

LEAF ACADEMY TRUST
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

Year ended 31 August 2014

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LEAF ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Members
Ripon and Leeds Diocesan Board of Finance
The Diocese of Bradford and the Diocese of Ripon and Leeds
Educational Trust
Let's Overcome Adversity
Chair of the Board of Directors

The Board of Directors (Trustees)

Mrs J Caton	(Appointed 20/10/2014)
Mr M Edwards#	(Resigned 23/09/2014)
Ms K Fields#	
Mr M Gibbons	(Appointed 10/09/2013)
Mr P J Gruen	(Resigned 05/09/2014)
Venerable P Hooper#*	
Mrs V James	
Ms R C McMullen#	
Mr H Moyes – Vice Chair	(Resigned 10/09/2014)
Mr C Neal	(Resigned 04/09/2013)
Mrs K Osborne	(Appointed 15/10/2014)
Revd M Peat	(Appointed 18/06/2014)
Prof Sue Proctor – Chair#	
Ms M Tailby#*	

Members of the Business and Finance Committee are denoted by #.

Members of the Audit and Assurance Committee are denoted by*.

Executive Management Team	Chief Executive Officer	Rosanne McMullen
	Principal (Primary)	Mark Edwards
	Principal (Primary)	Darren Foulke
	Principal (Secondary)	Lynne Frost
	Chief Financial Officer	Adnan Bashir

Company Secretary
Adnan Bashir

Principal and Registered Office
Bishops Way
Seacroft
Leeds
West Yorkshire
LS14 6NU

Company Registration Number
05037949 (England and Wales)

Independent Auditors
Jolliffe Cork LLP
Chartered Accountants and Registered Auditors
33 George Street
Wakefield
West Yorkshire
WF1 1LX

Bankers
Lloyds Banking Group
School Banking
14 Church Street
Sheffield
S1 1HP

LEAF ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Yorkshire Bank
4 Victoria Place
Manor Road
Leeds
LS11 4AE

Investment Manager

Investec Wealth & Investment Limited
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Lupton Fawcett Lee & Priestley
10-12 East Parade
Leeds
LS1 3AJ

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
West Yorkshire
LS2 3AG

Insurance Brokers

Richard Bolton Insurance Group
Cranberry Park
1 Cranberry Drive
Denton
Manchester
M34 3UL

LEAF ACADEMY TRUST DIRECTORS' ANNUAL REPORT

The directors of the LEAF Academy Trust have pleasure in presenting their Annual Report together with the Financial Statements and Auditors Report of the charitable company for the year ended 31 August 2014. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates two primary academies and one secondary within Leeds. Its academies have a combined pupil capacity of 1,830 and had a roll of 1,653 in the academy census on 2 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The LEAF Academy Trust is a company limited by guarantee and registered at Companies House under registration number 05037949 (England and Wales). The Academy Trust, as an exempt charity, is entitled to exactly the same exemptions from UK corporation tax as registered charities.

The LEAF Academy Trust is governed by its Memorandum and Articles of Association. The directors of the Academy Trust, appointed in accordance with the articles, are the charity trustees and are also the directors of the charitable company for the purposes of company law. The directors are legally responsible for the governance and management of the Academy Trust.

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

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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

Directors' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect directors, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 per any one claim; the premium for the year ended 31 August 2014 was £2,226. The cost of this insurance is included in the total insurance cost. The Trust has no other third party indemnities for or on behalf of members and/or directors.

Method for Recruitment and Appointment or Election of Directors

The members of the LEAF Academy Trust are responsible for the appointment of the directors other than parent and staff directors who are elected by their respective peer groups.

The following methods are used to recruit/appoint directors:

- Advertise vacancies within corporate member organisations as well as through the Academy Trust's newsletter and website;
- Advertise through the use of business networks and social media (LinkedIn and Twitter);
- Seek referrals from connected organisations and outgoing directors.

All directors are appointed based upon the contribution they can make to the development and future success of the LEAF Academy Trust. The directors represent all relevant stakeholder groups including parents, staff, sponsor and the local authority. Directors are assessed by a panel for the personal qualities and specific skills and expertise they can provide and which are required by the Trust.

All directors give of their time freely and receive no remuneration other than reasonable expenses, except those directors who are employees of the LEAF Academy Trust.

Policies and Procedures Adopted for the Induction and Training of Directors

New directors are inducted into the workings of the trust by way of mentorship; each director is mentored in the areas of board policy and procedure as well as mission and ethos. The induction period allows new directors to fully understand how the organisation operates and the various committees which are used to assist in governance. New directors are expected to identify at least one sub-committee of the board of directors they wish to serve upon. Resources and training are made available for directors who wish to develop a more detailed understanding of their role and the work of the board of directors.

Organisational Structure

The LEAF Academy Trust included the following academies for the year ended 31 August 2014:

<u>Academy Name</u>	<u>Date Joined</u>	<u>Academy Type</u>
David Young Community Academy	13 August 2012	Secondary
Manston St James Academy	1 October 2012	Primary
Rothwell C of E Primary Academy	1 April 2014	Primary

The LEAF Academy Trust supports all its academies through an experienced board of directors who are responsible for identifying and establishing strategies and policies and for ensuring that these are implemented throughout the organisation. To assist with this work the directors have established several sub-committees with each committee focused on a particular area of interest. The sub-committees are structured as follows:



Each sub-committee has a detailed framework (Terms of Reference) for the operation of the committee and the extent of its remit. All committee terms of reference are reviewed and agreed on an annual basis by the board of directors. In addition to the terms of reference, the board of directors have a detailed scheme of delegation and financial authority which provides the Chief Executive Officer (Accounting Officer) and senior management of the trust with delegated powers to ensure the day to day operations of the Trust are carried out in an effective and efficient manner.

The LEAF Academy Trust also operates Local Governing Bodies (LGB) who report to the LEAF board of directors. The governance structure of each academy and LGB is determined by its specific scheme of delegation.

Governance at academy level is structured as follows:



Academies within the Trust are further supported by the executive and senior management teams who provide academy improvement and shared services respectively.

Connected Organisations Including Related Party Relationships

On the 1st April 2014, the LEAF Academy Trust became the sponsor of Rothwell C of E Primary Academy, formerly a voluntary controlled Church of England school. The operations and net assets of Rothwell C of E Primary Academy were transferred as a going concern to the LEAF Academy Trust. No consideration was provided for the transfer. The LEAF Academy Trust as sponsor provides strategic and shared support services.

During the year, the LEAF Academy Trust has actively worked with the following organisations in furtherance of its charitable purpose by way of consultancy services:

- Navigate Academies Trust
- Parklands Primary School
- Grimes Dyke Primary School
- St Vincent's Leeds (Charity No 1053992)

During the year LEAF Academy Trust charged Navigate Academies Trust:

- £8,694.54 (2013: £Nil) for educational related consultancy.

During the year the LEAF Academy Trust made the following payment to The One Company:

- £14,400 (2013: £14,400) for Marketing, Communication and PR Consultancy.

On the 1 October 2014 a director of The One Company became a board member of Let's Overcome Adversity, a corporate member of the LEAF Academy Trust. The above commercial agreement was terminated with The One Company on the 1st October 2014.

OBJECTIVES AND ACTIVITIES

Mission and Ethos

The LEAF Academy Trust seeks to provide a unique and structured educational environment for our students, which develops each student's capabilities, competences and skills. We promote the academic, moral, social and physical development of our pupils through our innovative academic and vocational curriculum, pastoral care, sporting and other enrichment activities. We provide the opportunity for each student to fulfil their potential, building their self-confidence and contribution to the wider community.

The LEAF Academy Trust is committed to safeguarding and promoting the welfare of its students and expects all staff, volunteers and other stakeholders to share this commitment; we strive to build on this and improve the systems providing support to our students and families.

In keeping with the mission embodied therein, the ethos of the LEAF Academy Trust is demonstrated in its daily life through the LEAF values: Love, Enterprise, Aspiration and Faith:

- ensuring that each student receives the highest possible quality of education suited to their individual needs and aptitudes;
- appreciating the uniqueness of every person and working to build self-esteem;
- valuing all faiths and actively celebrating diversity;
- focusing on excellence and challenging everyone to achieve their best;
- nurturing supportive and productive relationships based on mutual respect and trust;
- valuing and fostering creativity, imagination, responsibility and a love of learning.

The LEAF Academy Trust is committed to ensuring that equal opportunities are an integral part of our day to day operations; we aim to establish equal opportunity in all areas including creating a working environment in which the contribution and needs of all people are fully understood and valued.

Objectives, Strategies and Activities

The LEAF Academy Trust's key objectives are:

- to raise the standard of educational achievement of all its students;
- to improve effectiveness by keeping the curriculum and organisational structure under continual review;
- to ensure that every child attending enjoys the same high quality education in terms of resourcing, tuition and care, irrespective of geographic location;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements.

These objectives are achieved by providing both academic and vocational education of the highest possible quality by focusing upon the individual needs of learners.

Public Benefit

In setting the LEAF Academy Trust's objectives and planning its activities, the directors have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

Serving the Local Community and Society

The LEAF Academy Trust plays a significant part in the local and wider community and where possible in support of our charitable objectives we seek to develop strong partnerships with new and existing organisations to benefit the local community.

The LEAF Academy Trust continues to support its strategic partnership with St Vincent's, as a part of the Trust's Corporate Social Responsibility (CSR) policy. St Vincent's is a city wide voluntary organisation

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based in the heart of East Leeds; its aim is to improve the quality of life for those deprived of income, employment, education, social networks, neighbourhood and community support. The partnership represented a unique opportunity for the LEAF Academy Trust to work and support another charity with a similar charitable objective.

The LEAF Academy Trust's involvement with St Vincent's during the year has focused on supporting the charity to develop its strategic and financial capacity.

