amongst the 100 top performing schools in the country.
- Staffing structure is continually reviewed to target an improved curriculum with additional staff for art, music, performing arts and French.
- Differing needs of pupils are managed by one to one support, catch up and pre teach interventions, booster class and counselling support.

Financial governance and oversight
- Trustees play an active role in overseeing financial decisions and evaluate decisions taken in light of their impact on pupil achievement.
- Trustees are provided with regular monitoring reports to ensure value for money.
- There is an effective system of internal control which is reviewed by work of the responsible officer and also external auditors.
- Contracts are reviewed on an annual basis to ensure they are fit for purpose and provide best value, for example photocopier supplier, grounds maintenance and school meal provider.
- We have entered into a number of service level agreements with the Local Authority to provide a high level service at minimal cost.
- We have a tendering policy which ensures that tenders/quotes are obtained as appropriate to ensure value for money for major projects. We are also members of CPC.
- Opportunities have and are being taken to explore and generate additional revenue streams which include being a National Teaching School, our executive headteacher and chair of trustees being National Leaders and also the hiring of our facilities.

Lessons learned
- Service level agreements are now scrutinised with a more rigorous fit for purpose and best value review.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy's 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 across the trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk
The board of trustees has reviewed the key risks to which the academy 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 academy trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework
The academy 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 finance and premises committee 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; and
- identification and management of risks.

The board of trustees has appointed Gibson Booth as internal auditors and one of their staff, David Whittles, has been appointed as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis, the RO reports to the trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. These checks are based on the systems listed in the Academies Financial Handbook.

Review of effectiveness
As accounting officer, the Chief Executive Officer (Mrs Y Brown), has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Finance and Operations Director and others 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 finance and premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26th January 2018 and signed on its behalf by:

B. M. Wilson
Ald B Wilson
Chair of trustees

Y L Brown
Mrs Y Brown
Accounting officer

LEADING LEARNERS MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Leading Learners Multi Academy 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Financial

- Our audit findings indicated numerous errors in the accounting records. I believe that this has led to internally reported financial information to the governors to be inaccurate.
- Tenders were not always obtained where contract values exceeded tendering limits within the current trust financial manual.

Non-financial

- Non-compliance with the Academies Financial Handbook related to the details of the governors of Leading Learners Multi Academy Trust. List of trustees, their pecuniary interests or their attendance at meetings were not published on the website.
- Late submission of financial statements to the ESFA.

.....Y. L. Brown.....

Mrs Y Brown
Accounting officer

Date: 26/1/18

LEADING LEARNERS MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Leading Learners Multi Academy Trust and are also the directors of Leading Learners Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 26th January 2018 and signed on its behalf by:

B. M. Wilson

Ald B Wilson
Chair of trustees

LEADING LEARNERS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEADING LEARNERS MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2017

Opinion

We have audited the accounts of Leading Learners Multi Academy Trust for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

LEADING LEARNERS MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEADING LEARNERS MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

John Whittick BSc FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: .....

LEADING LEARNERS MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING LEARNERS MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2017

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

This report is made solely to Leading Learners Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Leading Learners Multi Academy 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 Leading Learners Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Leading Learners Multi Academy Trust's accounting officer and the
The accounting officer is responsible, under the requirements of Leading Learners Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach
We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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 conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Financial

- Our audit findings indicated numerous errors in the accounting records. I believe that this has led to internally reported financial information to the governors to be inaccurate.
- Tenders were not always obtained where contract values exceeded tendering limits within the current trust financial manual.

Non-financial

- Non-compliance with the Academies Financial Handbook related to the details of the governors of Leading Learners Multi Academy Trust. List of trustees, their pecuniary interests or their attendance at meetings were not published on the website.
- Late submission of financial statements to the ESFA.

.....

