

Company Registration No. 10028278 (England and Wales)

LEADING LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2016

LEADING LEARNING TRUST

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LEADING LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors	C Alexander (Appointed 26 February 2016) Dr S Hsu (Appointed 14 April 2016) H Lam (Appointed 26 February 2016) S Loganathan (Chair) (Appointed 26 February 2016) E Nicholls (Accounting Officer) (Appointed 26 February 2016) A Saunders (Appointed 26 February 2016) Dr M Siddique (Appointed 26 February 2016) J Waine (Appointed 1 May 2016)	
Members	S Loganathan C Alexander M Ogbuonye	
Senior leadership team	J Waine S Chudley M Constable R Sheikh G James M Jacobs E Nicholls C Stewart S Monaghan H Mawer G Brown	- Portway Headteacher - Portway Deputy Headteacher - Portway Deputy Headteacher - Portway Assistant Headteacher - Portway Assistant Headteacher - Portway School Business Manager - Executive Headteacher - Selwyn Deputy Headteacher - Selwyn Deputy Headteacher - Selwyn Assistant Headteacher - Selwyn School Business Manager
Company registration number	10028278 (England and Wales)	
Registered office	Selwyn Primary School Cecil Road London E13 0LX	
Academies operated	Location	Headteacher
Leading Learning Trust	Plaistow	
Selwyn Primary School	Plaistow	E Nicholls
Portway Primary School	Plaistow	J Waine
Independent auditor	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ	
Bankers	Lloyds bank 39 Threadneedle Street London EC2R 8AU	

LEADING LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King LLP
Boundary House
97 Chaterhouse Street
London
EC1M 6HR

LEADING LEARNING TRUST

DIRECTORS REPORT

FOR THE PERIOD ENDED 31 AUGUST 2016

The Directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 26 February 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two academies servicing catchment areas in the London Borough of Newham.

- Selwyn primary school, 3-11 mainstream primary school, approximately 500 pupils
- Portway primary school, 3-11 mainstream primary school, approximately 900 pupils

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 10028278) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Directors act as the Trustees for the charitable activities of Leading Learning Trust. The charitable company is known as The Leading Learning Trust. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Leading Learning Trust was incorporated on 26 February 2016 and is made up of two academies. The Academies have kept their original names, Selwyn Primary School and Portway Primary School and obtained academy status from 1 May 2016.

Members' liability

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

Method of recruitment and appointment or election of Directors

The members of the Academy Trust shall comprise the signatories to the Memorandum, the chairman of the Directors, and any person appointed under Article 15A. No employee of the Academy Trust shall be a member of the Academy Trust.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The number of Directors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust shall have the following Directors; up to 7 trustees appointed by the members; the Executive Headteacher if he/she agrees so to act; and a minimum of 2 parent Directors elected or appointed if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body. The Academy Trust may also have any Co-opted Directors appointed but may not co-opt an employee of the Academy Trust if thereby the number of Directors who are employees would exceed one third of the total number of Directors including the Executive Headteacher to the extent he/she is a Director.

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Executive Headteacher, any Director or member may be re-appointed or re-elected.

Each Trust school shall have a local governing body that the Directors shall ensure includes at least 2 Parent Local Governors.

LEADING LEARNING TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Directors

During the period under review the Trust Board of Directors held 2 full Directors meetings. All new Directors receive an induction'. Directors will also be provided with adequate opportunities to undertake and receive suitable training so as to enable them to undertake their role more effectively.

Organisational structure

The structure consists of the following connected elements: the Directors, the Executive Headteacher, the Local Governing Bodies and the Head teacher. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trusts' performance through the use of budgets, and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Finance, Audit and Risk Management committee (FARM)is a sub-committee of the Trust Board responsible for the financial oversight of the Trust. The committee supports the Trust Board in all aspects of financial decision-making and strategic development of the schools.

The Executive Headteacher is the Accounting Officer and is responsible to the Board of Directors for the overall performance of the Trust and its constituent schools.