The Moyes Centre continues to play a critical role in the development of community focused service delivery programmes. The LEAF Academy Trust and its partners strongly believe good progress has been made to increase social responsibility, cohesion and healthy living within the community; however, the impact is very modest when compared to the significant obstacles faced by many in the community.

Our partners in delivering this change are:

- Seacroft/Manston Children and Young People's Partnership
- West Yorkshire Police, Seacroft and Killingbeck Neighbourhood Policing Team
- Ministry of Defence, Reserve Forces and Cadets Association
- Leeds City Council
- Leeds Metropolitan University

During the year, a number of work streams have been supported by the Moyes Centre and our partner organisations:

- A partnership with Canal Connections to develop a waterway based alternative learning provision for primary, secondary and family learning. This project has been further expanded to include Thwaite Mills and Armley Mills museums in providing an alternative learning environment.
- Provision of a summer school to support transition of vulnerable and deprived young people into secondary education.
- Development of the "Students into School" project, providing work experience for first year social work students. This project has been very well received and has now been expanded to incorporate the following FE providers:
 - University of Leeds
 - Leeds Beckett University
 - University of Bradford
 - Trinity and All Saints University
 - College of Bradford

In addition to the community focused services developed by the LEAF Academy Trust and its partners, local clubs and groups continue to make use of the facilities provided by the LEAF Academy Trust

STRATEGIC REPORT

Achievements and Performances

The academic results for the LEAF Academy Trust for the year ended 31 August 2014 are summarised as follows:

Key Performance Indicators – Primary Academies

Key Stage 1	Level 2+ Reading %		Level 2+ Writing %		Level 2+ Mathematics %	
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
Manston St James Academy	86	93	88	93	90	93
Rothwell C of E Academy	76.9	96.6	80.8	96.4	88.5	96.6

Key Stage 2	Level 4+ Reading %		Level 4+ Writing %		Level 4+ Mathematics %	
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
Manston St James Academy	88	88	84	84.6	86	86.3
Rothwell C of E Academy	74.1	73.7	77.8	78.9	81.5	78.9

Key Stage 2	Level 4 + Reading, Writing & Mathematics %	
	2012/2013	2013/2014
Manston St James Academy	73	78
Rothwell C of E Academy	63	63.2

Early Years Foundation Stage	Good Level of Development %	
	2012/2013	2013/2014
Manston St James Academy	54	70
Rothwell C of E Academy	57	62

	Attendance %		Authorised Absence %		Unauthorised Absence %	
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
Manston St James Academy	95.6	96.5	3.17	2.49	1.23	1.01
Rothwell C of E Academy	94.8	96.4	4.4	2.5	.80	1.10

Manston St James Primary Academy continues to show strong signs of improving academic performance at Key Stages 1 and 2 and outstanding performance at the Early Years Foundation stage. When compared to the national floor targets and benchmarks, Manston St James continues to demonstrate an upwards trend. Attendance statistics also demonstrate signs of continuing improvement.

The LEAF Academy Trust became the sponsor of Rothwell C of E Primary on the 1 April 2014 therefore the Trust has had little opportunity to influence the performance figures for the academic year 2013/2014. There are positive trends within the data above, however a detailed needs analysis has been undertaken and a strategy developed to improve performance and results. The figures presented within this report will become the base line comparison for improving results in 2014/2015.

Key Performance Indicators – David Young Community Academy

GCSE's	Student Analysis	2011/2012 %	2012/2013 %	2013/2014 %
5+ A*-C Inc.Eng and Maths	All	50	47.6	39.0
	Non-PP	57	52.1	48.1
	PP	36.7	39.7	30.9

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GCSE's	Student Analysis	2011/2012	2012/2013	2013/2014
5+ A*-C	All	94.3	93.5	38.5
	Non-PP	97.4	98.3	48.1
	PP	88.3	85.3	30.9
5+ A*-G	All	97.1	96.8	88.5
	Non-PP	98.2	99.1	93.5
	PP	95	92.6	84.5
1+A*-G	All	100	98.9	97.7
	Non-PP	100	99.1	98.7
	PP	100	98.5	96.9
A*-C in English	All	56.9	60.4	67.2
	Non-PP	63.2	67.2	76.6
	PP	45	48.5	59.8
A*-C in Mathematics	All	55.2	54.1	61.4
	Non-PP	62.3	58.6	64.9
	PP	41.7	46.3	58.5
3+ Levels of Progress English	All	57.1	60.9	76.0
	Non-PP	58.1	68.1	84.2
	PP	55.4	48.5	68.8
3+ Levels of Progress Mathematics	All	47.8	51.1	59
	Non-PP	52.9	56.9	62.5
	PP	38.6	41.2	54.4
4+ Levels of Progress English	All	7.2	21	39.3
	Non-PP	4.7	25.2	48
	PP	11.7	13.6	32.3
4+ Levels of Progress Mathematics	All	6.8	15.4	20.1
	Non-PP	7.7	15.7	27.8
	PP	5.3	14.9	13.8

David Young Community Academy's headline figure of 5+ A-C Inc. English and Mathematics has seen a reduction of 8.6% from 2012/2013 to 2013/2014. The Academy, during the two year period ending 31 August 2014, adjusted its curriculum offer to move towards a more academically focused provision to better reflect the needs of employers and universities. The move towards a more academic curriculum has presented a significant challenge; of which the effects have been witnessed in this year's results.

However, indications from the data table above demonstrate that students within core subjects of English and Mathematics responded well to the change and achieved an overall increase in their performance.

Analysing the results further, we can see the positive impact of the Pupil Premium programme which has yielded very positive outcomes with pupil premium students outperforming their classmates to achieve a higher percentage of students achieving A*-C grades and in regards to 3 levels of progress when compared to the prior year.

The LEAF Academy Trust has worked hard to ensure intervention programmes were implemented at an early stage, providing students with sufficient assistance and support during their studies leading up to and including assessment periods. The impact of intervention programmes and personalised learning has contributed to improved academic performance.

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	2011/2012	2012/13	2013/2014
Average UCAS points per student	312	239	292

Post 16 performance saw a drop in 2012/13 as a result of the Academy's move to an International Baccalaureate curriculum offer; this move presented a significant challenge to the students and staff of the Academy. Development of the IB offer and further investment within the teaching faculty has resulted in a significant improvement in results for 2013/2014.

	Attendance %		Authorised Absence %		Unauthorised Absence %	
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
David Young Community Academy	90.94	92.42	4.93	3.56	4.13	4.02

Attendance levels have always represented a challenge for the Academy; however, a revised attendance strategy and dedicated resourcing have yielded impressive results with increased attendance levels throughout the year and a reduction in authorised and unauthorised level of absence. Attendance will continue to be a key area of focus.

Going Concern

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

Financial Objectives

The LEAF Academy Trust's financial objectives were:

- to achieve an annual operating surplus;
- to generate a sufficient level of reserves to support the asset base of the Academy Trust;
- to procure alternative sources of funding specific to the needs of each academy;
- to provide a sustainable investment into capital infrastructure;
- to maximise short term investment returns;
- to maximise the risk and return relation on long term investment assets.

These objectives were achieved in the year ending 31 August 2014.

FINANCIAL REVIEW

The LEAF Academy Trust's income is derived in the main from the Department for Education (DFE) via the Education Funding Agency (EFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the EFA and other sources during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The charity also receives an element of funding for the acquisition and replacement of fixed assets from the EFA. In accordance with the charities statement of recommended practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Incoming resources during the year ended 31 August 2014 totalled £9.963 million (2013: £9.778m) and was insufficient to cover outgoing resources and provided a deficit of £0.132 million (2013: £0.385m surplus) before transfers and other recognised gains and losses. During the year £0.389m (2013: £0.224m) was transferred from the restricted fund and £0.012m (2013: £0.010m) from unrestricted funds to the restricted fixed assets fund for the acquisition of additional fixed assets necessary for curriculum delivery and the continuing operations of the LEAF Academy Trust.

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The financial year ended 31 August 2014 provided for a £0.471m (2013: £0.070m) actuarial gain on the LEAF Academy Trust's local government defined benefit pension scheme and a gain of £0.084m (2013: £0.115m) on the revaluation of fixed asset investments. Rothwell C of E Primary Academy upon becoming a sponsored academy brought forward an initial pension liability of £0.095m (2013: £nil).

The net book value of tangible fixed assets was £21,684m (2013: £21.722m); movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were exclusively for providing educational and associated support services to pupils and the community.

During the year ended 31 August 2014 the Trust continued to allow all new staff the opportunity to join one of three pension schemes: Teachers Pensions (TPS), Church of England Pension Scheme and the West Yorkshire Pension Fund (LGPS), all three pension funds are defined benefit schemes. However, due to the nature of the Teachers Pensions Scheme and that of the Church of England Pension Fund it is not possible to account for the actual assets and liabilities of these schemes which can be directly apportioned to the LEAF Academy Trust. However, a more detailed explanation of each pension scheme can be found in notes 23 & 24 respectively.

In comparison, it is possible to account for the assets and liabilities of the Local Government Pension Scheme (LGPS) as shown in the statement of financial activities and note 28. The LGPS currently provides for a deficit balance of £1.152m (2013: £1.383m deficit).

Fixed Asset Investments

Fixed asset investments as at 31 August 2014 had a market value of £1.281m (2013: £1.178m) the portfolio provided a capital return of 6.04% (2013: 8.63%) and an income yield of 3.14% (2013: 3.58%) for the year ended 31 August 2014. The total portfolio return was 9.18% (2013: 12.21%).

Financial Position

The Trust held fund balances at 31 August 2014 of £23.506m (2013: £23.083m) comprising £22.980m (2013: £22.751m) of restricted fixed assets, £0.010m deficit (2013: £0.085m deficit) of restricted funds and £0.536m (2013: £0.417) of unrestricted funds.