Haines Watts
Reporting Accountant

Dated: 29/11/18

LEADING LEARNERS MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	2	-	-	92	92	774
Donations - transfer from local authority on conversion	24	-	(348)	6,992	6,644	-
Donations - transfer of existing academy into the trust	24	78	(737)	3,328	2,669	-
Charitable activities:						
- Funding for educational operations	3	-	5,790	-	5,790	1,653
Teaching school		38	69	-	107	40
Other trading activities	4	282	51	-	333	249
Investments	5	-	-	-	-	1
Total income and endowments		398	4,825	10,412	15,635	2,717
Expenditure on:						
Raising funds	6	130	31	-	161	137
Charitable activities:						
- Educational operations	7	-	6,578	295	6,873	1,834
Teaching School		68	69	-	137	65
Total expenditure	6	198	6,678	295	7,171	2,036
Net income/(expenditure)		200	(1,853)	10,117	8,464	681
Transfers between funds		(265)	13	252	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	370	-	370	(305)
Net movement in funds		(65)	(1,470)	10,369	8,834	376
Reconciliation of funds						
Total funds brought forward		315	(539)	3,026	2,802	2,426
Total funds carried forward		250	(2,009)	13,395	11,636	2,802

LEADING LEARNERS MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	11		13,395		3,026
Current assets					
Debtors	12	258		218	
Cash at bank and in hand		693		498	
		951		716	
Current liabilities					
Creditors: amounts falling due within one year	13	(701)		(170)	
Net current assets			250		546
Total assets less current liabilities			13,645		3,572
Creditors: amounts falling due after more than one year	14		-		(45)
Net assets excluding pension liability			13,645		3,527
Defined benefit pension liability	18		(2,009)		(725)
Net assets			11,636		2,802
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			13,395		3,026
- Restricted income funds			-		186
- Pension reserve			(2,009)		(725)
Total restricted funds			11,386		2,487
Unrestricted income funds	16		250		315
Total funds			11,636		2,802

The accounts were approved by the board of trustees and authorised for issue on 26th January 2018 and are signed on its behalf by:

Ald B Wilson
Chair of trustees

Company Number : 07943227

LEADING LEARNERS MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		295		(875)
Cash funds transferred on conversion			214		-
			509		(875)
Cash flows from investing activities					
Dividends, interest and rents from investments		-		1	
Capital grants from DfE and ESFA		92		774	
Payments to acquire tangible fixed assets		(344)		(661)	
Proceeds from sales of tangible fixed assets		-		1	
			(252)		115
Cash flows from financing activities					
Loan from Capital Improvement Fund		-		62	
Loan now recognised as income		(62)		-	
			(62)		62
Change in cash and cash equivalents in the reporting period			195		(698)
Cash and cash equivalents at 1 September 2016			498		1,196
Cash and cash equivalents at 31 August 2017			693		498

1 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.

1.1 Basis of preparation

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

Leading Learners Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Reevy Hill Primary School and Worth Valley Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

Transfer of existing academies into the trust:
Where assets are received on the transfer of an existing academy into the trust, 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, which is on the signing of the transfer agreement with the transferring trust. An amount of income is recognised as transfer on conversion within donations and capital income.

1.4 Income

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

1 Accounting policies

1.4 Grants receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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'.

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1 Accounting policies

1.5 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.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Leasehold buildings	50 years straight line
Leasehold land	125 Years straight line
Assets under construction	Not depreciated until brought into use
Computer equipment	4 years straight line
Furniture and equipment	7 years straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.7 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 of services it must provide.

1.8 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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 and the assets are held separately from those of the academy trust.

1 Accounting policies

1.9 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 18, 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 are 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.

1.10 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 the Education and Skills Funding Agency/Department for Education, sponsor and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

1.11 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	92	92	774

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)		4,391	4,391	1,158
Start up grants		180	180	-
Other DfE / ESFA grants		722	722	206
National College grants		69	69	40
		5,362	5,362	1,404
Other government grants				
Local authority grants	-	497	497	289
Total funding	-	5,859	5,859	1,693

The academy trust received £497,000 from the local authorities in the year (2016: £289,000). This included £482,000 (2016:£134,000) funding for pupils attending the nurseries, £nil (2016: £120,000) for Childrens' Centres, £15,000 (2016: £30,000) for Special Educational Needs and Mental Health funding and £nil (2016: £5,000) other funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	28	-	28	-
Catering income	-	31	31	33
Before and After School Club	107	-	107	83
Other school activities	33	-	33	60
Nursery fees	31	-	31	25
Teaching School	38	-	38	42
Sales and charges	83	20	103	6
	320	51	371	249

The income from other trading activities was £371,000 (2016: £249,000) of which £320,000 was unrestricted (2016: £169,000) and £51,000 was restricted (2016: £80,000).