Local Governing Bodies are responsible for the financial oversight of their schools and holding their Headteacher to account for the performance of the school.

The Headteacher is responsible for the overall performance of their school and meeting the objectives set for them by their Local Governing Body and the Directors.

Arrangements for setting pay and remuneration of key management personnel

The Trust follows the local authority policy on staff pay outlined in the Newham Model Pay Policy for Schools. The pay policy is compliant with the current School Teachers' Pay and Conditions Document and the accompanying statutory guidance. The Trust has also adopted the Newham Model Policy for Appraising Teacher Performance and uses this document as the basis for setting and evaluating staff performance, including any pay increments or awards.

Related parties and other connected charities and organisations

Objectives and activities

Objects and aims

Selwyn and Portway Primary Schools are mixed 3-11 schools set within highly cultural diverse communities. Both schools are at the heart of the local environment and provide a broad and balanced education for all pupils and in addition, social support and early help for parents and carers. Selwyn Primary School has a provision for deaf and hearing impaired children and both schools have a fully inclusive education policy and admit children with special educational needs and/or disabilities. Most of the children entering the nursery settings, enter at below age related developmental milestones and as a result, both schools' main focus is on delivering continuously high quality teaching and learning to close any gaps in pupil achievement.

Both schools set the high expectations of behaviour, personal conduct and responsibility for all its stakeholders. We use the 5Cs as a guiding principle to articulate school ethos – Courtesy, Care, Commitment, Co-operation and Consideration.

The principle objective of the Trust is to secure high levels of educational outcomes by overcoming any barriers to learning. We aim to build, develop and sustain a highly dedicated staff team who will provide a good start for all children and lead them into life-long ambition and success.

LEADING LEARNING TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Objectives, strategies and activities

The main objective of Leading Learning Trust during the year to 31 August 2016 was to develop its new role as a Multi-Academy Trust.

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In particular, the governors consider how planned activities will contribute to the aims and objectives they have set.

Admissions arrangements

The Trust follows the London Borough of Newham's policy and procedures on admission at all times which complies with the Schools' Admissions Code which is produced by the Department for Education (DfE) and sets out the law relating to school admissions. The schools' websites set this out in detail – www.selwyn.leadinglearningtrust.org or www.portway.leadinglearningtrust.org.

Strategic report

Achievements and performance

The Leading Learning Trust has high aspirations for its students and a drive for continuous improvement. The Trust's analysis of examination/test performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

Current pupil assessments show that the Trust's schools are on track to meet their targets in all main achievement measures.

Key performance indicators

The main KPI for each of the schools in the Trust is the Ofsted Framework for Inspection. Inspectors must judge the quality of the education provided by each school. This is an overarching judgement made by inspecting the following areas:

- The effectiveness of leadership and management
- The quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for pupils
- The effectiveness of the early years provision

In addition, inspectors must consider:

- The spiritual, moral, social and cultural development of the pupils in each school
- The extent to which the education provided by each school meets the needs of the range of pupils in the school and in particular the pupils who have a disability for the purposes of the Equality Act 2010 and those who have special educational needs

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 the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

LEADING LEARNING TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) and the Local Authority in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total expenditure of £2,757k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding pension deficit on conversion, restricted fixed asset funds and transfers to restricted fixed asset funds) was £616k.

At 31 August 2016 the net book value of fixed assets was £18,545k. Movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government pension scheme, in which the Academy participates, showed a deficit of £3,572k at 31 August 2016. Of this sum, £2,158k was inherited by The Leading Learning Trust from the London Borough of Newham, on the dates the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor schools, details of these can be found in note 21.

Reserves policy

The Directors review the reserve levels of the Academy annually in order to ensure it keeps pace with current budgets, plans and the operating environment .

This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to 4 week's expenditure, which is approximately £600k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £480k (total funds less the amount held in fixed assets and restricted funds).

To ensure the Trust achieves the target level of free reserves as indicated above, the Directors have resolved to closely monitor the level of free reserves throughout the year and take necessary steps during future planning exercises to cover the shortfall.