Investment Policy

The Trust having considered the options available has adopted a combined investment policy to maximise financial returns on funds and reserves held. Investments are held in two distinct categories; terms deposit accounts with high street financial institutions and investment portfolio details of which are set out in note 17. The investment objective of the portfolio is to achieve a combined long term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment.

The investment fund generated a return of 9.18% for the year ended 31 August 2014, when compared to the industry benchmark (FTSE WMA Balanced Portfolio) of 10.26%. As the return achieved is below the industry benchmark for the 12 month period, directors will be seeking to review the performance of the portfolio and its specific asset allocation strategy with the Investment Managers.

Reserves

The LEAF Academy Trust has established a reserves policy to protect the organisation and its charitable activities by providing a financial comfort zone against an unpredictable future. This restricts the impact of any risk (internal or external) upon continuing operations. The principal risk with reference to continuing operations and the need for surpluses relate to the maintenance and replacement of the charities substantial asset base and any possible delay in the receipt of grant funds. The reserves policy also provides the framework for future strategic planning and will assist decision making.

Free Reserves

The target range for free reserves has been established at between 50% and 80% of incoming free resources, providing sufficient working capital to cover delays between spending and receipt of funds and to provide a cushion to deal with unexpected emergencies. During the year ended 31 August 2014 the academy trust achieved a reserves level of 166% (2013: 113%), significantly in excess of the target range. Free reserves are

used to support a number of Academy development projects, the scale of project support has been minimal during the year ended 31 August 2014, plans are being developed for the financial period 2014/2015 to allocate more funds to support projects.

Restricted Reserves (Non Capital)

The target range for restricted reserves has been established at between 3% and 10% of incoming resources excluding restricted fixed asset funding, providing sufficient working capital to cover delays between spending and receipt of funds and to provide a cushion to deal with unexpected emergencies. During the year ended 31 August 2014 the Academy Trust held a small deficit of 0.011% (2013: 1.41% deficit). The impact of a continued capital investment programme and the inclusion of a further pension deficit from Rothwell C of E Primary Academy were partly offset by the actuarial gain on the other local government pension funds during the year ended 31 August 2014

Details of the restricted funds held by the Academy Trust are set out in notes 20 and 21 of the attached financial statements.

Pension Reserve

The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust is confident that it can meet the required pension contributions from projected future income without significantly impacting its planned level of activities. The risks surrounding the LEAF Academy Trust's pension liability have been taken into consideration when preparing the annual budgets therefore we continue to calculate our reserves without setting aside a designated reserve to cover the pension liability.

PRINCIPAL RISK AND UNCERTAINTIES

In the present economic climate there are a significant number of uncertainties many of which are very subjective in nature and difficult to quantify with any reasonable assurance. The following key areas were identified during the annual risk review:

Sustainable Public Funding

The LEAF Academy Trust has considerable reliance on continued government funding through the EFA. The Academy Trust's publicly funded revenue income accounts for 92% (2013: 95%) of its total revenue income and this level of reliance is expected to continue if not increase.

There is little reassurance that government policy and funding levels will continue at existing levels or on a consistent basis of allocation.

The public funding risk is being managed in the following ways:

- The LEAF Academy Trust seeks to be the education provider of choice for the local and wider community by delivering high quality and student centred educational and training opportunities
- To develop new and varied income streams to supplement fluctuations in public funding
- To ensure all current DfE/EFA funding opportunities are maximised

Fixed Asset Estate Risk

As the LEAF Academy Trust has continued to grow it has acquired a number of fixed assets (School buildings) which represent a material risk in regard to:

- Age of Buildings
- Conditions
- Presence of toxic materials (Asbestos)
- Remaining useful life
- Maintenance and renewal costs

The estate risk is being managed in the following ways:

- Initiation of independent condition surveys of property and equipment.
- Development and implementation of effective preventative maintenance programmes
- Funding application to the CIF (Condition Improvement Fund) formerly ACMF (Academies Capital Maintenance Fund)

Investment Portfolio Risk

The LEAF Academy Trust maintains an investment portfolio to help mitigate the risks and costs associated with its capital programme. The portfolio is has been structured to accommodate a moderate appetite towards risk and to achieve a competitive rate of return. The directors believe the portfolio's performance over the medium to long term will yield greater returns relative to the systematic risk inherent within the asset allocation, when compared to simple cash deposit and the associated risk of time value of money (inflation).

The risks associated with the investment portfolio are carefully managed through a number of strategies:

- Appointment of a qualified and regulated Investment Management Team
The Investment fund is actively managed by Investec Wealth Management who have a significant number of controls and processes which review the risk and return associated with the investment fund as a whole and with individual transactions. Independent peer reviews are undertaken to monitor the position and risk of portfolio.
- Market Risk
This is defined as the risk of losses arising from movement in the underlying market. Therefore, every portfolio will be exposed to market risk. Exposure to specific or unsystematic risk is mitigated largely from diversification and assessment of correlation between securities and each asset class. The level of market risk is commensurate with the level of risk your portfolio needs to take to achieve the desired return. The Trust Investment Portfolio is defined as a balanced risk product.
- Credit Risk
The fixed income portion of the portfolio is assessed on a regular basis for suitable levels of credit risk. A full analysis of the ability to sustain the level of debt incurred by a corporation and whether they are "money good" with regard to the future obligations is undertaken prior to any investment decision. In addition to which all individual bond exposures will be either investment grade or although unrated for specific reasons (e.g. retail bonds), will demonstrated the characteristics if an investment grade bond.
- Liquidity and Cash Flow Risk
The liquidity needs are always considered prior to any investment decision and a significant proportion of investments are made in the most liquid parts of the market. Due to the volatility of recent times and the cash flow needs of the trust, the portfolio contains "insurance" assets and alpha generative assets. (assets which add to returns without adding any additional risk as measured by volatility). Insurance assets such as gilt and cash provide a buffer of security in times of financial stress with the market.

The LEAF Academy Trust has been proactive in identifying and managing these risks and uncertainties to mitigate their impact as a part of its risk management processes.

PLANS FOR FUTURE PERIODS

Our school community thrives on the LEAF values of LOVE, ENTERPRISE, ASPIRATION and FAITH.

The LEAF values run through all that we do and the way that we work, and behave every day. Transforming lives in Leeds is an inspiring goal. It is a goal based on the aim of ensuring that every young person has access to the best possible standards of education. We believe that much of our work is about individuals and about character; we help each individual student to achieve the best possible results for themselves. Students experience a wide variety of activities and are introduced to new influences and initiatives that give them the opportunity to explore and to shine as individuals.

We are proud of the team that we have built at the LEAF Academy Trust. Our team work hard and show commitment to supporting and encouraging all of our students. Working towards our shared goals means that we believe it important to work closely with our local community and to share in supporting young people in and out of school.

The LEAF Academy Trust has ambitions to support even more young people and communities by bringing other schools into the LEAF family and by establishing new academies. In order to support this strategy our academies will continue to demonstrate positive gains in levels of progress within all phases and subject areas while seeking to minimize the attainment gap through effective and efficient use of additional funding such as the Pupil Premium and Year 7 Intervention programs.

The Trust also hopes to establish a curriculum flexibility to reflect the changes in assessment and accountability measures which face the education sector in the forthcoming years. In developing this flexibility the Trust will look to support and resource improvements in the quality of teaching across all its academies by using best practice, collaborative working and initiate use of technology and resources.

The Trust during the year ended 31 August 2014 initiated a pilot programme to provide alternative provision in East Leeds, as a precursor to establishing a 100 place Alternative Provision Free School. The initial pilot project has been funded through David Young Community Academy's share of East Leeds Alternative Intervention Programme (AIP) fund.

The Trust believe the Free School will fill a gap in the quality and availability of alternative provision in Leeds and deliver engagement in education, within and across Key Stages 2 and 3 through project based learning built upon the individual interests, passions and talents. Our innovative approach to curriculum and pedagogy is informed by national and international experience with students who have failed to engage effectively with mainstream education.

CHAIR'S ANNUAL STATEMENT

The LEAF Academy Trust has continued to build links with other educational institutions in order to enrich our work. This year saw the launch of the LEAF Leadership Training Programme with Ampleforth College, The Grammar School at Leeds, and Parklands Primary School. Colleagues from LEAF academies and from these partner schools worked together exploring key themes through research in all the schools, reading and discussion. The heads and principals of all the schools gave generously of their time in providing evening seminars. The programme was very successful and continues into next year.

Working relationships have also been developed with local and national charities. The Trust works with the St Vincent's Centre in Leeds who do much to support the local community. The LEAF Academy Trust has provided them with expert help in finance and IT to enhance the quality of their work with the community. Our secondary academy – DYCA – has benefited from a new national charity – The National Youth Arts Trust with one of the students being mentored by Arlene Philips and receiving classical ballet lessons paid for by NYAT.

The LEAF Academy Trust took the decision during the year to become a founding member of Leeds Citizens.

The Trust contributed to the Breakthrough Britain Report from the CSJ, the development of an overarching Baccalaureate qualification to be trialled in a dozen schools known as the Headteachers Roundtable Baccalaureate, and many discussions with the National College for Teaching and Leadership.

LEAF academies held their first whole Trust staff conference in October 2013 which was very successful and it is intended that this is repeated annually.

An approach was made in 2014 from another multi-academy trust for some support for one of their primary academies which we were happy to provide in the form of Executive Principalship from Manston St James Primary Academy. This was a highly successful piece of outreach work which also gave the opportunity for our own staff to develop.

In April 2014, Rothwell Church of England primary school joined the LEAF Academy Trust as a sponsored academy and Darren Foulke was appointed as Principal. He was joined by Helen Owen in September as Vice Principal in addition to three new teachers. We took the decision to ask two members of the IEB to continue to serve with three LEAF Directors as an Interim Governing Body while the academy is still in "intensive care".