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	-	-	-	1

The income from funding for investment income was £- (2016: £1,000) of which £- was unrestricted (2016: £1,000).

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	3,927	265	485	4,677	1,259
- Allocated support costs	1,064	177	955	2,196	575
	4,991	442	1,440	6,873	1,834
Other expenditure					
Raising funds	69	-	229	298	202
Total expenditure	5,060	442	1,669	7,171	2,036

The expenditure on raising funds was £298,000 (2016: £202,000) of which £198,000 was unrestricted (2016: £101,000) and £100,000 was restricted (2016: £101,000).

6 Expenditure

Net income/(expenditure) for the year includes:	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	22	6
- Other services	17	1
Operating lease rentals	24	1
Depreciation of tangible fixed assets	295	50
Gain/(loss) on disposal of fixed assets	-	2

Central services

The academy trust has provided the following central services to its academies during the year:
- human resources;
- financial services;
- legal services;
- educational support services.

The academy trust charges for these services at flat 5% of each academy's GAG income.

6 **Expenditure (continued)**

The amounts charged during the year were as follows:

	Total £'000
Reevy Hill Primary School	41
Tyldesley Primary School	59
Woodside Academy	83
Worth Valley	35
	218

7 **Charitable activities**

	2017 £'000	2016 £'000
All from restricted funds:		
Direct costs - educational operations	4,677	1,259
Support costs - educational operations	2,196	575
	6,873	1,834

The expenditure on educational operations was £6,873,000 (2016: £1,834,000) of which £6,578,000 was restricted (2016: £1,782,000) and £295,000 was restricted fixed assets (2016: £52,000).

Analysis of costs	2017 £'000	2016 £'000
Direct costs		
Teaching and educational support staff costs	3,889	1,120
Staff development	38	39
Depreciation and amortisation	265	45
Educational supplies and services	279	49
Educational consultancy	206	6
	4,677	1,259
Support costs		
Support staff costs	1,064	281
Depreciation and amortisation	30	7
Technology costs	95	-
Maintenance of premises and equipment	147	24
Cleaning	24	7
Energy costs	61	15
Rent and rates	63	21
Insurance	66	34
Security and transport	20	-
Catering	273	55
Net interest on pension deficit	42	15
Other support costs	236	103
Governance costs	75	13
	2,196	575

8 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	3,664	1,074
Social security costs	302	74
Operating costs of defined benefit pension schemes	782	184
Apprenticeship levy	2	-
Staff costs	4,750	1,332
Supply staff costs	232	67
Staff restructuring costs	26	6
Staff development and other staff costs	52	68
Total staff expenditure	5,060	1,473

Staff numbers

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

	2017 Number	2016 Number
Teachers	49	15
Administration and support	138	40
Management	5	2
	192	57

Higher paid staff

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

	2017 Number	2016 Number
£80,001 - £90,000	-	1
£100,001 - £110,000	1	-

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £26,000 (2016: £6,000). Individually the payments were: £6,000, £9,368 and £10,500.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £473,000 (2016: £258,000).

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year no travel and subsistence payments were reimbursed to any trustee (2016: £ nil).

The value of trustees' remuneration was as follows:

Y Brown (CEO and trustee)
Remuneration £100,001 - £105,000 (2016: £85,001- £90,000)
Employer's pension contributions £15,001 - £20,000 (2016: £10,001 - £15,000)

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees and officers insurance

Three of the schools within the trust have opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. The other school has procured insurance from a commercial provider, with similar cover up to £1,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme or the commercial package.

11 Tangible fixed assets

	Leasehold buildings	Leasehold land	Assets under construction	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2016	2,526	620	47	77	3,270
Transfer into the trust	10,431	-	111	139	10,681
Additions	21	277	25	21	344
Transfer on completion	897	(897)	-	-	-
At 31 August 2017	13,875	-	183	237	14,295
Depreciation					
At 1 September 2016	180	-	31	33	244
Transfer into the trust	199	-	82	80	361
Charge for the year	244	-	23	28	295
At 31 August 2017	623	-	136	141	900
Net book value					
At 31 August 2017	13,252	-	47	96	13,395
At 31 August 2016	2,346	620	16	44	3,026

The net book value of land and buildings comprises:

	2017	2016
	£'000	£'000
Long leaseholds (over 50 years)	13,252	2,346

Included within leasehold land and buildings is land valued at £2,151,000.