The total reserves balance at 31st August 2016 of £15,453k comprises Unrestricted funds of £480k and Restricted funds net of the pension deficit of £14,973k.

Investment policy and powers

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis

LEADING LEARNING TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Directors have implemented a number of systems to assess risks that its schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

The Directors have identified the following as examples of potential risks/uncertainties and have set out clear mitigation measures:

Falling pupil numbers:

- Termly Head teacher report to Directors (numbers on roll over time, current data on admissions/leavers)
- Promotion of school events and success through parental newsletters, school websites, local news channels
- Continual drive for high academic outcomes, building/maintaining a strong reputation for educational performance in the local community

Schools fail to meet Floor Standards at the end of Key stage 2:

- Termly Head teacher report to Directors on current cohort data
- Annual School Development Planning to address areas of weakness with termly reviews
- Half termly tracking of pupil data by school leaders with further action
- Targeted intervention
- Cross-school moderation of pupil work samples/accuracy of school data
- Local Authority moderation
- Regular Teaching and Learning Reviews using external head teachers/consultants

Capital builds/expansion:

- Regular meetings with School Business Managers (SBMs), head teachers, contractors
- Termly report to Directors
- Detailed financial planning
- Schools' financial contribution (if any) set at Finance, Audit and Risk Management (FARM) meetings and agreed by Directors
- Providing stakeholders with information – rationale, objectives, changes to site operation
- Logistical planning by contractors and SBMs of current and future site operations to outline implications on health and safety, daily school operations/routines, teaching and learning.

Financial and risk management objectives and policies

The financial risks which Leading Learning Trust is exposed to, relate primarily to:

- change in government and legislation
- potential of reduced funding and cash flow
- reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £3,572k.

LEADING LEARNING TRUST

DIRECTORS REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Plans for future periods

The Leading Learning Trust will work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to the next stage in their education and ultimately employment. Directors recognise that through good financial management they wish to be able to maintain and improve the quality of the built environment of the Trust's schools including staff and student facilities.

A planned maintenance programme will be developed and implemented to maintain and improve the Trust's schools' facilities.

A Capital works programme funded by the Local Authority, LBN, commenced at Selwyn school in July 2016 and is due for completion in September 2018. The existing school entrance has been reformed into two additional teaching spaces that would aim to take bulge classes if the need arises in the future. The current nursery building will be demolished in summer 2017 and will be re-built to include a new nursery and reception provision. In addition, a new school entrance including new offices, reception area and deaf provision teaching and administration areas will be built alongside the current Year 1/2 and nursery classrooms.

Auditor

In so far 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 themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors report, incorporating a strategic report, was approved by order of the Board of Directors, as the company Directors, on 05 December 2016 and signed on its behalf by:

S Loganathan
Chair

LEADING LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2016

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Leading Learning 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Leading Learning 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 2 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
C Alexander (Appointed 26 February 2016)	2	2
Dr S Hsu (Appointed 14 April 2016)	2	2
H Lam (Appointed 26 February 2016)	1	2
S Loganathan (Chair) (Appointed 26 February 2016)	2	2
E Nicholls (Accounting Officer) (Appointed 26 February 2016)	2	2
A Saunders (Appointed 26 February 2016)	2	2
Dr M Siddique (Appointed 26 February 2016)	2	2
J Waine (Appointed 1 May 2016)	1	1

The Academy Trust was formed on 26 February 2016 and the schools converted to academies on 1 May 2016. The Trust will carry out review of governance by May 2017 with the findings reported in the next annual report

The Finance, Audit and Risk Management Committee is a sub-committee of the Trust Board. Its purpose includes safeguarding Trust's property and assets and establishing measures designed to prevent losses or misuse, including maintenance of a fixed asset register. They monitor and ensure that there is adequate segregation of duties around operation of the bank accounts, financial systems and financial records and that full and accurate accounting records support the proposed Trust's annual accounts. The committee also reviews reports produced by external auditors and ensures all issues raised are addressed.