The academic year ended with record SATs results from Manston St James Primary Academy in all areas and with the best ever English and Maths results from David Young Community Academy. Science results at DYCA were disappointing as were the SATS results from Rothwell C of E Primary Academy (although these were not unexpected) but we are confident about the improvement plans in place.

The LEAF Academy Trust intends to submit a Free School application to open an alternative provision school to serve the East Leeds area in the autumn of 2014 and plans are also in hand to apply to become a SCITT (schools based teacher training partnership); The LEAF Academy Trust is poised to grow slowly and successfully over the next 5 years.



**Prof Sue Proctor
Chair of LEAF Academy Trust**

**LEAF ACADEMY TRUST
DIRECTORS' ANNUAL REPORT**

AUDITOR

Insofar as the directors are aware:

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

In accordance with section 487 of the Companies Act 2006, Jolliffe Cork LLP will be deemed to be reappointed as auditors at the Annual General Meeting.

Directors' report, incorporating a strategic report, approved by order of the board of directors, on 10 December 2014 and signed on its behalf by:



**Prof Sue Proctor
Chair**

LEAF ACADEMY TRUST GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors we acknowledge we have overall responsibility for ensuring that LEAF 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 directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 LEAF Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors' responsibilities. The board of directors has formally met 5 times during the year; attendance during the year at meetings of the board of directors was as follows:

<u>Directors</u>		<u>Meetings attended</u>	<u>Out of a possible</u>
Mr M Edwards#	(Resigned 23/09/2014)	5	5
Ms K Fields#		2	5
Mr M Gibbons	(Appointed 10/09/2013)	2	4
Mr P J Gruen	(Resigned 05/09/2014)	4	5
Venerable P Hooper#*		1	5
Mrs V James		2	5
Ms R C McMullen#		5	5
Mr H Moyes – Vice Chair	(Resigned 10/09/2014)	4	5
Mr C Neal	(Resigned 04/09/2013)	0	0
Mrs K Osborne	(Appointed 15/10/2014)	0	0
Revd M Peat	(Appointed 18/06/2014)	1	1
Dr Sue Proctor – Chair#		4	5
Ms M Tailby#*		5	5

Members of the Business and Finance Committee are denoted by #.

Members of the Audit and Assurance Committee are denoted by*.

As the Trust continues to grow; the need to develop more strategic capacity at Trust level has become more essential. This need was reflected in the self-evaluation undertaken by the Trust during September 2014 which highlighted the need for the Trust to delegate more operational responsibilities to Local Governing Bodies and to develop a much more strategically focused approach. Therefore, the Trust has begun to restructure the composition of its board of directors to facilitate a free flowing and proactive approach to its responsibilities. The Trust hopes to complete its restructure by the end of the financial year 2015.

The Business and Finance committee is a sub-committee of the board of directors. Its purpose is to ensure all assets and resources of the LEAF Academy Trust are properly safeguarded, managed and used and that funds are spent effectively and efficiently in the course of its activities. Particular focus during the year was placed upon the development of Trust budgets for the financial year commencing September 2014, material cost savings were required to deliver a balanced budget. Attendance at meetings in the year was as follows:

<u>Directors</u>		<u>Meetings attended</u>	<u>Out of a possible</u>
Dr Sue Proctor (Chair)		4	4
Ms M Tailby (Vice Chair)		4	4
Venerable P Hooper		1	4
Ms R C McMullen		4	4
Mr M Edwards		3	4
Ms K Fields		0	4

LEAF ACADEMY TRUST GOVERNANCE STATEMENT

The Audit and Assurance committee is a sub-committee of the board of directors. Its purpose is to help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds. Its purpose is also to review the effectiveness of the LEAF Academy Trust's internal control system to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally sensitive manner. The committee also focused its attentions upon developing an internal audit framework however this process was delayed due to the limited availability of resources. The committee will reengage this project during the financial year commencing September 2014. At present this committee has a vacancy.

<u>Directors</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Venerable P Hooper	1	1
Ms M Tailby	1	1

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust'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 in the LEAF Academy Trust for the year ended 31st August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of directors has reviewed the key risks to which the LEAF Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors 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 period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 directors;
- regular reviews by the business and finance 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;
- identification and management of risks.

The board of directors have considered the need for a specific internal audit function and have decided to implement an internal audit process. Directors identified the need to conduct a formal tender for this function during the year ended 31 August 2014. The auditors' role would include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the auditor will be expected to report to the Audit and Assurance committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

LEAF ACADEMY TRUST
GOVERNANCE STATEMENT

Unfortunately, due to the limited availability of resources a tender was unable to be conducted to appoint an internal auditor during the year ended 31 August 2014. However, directors have confidence in the financial governance arrangements and systems of controls and believe there is minimal risk of control weaknesses; the process to appoint an internal auditor will be reengaged after the annual report and consolidated financial statements have been approved.

**LEAF ACADEMY TRUST
GOVERNANCE STATEMENT**

REVIEW OF EFFECTIVENESS

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

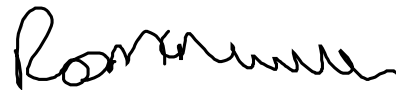
- the work of the external auditor;
- the financial management and governance self -assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance committee and the Audit and Assurance 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 directors on 10 December 2014 and signed on its behalf by:



Prof Sue Proctor
Chair



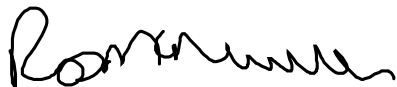
Ms Rosanne McMullen
Accounting Officer

LEAF ACADEMY TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the LEAF Academy Trust I have considered my responsibility to notify the Academy Trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As a part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I can confirm that I and the Academy Trust board of directors 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.

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



Ms Rosanne McMullen
Accounting Officer

10 December 2014

LEAF ACADEMY TRUST
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

Approved by order of the members of the board of directors on 10 December 2014 and signed on its behalf by:



Prof Sue Proctor
Chair

**LEAF ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF
DIRECTORS OF LEAF ACADEMY TRUST**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF LEAF ACADEMY TRUST

We have audited the financial statements of LEAF Academy Trust for the year ended 31 August 2014, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 22, the directors (who act as trustees for the charitable activities of the company and who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Annual Report (which incorporates the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2014, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Annual Report (which incorporates the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

**LEAF ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF
DIRECTORS OF LEAF ACADEMY TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

**Claire Lawton FCA (Senior Statutory Auditor)
for and on behalf of Jolliffe Cork LLP
Chartered Accountants and Statutory Auditor
33 George Street
Wakefield
WF1 1LX**

10 December 2014

**LEAF ACADEMY TRUST
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE BOARD OF DIRECTORS OF LEAF ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 11 July 2013 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out a review to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the period 1 September 2013 to 31 August 2014 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 the LEAF Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the LEAF Academy Trust and the EFA 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 the LEAF Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LEAF ACADEMY TRUST'S ACCOUNTING OFFICER AND
THE REPORTING AUDITOR**

The accounting officer is responsible, under the requirements of LEAF Academy Trust's funding agreements with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transaction 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 2013 to 2014.

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 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. 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.

**LEAF ACADEMY TRUST
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE BOARD OF DIRECTORS OF LEAF ACADEMY TRUST AND THE EDUCATION FUNDING
AGENCY**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Jolliffe Cork LLP
Chartered Accountants and Statutory Auditor
33 George Street
Wakefield
WF1 1LX**

10 December 2014

LEAF ACADEMY TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including the Income and Expenditure account and Statement of Total Recognised Gains and Losses)
Year ended 31 August 2014

	Notes	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Incoming resources from generated funds:						
Voluntary income	2	-	-	32	32	38
Transfer on conversion	2/32	470	(79)	2	393	981
Investment income	3	37	36	-	73	40
Incoming resources from charitable activities:						
Funding for the Academy Trust's educational operations	4	165	9,012	-	9,177	8,398
Other income	5	-	-	288	288	321
Trading income		-	-	-	-	-
Total incoming resources		672	8,969	322	9,963	9,778
Resources expended						
Cost of generating funds:						
Investment management costs		18	-	-	18	22
Charitable activities:						
Academy Trust educational operations	6	792	5,971	42	6,805	6,377
Support costs	6	118	2,973	149	3,240	2,963
Past pension service costs		-	-	-	-	-
Governance	7	-	32	-	32	31
Other costs:						
Trading cost of sales		-	-	-	-	-
Other trading		-	-	-	-	-
Total resources expended	10	928	8,976	191	10,095	9,393
Net incoming/(outgoing) resources before transfers						
		(256)	(7)	131	(132)	385
Transfers between funds		401	(389)	(12)	-	-
Net incoming/(outgoing) resources before other recognised gains/losses						
		145	(396)	119	(132)	385
Inherited liability on pension scheme		-	-	-	-	(157)
Actuarial gain/(loss) on defined benefit pension scheme	31	-	471	-	471	70
Revaluation gain/(loss) on fixed asset investment	17	84	-	-	84	115
Net movement in funds		229	75	119	423	413
Funds brought forward at 1 September 2013						
		22,751	(85)	417	23,083	22,670
Funds carried forward at 31 August 2014						
		22,980	(10)	536	23,506	23,083

The Academy Trust's activities are derived from continuing operations and acquisitions during the above two financial periods.