12	**Debtors**	**2017**	**2016**
		£'000	**£'000**
	Trade debtors	2	-
	VAT recoverable	45	102
	Prepayments and accrued income	211	116
		258	218

13	**Creditors: amounts falling due within one year**	**2017**	**2016**
		£'000	**£'000**
	Government loans	-	17
	Trade creditors	49	-
	Other taxation and social security	79	22
	Other creditors	71	20
	Accruals and deferred income	502	111
		701	170

14	**Creditors: amounts falling due after more than one year**	**2017**	**2016**
		£'000	**£'000**
	Government loans	-	45
	Analysis of loans		
	Wholly repayable within five years	-	62
	Less: included in current liabilities	-	(17)
	Amounts included above	-	45
	Loan maturity		
	Debt due in one year or less	-	17
	Due in more than one year but not more than two years	-	17
	Due in more than two years but not more than five years	-	28
		-	62

The financial statements for the year ended 31 August 2016 included a government loan of £62,000 which was understood to be received as part of the funding to build additional classrooms at Tyldesley Primary School. Information obtained since those financial statements were finalised has established that the building costs were to be fully funded from the Capital Improvement Fund. The amount treated as a government loan has now been confirmed as part of the grant from the Capital Improvement Fund. For this reason the loan creditor has been cleared from creditors and is now correctly reflected as a capital grant in these financial statements.

15 Deferred income

	2017 £'000	2016 £'000
Deferred income is included within:		
Creditors due within one year	79	39
Deferred income at 1 September 2016	39	823
Released from previous years	(39)	(823)
Amounts deferred in the year	79	39
Deferred income at 31 August 2017	79	39

The deferred income at 31 August 2017 consists of advanced funding received for the Universal Infant Free School Meals (2016: £32,000). At 31 August 2016 the trust had also received £6,000 in advance for Special Educational Needs.

16 Funds

	Balance at 1 September 2016 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	23	4,391	(4,794)	159	(221)
Start up grants	-	180	(180)	-	-
Other DfE / ESFA grants	-	791	(791)	-	-
Other government grants	146	497	(497)	(146)	-
Other restricted funds	17	51	(68)	-	-
Inherited on conversion	-	267	(46)	-	221
Funds excluding pensions	186	6,177	(6,376)	13	-
Pension reserve	(725)	(1,352)	(302)	370	(2,009)
	(539)	(1,121)	(6,678)	383	(2,009)
Restricted fixed asset funds					
Inherited on conversion or transfer	2,364	10,320	(244)	-	12,440
DfE / ESFA capital grants	620	92	(18)	146	840
Capital expenditure from GAG	42	-	(33)	106	115
	3,026	10,412	(295)	252	13,395
Total restricted funds	2,487	15,237	(6,973)	635	11,386
Unrestricted funds					
General funds	315	398	(198)	(265)	250
Total restricted funds	2,802	15,635	(7,171)	370	11,636

16 **Funds (contimued)**

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy.

The brought forward balance of £146,000 for other government grants represents grants received from the Capital Improvement Fund prior to 31 August 2016 for additional classrooms at Tyldesley Primary School but where the expenditure was incurred during the financial year ended 31 August 2017. The full amount of this advance funding has been transferred to the restricted fixed asset fund this year.

The sponsor capacity fund represents grant monies received to assist the trust to finance the setting up of a multi academy trust. All such grants had been fully expensed by 31 August 2017.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those funds to which the board of trustees may use in pursuance of the academy's objectives and are expendable at the discretion of the trustees. This year £265,000 has been transferred to restricted general funds.

There is a transfer of £106,000 between General Annual Grant and restricted fixed asset funds to reflect fixed asset additions made in the year ended 31 August 2017 that were not funded by the Capital Improvements Fund or other capital grants.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

16 **Funds (continued)**

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:	Total £'000
Reevy Hill Primary School	49
Tyldesley Primary School	7
Woodside Academy	269
Worth Valley	39
Central services	(114)
Total before fixed assets fund and pension reserve	250
Restricted fixed asset fund	13,395
Pension reserve	(2,009)
Total funds	11,636

Central services is carrying a net deficit of £114k at year end due to expenditure in excess of the contributions from schools and central grants for expanding the trust. Central costs will be assessed to identify where savings can be made with a view to eliminating the deficit over an agreed period.