Attendance at meetings in the period was as follows. M Gunamal also attended and chaired both meetings:

Directors	Meetings attended	Out of possible
S Loganathan (Chair) (Appointed 26 February 2016)	2	2
E Nicholls (Accounting Officer) (Appointed 26 February 2016)	2	2
Dr M Siddique (Appointed 26 February 2016)	2	2

Review of value for money

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

LEADING LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

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

- Achieving improved results across both schools
- Reducing the achievement gap between disadvantaged and non-disadvantaged children.
- Reducing use of agency staff across the Trust and employing permanent staff with clear lines of accountability.
- Introducing Easter Holiday Schools and outside hours teaching which provided the opportunity for pupils throughout the Trust to improve performance.
- Reviewing staffing levels in both schools and making significant savings in leadership and support levels such as the development of SBM specialism posts, IT management, site supervision and internal design/display.
- Where appropriate, having Trust-wide service level agreements to reduce costs for services.
- Identifying in conjunction with the Finance, Audit and Risk Management committee areas for improvement and acting on them.
- Bringing in a number of financial processes in-house and reducing audit costs significantly.
- Engaging with external providers and following its best value statement in the procurement of contracts across all schools.
- Commissioning a project manager to research possible funding streams for capital improvements and resourcing.
- Providing opportunities for training across the Trust using in-house specialists.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Leading Learning Trust for the period 26 February 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 26 February 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts. 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 Finance, Audit and Risk Management 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.

LEADING LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint a responsible officer. However the Directors have appointed Wilkins Kennedy LLP, to carry out the role of internal auditor.

The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

The service provides a termly report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities and will commence during Autumn term 2016.

Review of effectiveness

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

- the work of the internal auditor;
- 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 Finance, Audit and Risk Management Committee/audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 05 December 2016 and signed on its behalf by:

S Loganathan
Chair

E Nicholls
Accounting Officer

LEADING LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2016

As Accounting Officer of Leading Learning 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's 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 2015.

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.

E Nicholls
Accounting Officer

05 December 2016

LEADING LEARNING TRUST

STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2016

The Directors (who also act as trustees for Leading Learning Trust) are responsible for preparing the Directors Report and the accounts in accordance with the Annual Accounts Direction issued 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 accounts for each financial year. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Directors on 05 December 2016 and signed on its behalf by:

S Loganathan
Chair

LEADING LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF LEADING LEARNING TRUST

We have audited the accounts of Leading Learning Trust for the period ended 31 August 2016 set out on pages 18 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 13, the Directors, who also act as trustees for the charitable activities of Leading Learning Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors Report including the incorporated strategic report to identify material inconsistencies with the audited accounts 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 the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

LEADING LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF LEADING LEARNING TRUST (CONTINUED)

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 requires us to report to you if, in our opinion:

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

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 12 December 2016

LEADING LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leading Learning Trust during the period 26 February 2016 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Leading Learning Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. 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 26 February 2016 to 31 August 2016 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 2015 to 2016 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

LEADING LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADING LEARNING TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Dated: 12 December 2016

LEADING LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2016 £'000
Income and endowments from:					
Donations and capital grants	2	2	-	-	2
Donations - transfer from local authority on conversion	21	712	(2,158)	18,460	17,014
Charitable activities:					
- Funding for educational operations	3	-	2,545	-	2,545
Other trading activities	4	11	-	-	11
Total income and endowments		<u>725</u>	<u>387</u>	<u>18,460</u>	<u>19,572</u>
Expenditure on:					
Charitable activities:					
- Educational operations	6	4	2,702	51	2,757
Total expenditure	5	<u>4</u>	<u>2,702</u>	<u>51</u>	<u>2,757</u>
Net income/(expenditure)		721	(2,315)	18,409	16,815
Transfers between funds		(241)	105	136	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	15	-	(1,362)	-	(1,362)
Net movement in funds		480	(3,572)	18,545	15,453
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>480</u>	<u>(3,572)</u>	<u>18,545</u>	<u>15,453</u>