LEAF ACADEMY TRUST
CONSOLIDATED BALANCE SHEET
Year ended 31 August 2014

	Notes	Total Funds 2014 £'000	Total Funds 2013 £'000
Fixed assets			
Tangible assets	16	21,684	21,722
Investment assets	17	1,281	1,178
Current assets			
Stock		-	-
Debtors	18	515	291
VAT: Amounts due from HMRC		85	81
Cash at bank and in hand		2,172	1,851
		<u>2,772</u>	<u>2,223</u>
Creditors: Amounts falling due with one year	19	(1,079)	(657)
Net current assets		<u>1,693</u>	<u>1,566</u>
Total assets less current liabilities		24,658	24,466
Pension scheme liability	26	(1,152)	(1,383)
Net Assets		<u>23,506</u>	<u>23,083</u>
Funds of Charity			
Restricted reserve excluding pension liability		24,122	24,049
Pension Reserve		(1,152)	(1,383)
Restricted Reserve including pension liability	20/21	22,970	22,666
Unrestricted		536	417
TOTAL Charity Funds		<u>23,506</u>	<u>23,083</u>

These financial statements were authorised for issue and approved by the Directors on 10 December 2014 and signed on their behalf by:



Prof S Proctor
Chair

LEAF ACADEMY TRUST
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 August 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operation activities (see note below)		651	56
Returns on investments and servicing of finance			
Dividend & interest received	3	73	40
Capital expenditure			
Payments to acquire tangible fixed assets	16	(402)	(235)
Payments to acquire fixed investment assets		(19)	(4)
Acquisitions and disposals			
Cash transferred on conversion	29	18	97
		<u>321</u>	<u>(46)</u>

Notes to the Cash Flow Statement

Reconciliation of excess of income over expenditure to net cash inflow from operating activities:

		2014 £'000	2013 £'000
Net incoming/(outgoing) resources before transfers		(132)	385
Voluntary income - Transferred on Academy conversion	29	(393)	(981)
Depreciation	16	910	900
Interest and dividend received	3	(73)	(40)
Decrease in stock		-	3
(Increase)/decrease in VAT due from HMRC		(4)	(31)
(Increase)/decrease in debtors	18	(224)	(145)
Increase/(decrease) in creditors	19	422	(171)
FRS17 - Difference between pension charge and cash contributions	26	164	138
FRS17 - Finance income	27	(19)	(2)
Fixed asset disposal		-	-
Net cash inflow from operating services		<u>651</u>	<u>56</u>

Analysis of changes in cash

	Cash flows		
	2013 £'000	2014 £'000	2014 £'000
Net cash:			
Cash in hand and at the bank	1,851	321	2,172
	<u>1,851</u>	<u>321</u>	<u>2,172</u>

All cash flows are derived from continuing operations and acquisitions during the above two financial periods.

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Group Financial Statements

These financial statements consolidate on a line-by-line basis the results of the Academy Trust and its wholly owned subsidiary, DYCA Trading Limited. A separate statement of financial activities (incorporating an income and expenditure account) for the Company itself is not presented because the Company has taken advantage of the exemptions afforded by section 230 of the Companies Act 2006 and paragraph 397 of SORP 2005. The Academy Trust's deficit income over expenditure for the year was £132,000.

Going concern

The financial position of LEAF Academy Trust, its cash flows, liquidity and reserves positions are described in the Financial Review on pages 10. In addition, the Directors' Annual Report includes the Academy's objectives, policies and processes for managing risk, its financial resources and the control procedures which exist.

The LEAF Academy Trust has considerable financial resources at its disposal and has relative certainty regarding the future funding of secondary education in the UK. As a consequence, the Directors believe that the Academy Trust is well placed to manage its operational and environmental risks successfully despite the uncertain macro-economic outlook.

The Directors have a reasonable expectation that the Academy Trust has adequate resources to continue its operational existence for the foreseeable future. Therefore, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

LEAF ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2014

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Assets and liabilities on conversion to an Academy Trust

The conversion of Rothwell C of E Primary from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Rothwell Church of England Primary School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for LEAF Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income and transfers from the Local Authority 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 notes 2, 16 and 29.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable Activities

These are costs incurred on the Academy Trust's educational operations.

LEAF ACADEMY TRUST
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Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements including audit, strategic management, governors meetings, and reimbursed expenses.

Tangible Fixed Assets

Assets costing £500.00 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. 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

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold buildings	2% straight line
Donated leasehold buildings	straight line on the remaining useful life as measured at the Depreciated Replacement Cost (DRC) valuation
Fixtures and fittings	10% straight line
ICT and specialist equipment	25% straight line
Motor vehicles	25% straight line

Depreciation is not charged on land.

Leased Assets

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

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 with 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.

Investments

Wholly Owned Subsidiary

The Academy Trust's shareholding in the wholly owned subsidiary, DYCA Trading Limited, is included in the balance sheet at the cost of the share capital owned (£1.00). There is no readily available market value and the cost of valuation exceeds the benefit derived.

LEAF ACADEMY TRUST
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Fixed Asset Investments

Policy Statement

This policy governs the investment strategy of the LEAF Academy Trust and all establishments that constitute the Academy Trust. The management of charitable funds and investments will comply with the requirements of the:

- Charities Act 2011;
- Trustee Act 2000;
- Financial Services and Markets Act (FSMA) 2000; and the
- Charity Commission.

The charitable funds of the Academy Trust are derived from direct government and local authority grants and these funds are defined as restricted. Additional charitable funds are generated through the operational nature of the charity's work, such as providing education, training and development; these funds are defined as unrestricted.

The trustee of these funds is the Academy Trust, which is managed by its Board of Directors and Local Governing Bodies. Therefore, there is a sole corporate body/trustee with responsibility for managing and administering the assets of the charitable funds and investments.

Policy Scope

This policy applies to all directors, governors, and employees of the Academy Trust; a breach of the investment policy and procedure may result in disciplinary action.

Responsibilities of the Business and Finance Committee

The Business and Finance Committee of the Academy Trust is assisted by local governing body subcommittees (where delegated authority has been provided) and is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for ensuring that fund managers and their staff are aware of the investment policy and for ensuring that the policy is followed for all investments held. The Chief Financial Officer is also authorised to withdraw and deposit funds from and into liquid investments (Cash Deposits) to meet immediate working capital requirements, subject to the existing authorisation protocols.

Aims and Objectives

The investment objectives of the Academy Trust are to:

- Achieve a long-term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment that could impact the ability of the fund to meet future long-term financial commitments;
- Provide an income to the Academy Trust to help maintain its operational effectiveness in the short term.

However, a total return approach will take precedent, allowing the Academy Trust to focus on investments providing optimal performance in terms of overall return rather than investments which would provide the right balance of capital and income return. The protection of present and future beneficiaries will be a key responsibility of the Academy Trust.

Investment & Counterparty Risk

The Academy Trust acknowledges that, in order to achieve an optimal rate of return, investments will be subject to a level of risk (Risk Return Relationship). The Academy Trust will seek to adopt a prudent appetite towards risk by:

- Investing in markets where financial services are closely regulated and compensation schemes are in place;
- Adopting a suitably diversified portfolio and utilising hedged products to limit the impact of systematic and unsystematic risk;
- Avoiding speculative forms of investment;
- Investing in common investment and/or unitised funds.

Professional investment advice will be sought about the most suitable investments for the Academy Trust and investments will be placed with suitably qualified investment managing agents.

Ethical Investment

The Academy Trust is underpinned and supported by Christian values. However, the Academy Trust is mindful of its underlying principle to further the purpose of the Academy Trust (provision of education); that purpose will ordinarily be best served by seeking the maximum return consistent with commercial prudence. Therefore, the Academy Trust will seek to use a combination of positive and negative criteria to influence the investment decision making process.

Positive Criteria:

- responsible employment practices;
- best corporate Governance practice;
- conscientiousness with regard to human rights;
- sustainable environmental practice;
- sensitivity towards the communities in which the business operates.

The Academy Trust has given due consideration to the guidance issued by the Charities Commission and has recommended against any direct investment in the following types of organisation:

- any organisation that is directly involved in indiscriminate weaponry;
- any organisation that produces pornography;
- any organisation where their principal business activity or focus is tobacco, alcoholic drink, gambling, or weekly collected home credit.

Monitoring and Reporting Investments

The Academy Trust will review the performance of the Investment Manager and the Investment Funds biannually by comparing their performance against that of competitors, average performance indicators, and the Investment Manager's adherence to the Investment Policy.

The Academy Trust's annual report and financial statements will describe the investment policy used to select the Academy Trust's investments as well as reporting on the performance of investments.

Policy Review

The Academy Trust will review and publish this policy on an annual basis, ensuring that it remains accurate and fit for purpose.

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Non-teaching members of staff were offered membership of either of two defined benefit final salary schemes during the year ended 31 August 2014. It is not possible to identify the Academy Trust's share of the underlying assets and liabilities for one of the schemes, the Church of England Funded Scheme, and accordingly the Academy Trust has taken advantage of the exceptions in FRS17 and accounted for its contributions to the scheme as if it were a defined contribution scheme.

The second of the defined benefit pension schemes is the Local Government Pension Scheme. This scheme is accounted for in accordance with FRS17 and further details can be found in Note 25. A triennial valuation of the scheme was carried out in March 2013 which is used to determine the Employer's Contribution Rate. This valuation determines the direct impact upon the Academy Trust cash flow.

Fund Accounting

Funds held by the Academy Trust are either:

Unrestricted General Funds

These are funds which can be used in accordance with the charitable objects at the discretion of the directors; or

Restricted Funds

These funds can only be used for particular restricted purposes within the objects of the Academy Trust. Restrictions arise when specified by the funder or when funds are raised for particular restricted purposes.

Reserves Policy

The LEAF Academy Trust has established a reserves policy to protect its activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for future cash flow requirements and capital procurement. The policy also provides the framework for future strategic planning and decision-making. The development of an effective reserves policy will restrict the impact of any risk upon the continuing operations of the Academy Trust.

The reserves policy and the establishment of ranges is based upon an annual risk assessment of the internal and external operating environment, as well as having a due regard for the nature of activities under taken by the Academy Trust for its beneficiaries.

Types of Reserves

Unrestricted Reserves

Unrestricted Reserves (including Designated Reserves) are derived from income funds, grants or donations that can be spent at the discretion of the Directors and Governors in furtherance of any of the Academy Trust's objectives.