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 £'000
Reevy Hill Primary School	636	174	50	228	1,088
Tyldesley Primary School	1,147	223	69	660	2,099
Woodside Academy	1,292	409	128	501	2,330
Worth Valley	680	157	23	167	1,027
Central services	172	101	9	50	332
	3,927	1,064	279	1,606	6,876

17 **Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	13,395	13,395
Current assets	250	701	-	951
Creditors falling due within one year	-	(701)	-	(701)
Defined benefit pension liability	-	(2,009)	-	(2,009)
	250	(2,009)	13,395	11,636

18 Pensions 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 Tameside Metropolitan Borough Council for Tyldesley Primary School and by City of Bradford Metropolitan District Council for Reevy Hill Primary School, Woodside Academy Trust and Worth Valley Primary School. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £71,000 were payable to the schemes at 31 August 2017 (2016: £20,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 16.4%. The next valuation 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 pension costs paid to the TPS in the period amounted to £258,000 (2016: £91,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

18 Pensions and similar obligations

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with assets held in separate trustee-administered funds. The total contributions are as noted below.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

Tyldesley Primary School
The agreed contribution rates for future years are 5.5% to 9.9% for employees and 19.6% for employers. The estimated value of employer contributions for the forthcoming year is £93,000.

Total contributions made	**2017**	**2016**
	£'000	**£'000**
Employer's contributions	93	77
Employees' contributions	30	23
Total contributions	123	100

Principal actuarial assumptions	**2017**	**2016**
	%	**%**
Rate of increases in salaries	3.2	3.4
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2017	**Approximate % increase to employer liability**	**Approximate monetary amount £000**
0.5% decrease in real discount rate	13%	275
0.5% increase in the salary increase rate	2%	45
0.5% increase in the pension increase rate	11%	226

18 Pensions and similar obligations

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	23.7	24.0
Retiring in 20 years		
- Males	24.1	24.0
- Females	26.2	26.6

The academy trust's share of the assets in the scheme	**2017 Fair value £'000**	**2016 Fair value £'000**
Equities	846	661
Bonds	186	156
Cash	58	46
Property	70	55
Total market value of assets	1,160	918
Actual return on scheme assets	149	145

Amounts recognised in the statement of financial activities	**2017 £'000**	**2016 £'000**
Current service cost (net of employee contributions)	159	94
Net interest cost	16	15
Total operating charge	175	109

Changes in the present value of defined benefit obligations	**2017 £'000**	**2016 £'000**
Obligations at 1 September 2016	1,643	1,065
Current service cost	159	94
Interest cost	36	43
Employee contributions	30	23
Actuarial loss	298	422
Benefits paid	(30)	(4)
At 31 August 2017	2,136	1,643

18 Pensions and similar obligations

Changes in the fair value of the academy trust's share of scheme assets

	2017 £'000	2016 £'000
Assets at 1 September 2016	918	677
Interest income	20	28
Return on plan assets (excluding amounts included in net interest): Actuarial gain	129	117
Employer contributions	93	77
Employee contributions	30	23
Benefits paid	(30)	(4)
At 31 August 2017	1,160	918

Reevy Hill Primary School, Worth Valley Primary School and Woodside Academy Trust
The LGPS obligations transferred in relates to employees of the academy trust who were employees transferred as part of the conversion from the maintained schools of Reevy Hill Primary School and Worth Valley Primary School and from the academy trust of Woodside Academy Trust. The obligation represents their cumulative service at the predecessor schools and this academy trust. The obligation is also in respect of new employees who joined the scheme in the period.

The agreed contribution rates for future years are 5.5% to 9.9% for employees. The agreed employer contribution rates for future years are 17.5% for Reevy Hill Primary School, 12.2% for Woodside Academy Trust and 16.8% for Worth Valley Primary School. The estimated values of employer contributions for the forthcoming year are £35,000 for Reevy Hill Primary School, £44,000 for Worth Valley Primary School and £53,000 for Woodside Academy Trust.