LEADING LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016	
		£'000	£'000
Fixed assets			
Tangible assets	10		18,545
Current assets			
Debtors	11	1,079	
Cash at bank and in hand		31	
		<hr/>	
		1,110	
Current liabilities			
Creditors: amounts falling due within one year	12	(630)	
		<hr/>	
Net current assets			480
Net assets excluding pension liability			<hr/> 19,025
Defined benefit pension liability	15		(3,572)
			<hr/>
Net assets			15,453
			<hr/> <hr/>
Funds of the Academy Trust:			
Restricted funds	13		
- Fixed asset funds			18,545
- Pension reserve			(3,572)
			<hr/>
Total restricted funds			14,973
Unrestricted income funds	13		480
			<hr/>
Total funds			15,453
			<hr/> <hr/>

The accounts set out on pages 18 to 38 were approved by the Board of Directors and authorised for issue on 05 December 2016 and are signed on its behalf by:

S Loganathan
Chair

Company Number 10028278

LEADING LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	2016 £'000	£'000
Cash flows from operating activities			
Net cash used in operating activities	16		(545)
Cash funds transferred on conversion			712
			<u>167</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(136)	
			<u>(136)</u>
Change in cash and cash equivalents in the reporting period			31
Cash and cash equivalents at 26 February 2016			-
Cash and cash equivalents at 31 August 2016			<u>31</u>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Leading Learning Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 26 February 2016 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the Academy Trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from Selwyn Primary School and Portway Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 21.

1.4 Income

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

Grants receivable

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

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Charitable activities

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

Governance costs

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

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Portway Primary School land and buildings have been included at the valuation provided by the London Borough of Newham as at 31 March 2016. The Selwyn Primary School land and buildings have been included at the valuation provided by the London Borough of Newham as at 1 April 2013. Both values are expected to be reviewed as at 31 August 2017 when the EFA have completed their desktop valuation.

The Trust has a 125 year lease from conversion on the land and buildings with London Borough of Newham.

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

Land and buildings	property over 50 years, land is not depreciated
Computer equipment	over 3 years
Fixtures, fittings & equipment	over 5 years

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

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

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

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Other donations	2	-	2

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
DfE / EFA grants			
General annual grant (GAG)	-	2,045	2,045
Start up grants	-	45	45
Other DfE / EFA grants	-	133	133
	-	2,223	2,223
Other government grants			
Local authority grants	-	322	322
Total funding	-	2,545	2,545

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Other income	11	-	11

5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000
Academy's educational operations				
- Direct costs	1,858	48	143	2,049
- Allocated support costs	135	61	512	708
	1,993	109	655	2,757
Total expenditure	1,993	109	655	2,757

Net income/(expenditure) for the PERIOD includes:

	2016 £'000
Fees payable to auditor for:	
- Audit	10
- Other services	1
Depreciation of tangible fixed assets	51

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

5 Expenditure (Continued)

Central services

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

- ICT support
- financial services and systems
- Insurance
- educational support services

The Academy Trust charges for these services on the following basis:

- 5% of overall income of school

The amounts charged during the period were as follows:

	Total £'000
Leading Learning Trust	-
Selwyn Primary School	67
Portway Primary School	93
	<hr/>
	160
	<hr/> <hr/>

6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Direct costs - educational operations	4	2,045	2,049
Support costs - educational operations	-	708	708
	<hr/>	<hr/>	<hr/>
	4	2,753	2,757
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

Support staff costs	135
Depreciation and amortisation	3
Technology costs	20
Premises costs	198
Other support costs	330
Governance costs	22
	<hr/>
	708
	<hr/> <hr/>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

7 Staff costs

	2016
	£'000
Wages and salaries	1,288
Social security costs	124
Operating costs of defined benefit pension schemes	214
	<hr/>
Staff costs	1,626
Supply staff costs	350
Staff development and other staff costs	17
	<hr/>
Total staff expenditure	1,993
	<hr/> <hr/>

Staff numbers

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

	2016
	Number
Teachers	44
Administration and support	105
Management	10
	<hr/>
	159
	<hr/> <hr/>

Higher paid staff

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

	2016
	Number
£60,000- £70,000	4
£70,001 - £80,000	2
£110,001- £120,000	1
	<hr/> <hr/>

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £264k.