If part of an unrestricted income fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the directors' and governors' discretion to spend the fund. Unrestricted Reserves will be achieved through operational efficiencies and any trading activities undertaken by the Academy Trust.

Unrestricted Reserves are generally defined as funds held after excluding:

- Endowment funds (permanent & expendable);
- Restricted funds; and
- Funds that can only be generated on the sale of fixed assets used for charitable purposes.

The cumulative target range for Unrestricted Reserves has been established at between 50% and 80% of unrestricted income for the financial year ending 31 August 2014.

Restricted Reserves

Restricted Reserves may be restricted income funds, grants or donations that are spent at the discretion of the Directors and Governors in furtherance of some particular aspect(s) of the objects of the Academy Trust; or where the nature of expenditure has been defined by the donor; or they may be endowment funds, where the funds or assets are required to be invested or retained for actual use, rather than spent.

Restricted Reserves are only available for expenditure once the Academy Trust has met its commitments and other planned expenditure and is in accordance with the limitations outlined in the original funding.

The cumulative target range for Restricted Reserves (Revenue) has been established at between 1% and 8% for the financial year ending 31 August 2014, excluding the impact of the Pension Deficit/Surplus.

Restricted Reserves also are inclusive of capital items and are defined as Restricted Fixed Asset Reserves. This reserve is specifically held for capital purposes in furtherance of some particular aspect of the objectives of the Academy Trust. The cumulative target range for all Restricted Reserves has been established at between 2% and 10% for the financial year ending August 2014.

All Restricted Reserves will be generated through improved operational efficiencies and effective manpower planning and resourcing in addition to a proactive programme to identify relevant sources of grant funding.

Designated Reserves

Designated Reserves are reserves that have been set aside at the discretion of the Directors in furtherance of any of the Academy Trust's objectives. Where a designation has been identified, the purpose and timing of any expenditure must be explained.

The target range for any Designated Reserve will be determined by the nature of the designation itself; the reserves will be derived from unrestricted and restricted funds where applicable.

Pension Reserve

The risks surrounding the Academy Trust's pension liability have been taken into consideration when calculating the target ranges. The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to the Academy Trust.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy

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Trust is confident that it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities.

The Academy Trust continues to calculate its reserves without setting aside a Designated Reserve to cover the pension liability.

Management of Reserves

Reserves held in excess of the target percentage will be reviewed by the Academy Trust on a regular basis and an appropriate range of options will be considered which might include releasing the funds into the revenue budget in furtherance of the Academy Trust's objectives, assigning funds to appropriate designated reserves as may be determined by the Academy Trust, or investing the funds to generate further income to allow expansion of the Academy Trust's work.

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of the Academy Trust, or the appropriate sub-committee where delegated authority has been provided by the Board of Directors, subject to the restrictions which will remain attached to Restricted Funds (Revenue and Capital) and their use. The movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds.

LEAF ACADEMY TRUST
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2. VOLUNTARY INCOME

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Donations	-	-	32	32	38
Gift in Kind: Transfer from diocese	350	-	-	350	884
Transfer from local authority on conversion	120	(79)	-	41	40
Transfer from diocese on conversion	-	-	-	-	36
Other transfers on conversion	-	-	2	2	21
	<u>470</u>	<u>(79)</u>	<u>34</u>	<u>425</u>	<u>1,019</u>

3. INVESTMENT INCOME

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Fixed Asset Investments	37	-	-	37	26
Short Term Deposits	-	36	-	36	14
	<u>37</u>	<u>36</u>	<u>-</u>	<u>73</u>	<u>40</u>

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
EFA grants					
General Annual Grant (GAG)	-	8,139	-	8,139	7,590
Capital Grants	54	-	-	54	29
Other EFA Grants	-	770	-	770	568
	<u>54</u>	<u>8,909</u>	<u>-</u>	<u>8,963</u>	<u>8,187</u>
Other Government Grants					
Local Authority capital grants	111	-	-	111	-
Local Authority grants	-	103	-	103	178
Government grants	-	-	-	-	33
	<u>111</u>	<u>103</u>	<u>-</u>	<u>214</u>	<u>211</u>
	<u>165</u>	<u>9,012</u>	<u>-</u>	<u>9,177</u>	<u>8,398</u>

LEAF ACADEMY TRUST
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5. OTHER INCOME

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Catering Income	-	-	135	135	115
Facilities Hire	-	-	23	23	26
School Excursions and shows	-	-	32	32	22
Consultancy income	-	-	55	55	112
Other Income	-	-	43	43	46
	-	-	288	288	321

6. CHARITABLE ACTIVITIES

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Direct Educational Costs					
Teaching and educational support staff	-	5,432	-	5,432	5,183
Depreciation	792	-	-	792	783
Books, apparatus and stationary	-	194	1	195	158
Examination fees	-	88	-	88	81
other direct costs	-	257	41	298	172
	792	5,971	42	6,805	6,377
Allocated support costs					
Support staff costs	-	1,594	1	1,594	1,389
Pension past service	-	-	-	-	-
Depreciation	118	-	-	118	117
Heat and light	-	176	1	177	166
Security and fire	-	155	-	155	140
Insurance	-	68	-	68	61
Catering	-	198	135	333	289
Technology costs	-	161	-	161	142
Advertising, printing and stationery	-	101	1	102	57
Other support costs	-	520	11	531	602
	118	2,973	149	3,240	2,963
	910	8,944	191	10,045	9,340

7. GOVERNANCE

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Audit fees	-	25	-	25	25
Legal and statutory fees	-	3	-	3	4
Governors meeting costs	-	4	-	4	2
	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>	<u>31</u>

8. DIRECTORS AND GOVERNORS' REMUNERATION AND REIMBURSED EXPENSES

The Chief Executive Officer (Ex-Officio Director) and a Staff Director only receive remuneration in respect of services provided as the CEO and employee respectively and not in respect of any service as a director. Other directors do not receive any payments, other than expenses, from the LEAF Academy Trust in respect of their role as directors. The value of the CEO's remuneration was as follows:

	2014	2013
LEAF Academy Trust		
CEO	140,001 – 150,000	130,001 – 140,000
Staff Director	60,001 – 65,000	50,001 – 60,000

During the year ended 31 August 2014, travel and subsistence expenses totalling £4,231 (2013: £3,030) were reimbursed to five trustees (2013: eight trustees).

Other related party transactions involving the trustees are set out in note 30.

9. DIRECTORS, GOVERNORS AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect directors, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,226 (2013: £2,011).

The cost of this insurance is included in the governance legal and statutory fees.

LEAF ACADEMY TRUST
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10. TOTAL RESOURCES EXPENDED

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Educational Operations	5,432	792	581	6,805	6,377
Educational Support Costs	978	32	550	1,560	1,471
Estates and Facilities Costs	617	86	995	1,698	1,514
Governance	-	-	32	32	31
Pension past service cost	-	-	-	-	-
Asset Disposal	-	-	-	-	-
	<u>7,027</u>	<u>910</u>	<u>2,158</u>	<u>10,095</u>	<u>9,393</u>

11. STAFF COSTS

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Educational Operations	-	5,432	-	5,432	5,183
Educational Support Costs	-	977	1	978	870
Estates and Facilities Costs	-	617	-	617	519
Governance	-	-	-	-	-
Pension past service cost	-	-	-	-	-
	<u>-</u>	<u>7,026</u>	<u>1</u>	<u>7,027</u>	<u>6,572</u>

The aggregate payroll costs were

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Wages and salaries	-	5,736	1	5,737	5,395
Social security costs	-	420	-	420	409
Other pensions costs	-	870	-	870	768
Pension past service cost	-	-	-	-	-
	<u>-</u>	<u>7,026</u>	<u>1</u>	<u>7,027</u>	<u>6,572</u>

LEAF ACADEMY TRUST
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Particulars of Employees:

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	2014	2013
Teaching and teaching support staff	165	147
Management and administration staff	17	16
ICT	7	7
Estates and Facilities	32	30
	<u>221</u>	<u>200</u>

The number of employees whose emoluments fell within the following bands was:

£60,000 - £70,000	1	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
	<u>-</u>	<u>-</u>

Pension contributions of £65,533 were made to the above higher paid employees during the year ended 31 August 2014 (2013: £ 61,262 for higher paid employees).

12. CENTRAL SERVICES

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

- human resources;
- financial services;
- legal services;
- administration support services;
- technology support services;
- estates and facilities support services; and
- health and safety support services.