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	171	-
Employees' contributions	69	-
Total contributions	240	-

Principal actuarial assumptions	Reevy Hill Primary School Worth Valley Primary School 2017 %	Woodside Academy Trust 2017 %
Rate of increases in salaries	3.15	3.25
Rate of increase for pensions in payment	1.90	2.00
Discount rate	2.50	2.50

18 Pensions and similar obligations

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2017	Approximate monetary amount £000
0.1% decrease in real discount rate	105
0.1% increase in the salary increase rate	39
0.1% increase in the pension increase rate	66

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

	2017 Years
Retiring today	
- Males	22.1
- Females	25.2
Retiring in 20 years	
- Males	23.0
- Females	27.0

The academy trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	2,235	1,838
Government bonds	130	118
Corporate bonds	278	274
Cash	114	104
Property	43	34
Other	98	80
Total market value of assets	2,898	2,448

Actual return on scheme assets	226

Amounts recognised in the statement of financial activities	2017 £'000
Current service cost (net of employee contributions)	365
Net interest cost	26
Total operating charge	391

18 Pensions and similar obligations

Changes in the present value of defined benefit obligations	2017 £'000
Obligations transferred in	3,800
Current service cost	365
Interest cost	80
Employee contributions	69
Actuarial loss	(367)
Benefits paid	(16)
At 31 August 2017	3,931

Changes in the fair value of the academy trust's share of scheme assets	2017 £'000
Assets transferred in	2,448
Interest income	54
Return on plan assets (excluding amounts included in net interest): Actuarial gain	172
Employer contributions	171
Employee contributions	69
Benefits paid	(16)
At 31 August 2017	2,898

19 Reconciliation of net income to net cash flows from operating activities

	2017 £'000	2016 £'000
Net income for the reporting period	8,464	681
Adjusted for:		
Net surplus on conversion to academy	(9,313)	-
Capital grants from DfE/ESFA and other capital income	(92)	(774)
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	260	17
Defined benefit pension net finance cost	42	15
Depreciation of tangible fixed assets	295	50
Loss on disposal of fixed assets	-	2
(Increase) in debtors	(40)	(122)
Increase/(decrease) in creditors	548	(743)
Stocks, debtors and creditors transferred on conversion	131	-
Net cash provided by operating activities	295	(875)

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due within one year	25	-
Amounts due in two and five years	24	-
	49	-

21 Capital commitments

	2017 £'000	2016 £'000
Expenditure contracted for but not provided in the accounts	-	228

22 Related party transactions

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

No related party transactions took place during the financial year, other than certain trustees' remuneration and expenses which are disclosed in note 9.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Conversion to an academy

On 1 October 2016 Woodside Academy Trust transferred all of the operations, assets and liabilities to Leading Learners Multi Academy Trust for £nil consideration.

Reevy Hill Primary School converted to academy status on 1 November 2016 and Worth Valley Primary School converted to academy status on 1 December 2016. All of their operations, assets and liabilities were transferred to Leading Learners Multi Academy Trust from Bradford Metropolitan District Council on those dates for £nil consideration.

The assets and liabilities of the above academy and schools were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as donations.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

24 Conversion to an academy

Academy	Location	Date of conversion
Reevy Hill Primary School	Bradford	1 November 2016
Woodside Academy	Bradford	1 October 2016
Worth Valley	Keighley	1 December 2016

	Unrestricted Funds £'000	Restricted funds: General £'000	Restricted funds: Fixed asset £'000	Total 2017 £'000
Reevy Hill Primary School				
Leasehold land and buildings	-	-	5,024	5,024
Other fixed assets	-	-	-	-
LGPS pension deficit	-	(267)	-	(267)
Surplus on local authority funds	-	29	-	29
Worth Valley Primary School				
Leasehold land and buildings	-	-	1,950	1,950
Other fixed assets	-	-	18	18
LGPS pension deficit	-	(195)	-	(195)
Surplus on local authority funds	-	85	-	85
	-	(348)	6,992	6,664
Woodside Academy Trust				
Leasehold land and buildings	-	-	3,258	3,258
Other fixed assets	-	-	70	70
LGPS pension deficit	-	(890)	-	(890)
Cash	78	136	-	214
Debtors	-	112	-	112
Creditors	-	(95)	-	(95)
	78	(737)	3,328	2,669

All the land and buildings are owned by Bradford Metropolitan District Borough Council and have been leased to Leading Learners Multi Academy Trust for a peppercorn rent for a period of 125 years.