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

8 Directors remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Directors.

The value of Directors remuneration and other benefits was as follows:

E Nicholls (Selwyn School Headteacher):

- Remuneration £35,000 - £40,000 (4 months)
- Employer's pension contributions £5,000 - £10,000 (4 months)

J Waine (Portway School Headteacher):

- Remuneration £25,000 - £30,000 (4 months)
- Employer's pension contributions £0 - £5,000 (4 months)

During the period, travel costs totalling £63 were reimbursed or paid directly to one Director.

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

9 Directors and officers insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects the Board of Directors from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 26 February 2016	-	-	-	-
Transfer on conversion	18,460	-	-	18,460
Additions	56	19	61	136
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	18,516	19	61	18,596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 26 February 2016	-	-	-	-
Charge for the period	48	1	2	51
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	48	1	2	51
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2016	18,468	18	59	18,545
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included in land and buildings is land valued at £11,203,790 which is not depreciated.

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

11 Debtors				2016
				£'000
VAT recoverable				144
Other debtors				658
Prepayments and accrued income				277
				<u>1,079</u>
				<u><u>1,079</u></u>
12 Creditors: amounts falling due within one year				2016
				£'000
Trade creditors				280
Other taxation and social security				104
Other creditors				146
Accruals				100
				<u>630</u>
				<u><u>630</u></u>
13 Funds				
	Incoming	Resources	Gains, losses	Balance at 31
	resources	expended	& transfers	August 2016
	£'000	£'000	£'000	£'000
Restricted general funds				
General Annual Grant	2,045	(2,150)	105	-
Start up grants	45	(45)	-	-
Other DfE / EFA grants	133	(133)	-	-
Other government grants	322	(322)	-	-
	<u>2,545</u>	<u>(2,650)</u>	<u>105</u>	<u>-</u>
Funds excluding pensions	2,545	(2,650)	105	-
Pension reserve	(2,158)	(52)	(1,362)	(3,572)
	<u>387</u>	<u>(2,702)</u>	<u>(1,257)</u>	<u>(3,572)</u>
	<u><u>387</u></u>	<u><u>(2,702)</u></u>	<u><u>(1,257)</u></u>	<u><u>(3,572)</u></u>
Restricted fixed asset funds				
Inherited funds	18,460	-	(18,460)	-
General fixed assets	-	(51)	18,596	18,545
	<u>18,460</u>	<u>(51)</u>	<u>136</u>	<u>18,545</u>
	<u><u>18,460</u></u>	<u><u>(51)</u></u>	<u><u>136</u></u>	<u><u>18,545</u></u>
Total restricted funds	<u><u>18,847</u></u>	<u><u>(2,753)</u></u>	<u><u>(1,121)</u></u>	<u><u>14,973</u></u>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

13 Funds (Continued)

Unrestricted funds

General funds	725	(4)	(241)	480
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	19,572	(2,757)	(1,362)	15,453
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DFE/EFA grants: This includes the pupil premium and summer school grant.

Other government grants: This includes free school meal funding and SEN funding.

The transfer of funds relate to the purchase of fixed assets during the period and to cover the additional costs over and above those covered by the GAG funding within individual schools.