The Trust charges for these services on the basis of management time:

David Young Community Academy	63%
Manston St James Primary Academy	37%
	<u>100%</u>

The actual amounts charged during the year were as follows:

David Young Community Academy	174
Manston St James Primary Academy	100
	<u>274</u>

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13. DEPRECIATION

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Educational Operations	792	-	-	792	783
Educational Support Costs	32	-	-	32	32
Estates and Facilities Costs	86	-	-	86	85
	<u>910</u>	<u>-</u>	<u>-</u>	<u>910</u>	<u>900</u>

14. OTHER COSTS

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Educational Operations	-	539	42	581	411
Educational Support Costs	18	522	10	550	569
Estates and Facilities Costs	-	857	138	995	910
Governance	-	32	-	32	31
Asset Disposal	-	-	-	-	-
	<u>18</u>	<u>1,950</u>	<u>190</u>	<u>2,158</u>	<u>1,921</u>

15. OPERATING PROFIT

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Operating profit is stated after charging:					
Depreciation	910	-	-	910	900
Operating Leases	-	36	-	36	25
Actuarial fees in respect of external scrutiny	-	4	-	4	5
Auditors fees	-	24	-	24	20
Governors' liability insurance	-	2	-	2	2
Loss on disposal of fixed assets	-	-	-	-	-
	<u>910</u>	<u>62</u>	<u>-</u>	<u>972</u>	<u>952</u>

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16. TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Land £'000	Leasehold buildings £'000	Motor vehicles £'000	Fixtures & fittings £'000	ICT £'000	Total £'000
Cost						
At 1 September 2013	52	23,287	70	1,791	2,460	27,660
Additions	-	-	6	239	157	402
Transfer on conversion	70	400	-	-	-	470
Disposals	-	-	(6)	(15)	(303)	(324)
At 31 August 2014	<u>122</u>	<u>23,687</u>	<u>70</u>	<u>2,015</u>	<u>2,314</u>	<u>28,208</u>
Depreciation						
At 1 September 2013	-	2,823	55	990	2,070	5,938
Charge for the year	-	485	6	187	232	910
Disposals	-	-	(6)	(15)	(303)	(324)
At 31 August 2014	<u>-</u>	<u>3,308</u>	<u>55</u>	<u>1,162</u>	<u>1,999</u>	<u>6,524</u>
Net book values						
At 31 August 2013	<u>52</u>	<u>20,464</u>	<u>15</u>	<u>801</u>	<u>390</u>	<u>21,722</u>
At 31 August 2014	<u>122</u>	<u>20,379</u>	<u>15</u>	<u>853</u>	<u>315</u>	<u>21,684</u>

Included in the above are the assets of Rothwell C of E Primary School that were transferred from the Diocese of West Yorkshire and the Dales and the Leeds City Council to the LEAF Academy Trust.

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17. INVESTMENT ASSETS

Investments are stated in the balance sheet at the market value as at the balance sheet date. All movements in value arising from investment changes or revaluations are recognised in the consolidated statement of financial activities.

MOVEMENT IN INVESTMENT ASSET VALUE FOR THE YEAR	Total Funds 2014 £'000	Total Funds 2013 £'000
Balance Brought Forward at 1 September	1,178	1,059
Additions:		
Dividend/Interest income	37	26
Disposals:		
Investment management charges	(18)	(22)
Gains/(losses) on revaluation	84	115
	<hr/>	<hr/>
Market Value at 31 August	1,281	1,178
	<hr/> <hr/>	<hr/> <hr/>

GAINS/LOSSES ON REVALUATION OF INVESTMENT ASSETS	Total Funds 2014 £'000	Total Funds 2013 £'000
Realised gains/(losses)	15	4
Unrealised gains	69	111
	<hr/>	<hr/>
Total gains/(losses) on revaluation of investment assets	84	115
	<hr/> <hr/>	<hr/> <hr/>

INVESTMENT CATEGORIES	Cost value of investment assets £'000	Market value of investment assets £'000	Split of assets between investment categories %
UK fixed interest	116	121	9.42
Overseas fixed interest	80	83	6.48
UK Equities	402	451	35.18
European Equities	65	75	5.81
North American Equities	85	109	8.52
Japanese Equities	46	51	3.99
Far East & Australasian Equities	57	68	5.31
International Equities	18	26	2.04
Emerging Economies	53	59	4.61
Property	61	69	5.35
Alternative Assets	88	106	8.27
Cash	63	63	5.02
	<hr/>	<hr/>	<hr/>
Capital Total	1,134	1,281	100
	<hr/>	<hr/>	<hr/>
Total Accrued Interest		-	
	<hr/>	<hr/>	<hr/>
Grand total	1,134	1,281	100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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18. DEBTORS – GROUP AND COMPANY

	Total Funds 2014 £'000	Total Funds 2013 £'000
Trade Debtors	178	26
Prepayments and Accrued Income	337	265
	<u>515</u>	<u>291</u>

**19. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR
GROUP AND COMPANY**

	Total Funds 2014 £'000	Total Funds 2013 £'000
Bank Overdraft	4	1
Trade Creditors	392	244
Accruals and deferred income	459	149
Other taxes and social security costs	126	127
Pensions	99	89
Salaries	(1)	47
	<u>1,079</u>	<u>657</u>

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DEFERRED INCOME

	Total Funds 2014 £'000	Total Funds 2013 £'000
Deferred income at 01 September 2013	79	48
Resources deferred in the year	166	79
Amounts released from previous years	(79)	(48)
Deferred income at 31 August 2014	<u>166</u>	<u>79</u>

As at 31 August 2014 the Academy Trust was holding funds received in advanced for the following curriculum and student engagement and support programmes as well as academy running costs:

	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000
Alternative Intervention Programme	92	-	92
Pupil Premium YR7 Grant	52	-	52
School Excursions	18	-	18
Turnaround Grant	2	-	2
Sponsorship & Donations	-	2	2
	<u>164</u>	<u>2</u>	<u>166</u>

20. ANALYSIS OF NET ASSETS

	Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Fixed assets	21,684	-	21,684	21,722
Investment assets	1,281	-	1,281	1,178
Net current assets	2,236	536	2,772	2,223
Net current liabilities	(1,079)	-	(1,079)	(657)
Pension scheme liability	(1,152)	-	(1,152)	(1,383)
	<u>22,970</u>	<u>536</u>	<u>23,506</u>	<u>23,083</u>

LEAF ACADEMY TRUST
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21. FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 September 2013 £'000	Incoming Funds £'000	Outgoing Funds £'000	Transfers Between Funds £'000	Balance at 31 August 2014 £'000
Capital Grant	15,940	-	(682)	202	15,460
Capital Asset Investment Fund	1,178	121	(18)	-	1,281
Donated Assets	934	599	(62)	199	1,670
Devolved Formula Capital	282	35	-	-	317
CofE Capital Grant	1,247	-	(28)	-	1,219
Co-Location Fund	3,170	-	(137)	-	3,033
Operational grants and Sponsorship	1,298	9,045	(8,812)	(389)	1,142
Pension reserve	(1,383)	395	(164)	-	(1,152)
Unrestricted	417	322	(191)	(12)	536
	23,083	10,517	(10,094)	-	23,506

Under the funding agreement with the secretary of state, the Academy Trust was not subject to a limit on the amount of General Annual Grant that it could carry forward at 31 August 2014.

Capital Grant

The Capital Grant represents the remaining proportion of the original investment from the DfE to construct the David Young Community Academy. The restricted fund is subject to an annual depreciation charge based upon the Useful Economic Life (UEL) of the Academy buildings. The restricted fund and capital asset are depreciated at the same rate to reflect the consumption of economic benefit.

Capital Assets Investment Funds

This fund represents restricted funds which have been investment over the medium to long term to provide for large scale asset reinvestment. The fund is based upon a total return policy and is formally valued and reviewed bi-annually.

Donated Assets

The donated assets represent the remaining proportion of the original in kind donation of Manston St James' fixed assets plus the transfer of assets from Rothwell C of E Primary School. The restricted fund is subject to an annual depreciation charge based upon the Useful Economic Life (UEL) of the academy assets. The restricted fund and capital asset (excluding Investment Fund) are depreciated at the same rate to reflect the consumption of economic benefit.

Devolved Formula Capital

This is a grant provided by the DfE towards the replacement and renewal of assets held by the Academy Trust. The materiality of the annual grant limits its effectiveness therefore the grant is retained in order to establish a more substantial fund to address the Academy Trust's asset replacement strategy

Church of England Capital Grant

This represents the remaining balance of the capital contribution made by the Diocese of Ripon and Leeds to the original build and fit out costs for the David Young Community Academy. A portion of the annual depreciation charge is also applied to this fund to account for the consumption of economic benefit derived through the assets purchased with the capital funds.

There are no further capital contributions due from the Diocese of Ripon and Leeds.

Co-Location Fund

The Co-Location Fund represents the remaining balance of a capital grant issued by the DfE and other government departments to develop innovative ways to co-locate and integrate service delivery within challenging communities. The capital grant was used to construct the Moyes Centre, an explanation of the work undertaken by the centre can be found on page 10.

The Co-Location Fund and the asset are depreciated at the same rate to reflect the use of the building.

Operational Grants and Sponsorship

Operational Grants constitute the majority of the Academy Trust's revenue income and are predominantly restricted in nature. Grants are provided by the DfE via replicated funding formulae used by the Local Authority for all maintained schools. The use of these formulae ensures that academies receive exactly the same allocation of funds.

Unrestricted Funds

This is the revenue income generated by the Academy Trust throughout the year through the provision of consultancy services, unrestricted donations, and trading profits. These funds are held as a reserve for unforeseen expenditure/energy use.

Unrestricted funds can be transferred to restricted funds only with the consent of the Academy Trust.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total Funds 2014 £'000
David Young Community Academy	1,641
Manston St James Primary Academy	(43)
Rothwell C of E Primary Academy	80
	<hr/>
Total before fixed assets and pension reserve	1,678
Restricted fixed asset fund	22,980
Pension reserve	(1,152)
	<hr/>
Total	<u>23,506</u>

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Analysis of academies by cost

Expenditure by each academy during the year was as follows:

	Teaching and educational support staff £'000	Other support staff £'000	Educational supplies £'000	Other costs £'000	Depreciation £'000	Total costs £'000
David Young Community Academy	4,819	531	422	1,309	847	7,889
Manston St James Primary Academy	1,111	93	132	191	56	1,577
Rothwell C of E Primary Academy	207	8	26	62	7	310
Central Services	174	-	-	100	-	274
Academy Trust	<u>6,311</u>	<u>632</u>	<u>580</u>	<u>1,662</u>	<u>910</u>	<u>10,095</u>

22. FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2014 the Academy Trust had annual commitments under an operating lease as follows:

	Total Funds 2014 £'000	Total Funds 2013 £'000
Land and Buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	32	32
Expiring over five years	-	-
	<u>32</u>	<u>32</u>

23. PENSIONS AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund and the Church of England Pension Scheme are all 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 2004 and of the LGPS 31 March 2013.