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:	Total £'000
Leading Learning Trust	(14)
Selwyn Primary School	222
Portway Primary School	272
	<u> </u>
Total before fixed assets fund and pension reserve	480
Restricted fixed asset fund	18,545
Pension reserve	(3,572)
	<u> </u>
Total funds	<u>15,453</u>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

13 Funds

(Continued)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Leading Learning Trust	-	25	-	40	65
Selwyn Primary School	848	54	9	241	1,152
Portway Primary School	993	56	18	422	1,489
	<u>1,841</u>	<u>135</u>	<u>27</u>	<u>703</u>	<u>2,706</u>

14 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	18,545	18,545
Current assets	483	627	-	1,110
Creditors falling due within one year	(4)	(626)	-	(630)
Defined benefit pension liability	-	(3,572)	-	(3,572)
	<u>479</u>	<u>(3,571)</u>	<u>18,545</u>	<u>15,453</u>
Balance to allocate	1	(1)	-	-
Per balance sheet	480	(3,572)	18,545	15,453

15 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £83k were payable to the schemes at 31 August 2016 and are included within creditors.

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £112k.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.3% for employers and 5.5 to 12.5% for employees.

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations

(Continued)

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 21) together with new employees who joined the scheme in the period. 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.

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.

Total contributions made	2016 £'000
Employer's contributions	80
Employees' contributions	24
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Total contributions	104
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Principal actuarial assumptions	2016 %
Rate of increases in salaries	4.2
Rate of increase for pensions in payment	2.3
Discount rate	2.2
Inflation assumption (CPI)	3.2
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The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2016 Years
Retiring today	
- Males	22.1
- Females	24.5
Retiring in 20 years	
- Males	24.4
- Females	26.9
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LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations	(Continued)
The Academy Trust's share of the assets in the scheme	
	2016 Fair value £'000
Equities	503
Bonds	79
Cash	154
Alternative Assets	70
Property	64
Total market value of assets	870
Actual return on scheme assets - gain/(loss)	72
Amounts recognised in the statement of financial activities	
	2016 £'000
Current service cost (net of employee contributions)	105
Net interest cost	27
Total operating charge	132
Changes in the present value of defined benefit obligations	
	2016 £'000
Obligations acquired on conversion	2,852
Current service cost	105
Interest cost	37
Employee contributions	24
Actuarial gain	1,424
At 31 August 2016	4,442
Changes in the fair value of the Academy Trust's share of scheme assets	
	2016 £'000
Assets acquired on conversion	694
Interest income	10
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	62
Employer contributions	80
Employee contributions	24
At 31 August 2016	870

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

15 Pensions and similar obligations (Continued)

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

	2016
	£'000
Net income for the reporting period	16,815
Adjusted for:	
Net deficit/(surplus) transferred on conversion	(17,014)
Defined benefit pension costs less contributions payable	25
Defined benefit pension net finance cost/(income)	27
Depreciation of tangible fixed assets	51
(Increase)/decrease in debtors	(1,079)
Increase/(decrease) in creditors	630
	<hr/>
Net cash used in operating activities	(545)
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17 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

18 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016
	£'000
Amounts due within one year	11
Amounts due in two and five years	3
	<hr/>
	14
	<hr/> <hr/>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

19 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

A Saunders (ICT) Limited is a company controlled by Mr A Saunders, a Director. During the year the Academy purchased consultancy services amounting to £4,600, no amounts were due at the year end. The Academy made the purchase at arms' length and ensured the printing services were charged at cost, Mr A Saunders had no influence over the decision to use his company. In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

20 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

21 Conversion to an Academy

On 1 May 2016, Portway Primary School and Selwyn Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Leading Learning Trust from the London Borough of Newham Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net surplus in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion	
Leading Learning Trust	Plaistow	1 May 2016	
Selwyn Primary School	Plaistow	1 May 2016	
Portway Primary School	Plaistow	1 May 2016	
Net assets transferred:			2016
			£'000
Freehold land and buildings			18,460
Cash			712
LGPS pension surplus/(deficit)			(2,158)
			<hr/>
			17,014
			<hr/> <hr/>

LEADING LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

21 Conversion to an Academy

(Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	18,460	18,460
LA budget funds	712	-	-	712
LGPS pension funds	-	(2,158)	-	(2,158)
	<u>712</u>	<u>(2,158)</u>	<u>18,460</u>	<u>17,014</u>
	<u><u>712</u></u>	<u><u>(2,158)</u></u>	<u><u>18,460</u></u>	<u><u>17,014</u></u>