As described in Note 25, the LTGPS obligation relates to employees of the Academy Trust who were the employees transferred as part of the sponsorship from the maintained school and the employees who were eligible to and did join the scheme in the year ended 31 August 2014. The obligation in respect of employees who transferred on sponsorship represents their cumulative service at both the predecessor school and the academy trust as at the balance sheet date.

TEACHERS' PENSION

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. The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of $1/57^{\text{th}}$; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected. In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection. In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis. The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015. Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Contributions amounting to £0.069m (2013: £0.049m) were payable to the schemes at 31 August 2014 and are included within creditors.

24. CHURCH OF ENGLAND PENSION

The Academy Trust participates in the Church of England Funded Pensions Scheme and employs 1 member of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Academy Trust is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2009. This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
- RPI inflation of 3.8% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.8% pa; and

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- Post-retirement mortality in accordance with 80% of the SINA tables, with allowance made for improvements in mortality rates from 2003 according to the “medium cohort” projections, and subject to a minimum annual improvement of 1.5% for males and 1.0% for females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Academy Trust to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2009 valuation, changes were made to benefits being built up in the Scheme from 1 January 2011 and the Academy Trust contribution rate was set at 38.2% of pensionable stipends.

25. LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £0.315m of which employer's contributions totalled £0.222m and employees' contributions totalled £0.093m.

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

ACTUARIAL ASSUMPTIONS

	2014	2013
Rate of inflation (RPI)	3.1%	3.7%
Rate of inflation (CPI)	2.1%	2.8%
Rate of increase in salaries	3.6%	4.7%
Rate of increase in pensions	2.1%	2.8%
Rate of revaluation of pensions	2.1%	-%
Rate of increase of deferred pensions	2.1%	2.8%
Discount rate for liabilities	3.7%	4.5%

INVESTMENT CATEGORIES

	Expected rate of return 2014	Split of assets between investment categories	Expected rate of return 2013	Split of assets between investment categories
Equities	7.5%	75.1%	7.9%	73.0%
Government Bonds	2.9%	10.3%	3.4%	11.4%
Corporate Bonds	3.3%	5.2%	4.1%	5.7%
Property	6.8%	3.3%	7.4%	3.0%
Cash/liquidity	1.1%	3.9%	0.9%	3.8%
Other	7.5%	2.2%	7.9%	3.1%

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26. LOCAL GOVERNMENT PENSION SCHEME

PRESENT VALUE OF SCHEME

	David Young		Manston		Rothwell		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	3,322	2,909	709	607	453	-	4,484	3,516
Present value of benefit obligations	(4,178)	(4,081)	(880)	(818)	(578)	-	(5,636)	(4,899)
Net pension liability	(856)	(1,172)	(171)	(211)	(125)	-	(1,152)	(1,383)

CHANGE IN PLAN ASSETS DURING THE YEAR

	David Young		Manston		Rothwell		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of assets	2,909	2406	607	483	416	-	3,932	2,889
Expected return on assets	204	155	42	29	11	-	257	184
Actuarial gains/(losses) on assets	(8)	179	28	36	12	-	32	215
Contributions by the employer	152	133	59	45	11	-	222	178
Contributions by the participants	75	60	15	15	3	-	93	75
Net benefits paid out	(10)	(24)	(42)	(1)	-	-	(52)	(25)
Closing fair value of assets	3,322	2,909	709	607	453	-	4,484	3,516

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27. LOCAL GOVERNMENT PENSION SCHEME

CHANGE IN BENEFIT OBLIGATION DURING THE YEAR

	David Young		Manston		Rothwell		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Opening present value of liabilities	4,081	3,566	818	640	511	-	5,410	4,206
Current service cost	315	265	58	51	13	-	386	316
Interest cost	192	156	37	26	9	-	238	182
Contributions by participants	75	60	15	15	3	-	93	75
Actuarial (gains)/losses on liabilities	(475)	58	(6)	87	42	-	(439)	145
Net benefits paid out	(10)	(24)	(42)	(1)	-	-	(52)	(25)
Closing present value of liabilities	4,178	4,081	880	818	578	-	5,636	4,899

ANNUAL RETURN ON ASSETS

	David Young		Manston		Rothwell		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Expected return in plan assets	204	155	42	29	11	-	257	184
Actuarial gain/(losses) on assets	(8)	179	28	36	12	-	32	215
Actual return on assets	196	334	70	65	23	-	289	399

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28. LOCAL GOVERNMENT PENSION SCHEME

MOVEMENT IN PENSION DEFICIT FOR THE YEAR

	David Young		Manston		Rothwell		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Deficit in scheme at 01 September 2013	(1,172)	(1,160)	(211)	(157)	-	-	(1,383)	(1,317)
Movement in year:								
Pension liability transfer on conversion	-	-	-	-	(95)	-	(95)	-
Current service cost	(315)	(265)	(58)	(51)	(13)	-	(386)	(316)
Employer contributions	152	133	59	45	11	-	222	178
Interest on pension liabilities	(192)	(156)	(37)	(26)	(9)	-	(238)	(182)
Expected return on plan assets	204	155	42	29	11	-	257	184
Actuarial gain/(loss)	467	121	34	(51)	(30)	-	471	70
Deficit in scheme at 31 August 2014	(856)	(1,172)	(171)	(211)	(125)	-	(1,152)	(1,383)

29. ANALYSIS OF OTHER PENSION COSTS CHARGED IN ARRIVING AT SCHEME DEFICIT

	David Young		Manston		Rothwell		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Current service cost (net of contributions)	(163)	(132)	1	6	(2)	-	(164)	(138)
	(163)	(132)	1	6	(2)	-	(164)	(138)

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30. ANALYSIS OF AMOUNTS INCLUDED IN OTHER INCOME (INTEREST)

	David Young		Manston		Rothwell		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expected return on employers share plan assets	204	155	42	29	11	-	257	184
Interest on pension liabilities	(192)	(156)	(37)	(26)	(9)	-	(238)	(182)
	<u>12</u>	<u>(1)</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>-</u>	<u>19</u>	<u>2</u>

31. AMOUNT RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (STRGL)

	David Young		Manston		Rothwell		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Actuarial gains/(losses) on assets	(8)	179	28	36	12	-	32	215
Actuarial gains/(losses) on liabilities	475	(58)	6	(87)	(42)	-	439	(145)
	<u>467</u>	<u>121</u>	<u>34</u>	<u>(51)</u>	<u>(30)</u>	<u>-</u>	<u>471</u>	<u>70</u>

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

	2014	2013
Retiring today:		
Male	22.5	22.1
Female	25.4	24.3
Retiring in 20 years:		
Male	24.7	23.9
Female	27.7	26.2

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AMOUNT RECOGNISED IN THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (STRGL)

	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Five-year history of experience adjustments					
Benefit Obligation	5,636	(4,899)	(3,566)	(2,847)	(2,695)
Fair value of share scheme assets	4,484	3,516	2,406	2,218	1,929
(Deficit)/surplus in scheme	(1,152)	(1,383)	(1,160)	(629)	(766)
Actuarial gains/(loss)	471	70	(440)	223	66
Experience on adjustment share of scheme assets	0.01%	6.1%	(4.5%)	(3.9%)	6.5%
Experience of adjustment scheme liabilities	0.05%	0.0%	(0.01%)	12.4%	0.0%

The figure provided in notes 25 – 31 inclusive are consolidated values for the LEAF Academy Trust. The pension schemes for David Young Community Academy and Manston St James Primary Academy form part of the same Local Government Pension Scheme and are subject to the same assumptions and method of calculation therefore the LEAF Academy Trust has exercised its discretion to consolidate the values.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, some of whom were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The estimated value of employer contributions for the year ended 31 August 2015 is £0.238m.

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32. CONVERSION TO AN ACADEMY TRUST

On 1 April 2014 Rothwell C of E Primary School converted to academy status under the Academies Act 2010; all the operations and assets and liabilities were transferred to the LEAF Academy Trust from Leeds Local Authority and the Diocese of West Yorkshire and the Dales for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income and an inherited pension liability.

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

	Restricted Fixed Asset Funds £'000	Other Restricted Funds £'000	Unrestricted Funds £'000	Total Funds 2014 £'000
Transferred from the Diocese of West Yorkshire and the Dales:				
Tangible fixed assets				
Leasehold land and buildings	350	-	-	350
Other tangible fixed assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Surplus on devolved formula capital	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	350	-	-	350
	<hr/>	<hr/>	<hr/>	<hr/>
Transferred from the Local Authority:				
Leasehold land and buildings	120	-	-	120
Budget surplus on LA funds	-	16	-	16
	<hr/>	<hr/>	<hr/>	<hr/>
	120	16	-	136
	<hr/>	<hr/>	<hr/>	<hr/>
Transferred from other sources:				
Budget Surplus on other school funds	-	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total Voluntary Income	470	16	2	488
LGPS pension deficit	-	(95)	-	(95)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/(liabilities)	470	(79)	2	393
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The above net assets include £17,852 that was transferred as cash.

33. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the period of account:

The Academy Trust was charged a total of £800 (2013: £500) during the year ended 31 August 2014 for the provision of educational services by D:Side charity, a trustee of which serves on the Board of Directors.

The Academy Trust was charged a total of £16,295 (2013:£8,186) during the year ended 31 August 2014 for the provision of advice and professional services by Wrigleys Solicitors LLP, a member of which serves on the Board of Directors.

These interests have been recorded by the company secretary.

34. INVESTMENT IN SUBSIDIARY UNDERTAKING

The Academy Trust holds the whole of the issued share capital of DYCA Trading Limited comprising of 1 share of £1. The company has ceased trading and all activities were transferred to the LEAF Academy Trust. Principal activities included the sales of school clothing and the hire of facilities to the local community.

During the year ended 31 August 2014, DYCA Trading Limited had generated a turnover of nil (2013: nil) and nil (2013: nil) operating profit.