



LDBS Frays Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2018

Company Registration Number: 08335073 (England and Wales)

Registered Office & Registered Address:

Cowley St Laurence CofE Primary School
Worcester Road
Uxbridge
UB8 3TH

www.fraysacademytrust.org

LDBS Frays Academy Trust

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Reference and Administrative Details

Members

The Bishop of Willesden
I Woolf (nominated by the LDBS)
R Young (nominated by LDBS)
K Buckler (Chair of Directors)

Trustees

K Buckler (Chairperson)
I Woolf
R Hughes
J Duncan
A Brett (appointed September 2017)
D Dean (appointed February 2018)
C Cole (Executive Headteacher & Accounting Officer)

Company Secretary

C Mosdell

Senior Management Team

- ☐ Head of School Cowley St Laurence
- ☐ Head of School St. Matthew's
- ☐ Head of School Laurel Lane
- ☐ Head of School St Martin's

- ☐ Chief Operating Officer

D Davies
C Richardson
S Voisey
J Tighe

J Gaffney

Principal & Registered Office

Worcester Road
Cowley
Uxbridge
UB8 3TH

Company Registration Number

08335073 (England & Wales)

Reference and Administrative Details

Independent Auditor

Kingston Smith LLP
The Shipping Building
The Old Vinyl Factory
Blythe Road
Hayes
London
UB3 1HA

Bankers

Lloyds Bank
21-22 High Street
Uxbridge
Middlesex UB8 1JD

Solicitors

Winkworth Sherwood
Minerva House
Montague Close
London
SE1 9BB

LDBD Frays Academy Trust

Trustees' Report for the year ended 31 August 2018

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

Structure, Governance and Management

Constitution

The Frays Academy Trust (from here on known simply as the Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of the Trust are also known as Directors of the Charitable Company for the purposes of company law. The charitable company is known as Frays Academy Trust.

Details of the Trustees 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, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has taken out professional indemnity insurance which provides cover for Trustees (Directors) and Governors regarding liabilities arising from acts of neglect, errors and/or omissions committed in good faith. Such qualifying third party indemnity insurance remains in force at the date of approving this report.

Principal Activities

As at 31 August 2018, the Trust was made up of 4 academies. Cowley St Laurence Primary School and St Matthew's Primary School converted to academies on 1 February 2013 and were joined by Laurel Lane Primary School on 1 April 2013. St Martin's Primary School joined the Trust as a newly opened academy on 1 September 2015. The Trust also operates a 2 year old provision within Laurel Lane called The Pond and a Special Resource Provision "The Oasis" within St Martin's Primary School. The academies provide high quality education to children of primary school age in Cowley, Yiewsley and West Drayton in accordance with the Trust's objectives as set out in the Articles of Association.

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The Members shall appoint such number of Trustees as they decide, provided they appoint at least two Trustees. The Trustees shall appoint one Trustee who is a member of the clergy in the Church of England.

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Governance Statement

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors and Trustees is in accordance with our policies. Where necessary, training is provided for by a Service Level Agreement (SLA) with the Local Authority under Governance Services or by independent companies depending on the need. Governors training sessions are held regularly throughout the school year.

All new Governors and Trustees are given a tour of the Trust academies and a chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets plans and other documents that they need to undertake their role as governors.

Organisational Structure

See Appendix 2 : Organisational Structure for details of our governing structure, how our teaching and learning is led and our management structure.

Arrangements for setting pay and remuneration of key management personnel

Performance Management in the Trust

The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and pay aligned to the performance reviews. Line managers are responsible for the review of the performance and pay of individual staff and the Board of Directors are responsible for reviewing the performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provides advice, guidance and support to the Trust when setting salaries. The Trust continues to operate from the School Teachers Pay and Conditions.

Objectives and Activities

Objects and aims

The Trust's objectives, as set out in the Articles of Association, are specifically restricted to the following: to advance education for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies. To offer a broad and balanced curriculum. Any Academy which is designated as having a Church of England character shall offer a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular for religious education and daily acts of worship (as required by the Funding Agreement). Also in having regard for the advice and considering directives issued by the London Diocesan Board for Schools.

Objectives, Strategies and Activities

The vision is for each of the academies in the Trust to become Outstanding.

Vision

Frays Academy Trust is a Church of England multi-academy trust affiliated to the London Diocesan Board for Schools (LDBS), the educational arm of the Diocese of London. The Trust is committed to delivering excellent primary education for children in Cowley, Yiewsley and West Drayton and to enabling our children, their families and our staff to flourish and realise their God-given potential. Our founding principles are Christian, based on the teachings of Jesus and the core belief that

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Governance Statement

Every person is loved and accepted by God, uniquely created in his image and given gifts and talents to be nurtured. The Bible (Proverbs 22 v6) states 'Train a child in the way they should go; even when they are old they will not depart from it.'

We will realise these principles in an inclusive and open way, and we will welcome both church schools and schools without a religious foundation into full membership of the Trust. In all our academies, every child will be given the opportunity to flourish in a healthy, safe and secure environment and to have their individual skills, talents and spiritual development nourished so that they bloom and prosper.

The Trust will enable all pupils to achieve and develop the skills, knowledge and understanding necessary for Secondary Education and beyond. The Trust will inspire excellence through high quality leadership, good and outstanding teaching as well as a highly creative curriculum. The learning culture within each Trust academy will inspire children to succeed academically and encourage pupils to aspire to reach their full potential.

At the foundation of our vision is a commitment to providing the highest quality, individualised, professional development for staff. The Trust will invoke high quality leaders of learning in order to provide an enriched curriculum for our pupils of today and tomorrow.

Our values

Within each academy in the Trust there are specific values, which are reviewed annually. The overall values of the Trust are:

- **Equality** to ensure that all pupils receive an outstanding education
- **Openness** to be willing to adapt and change to respond to the needs of the school community
- **Honesty** to critically evaluate leadership and teaching to ensure that the best possible provision can be developed in the Trust academies
- **Responsibility and accountability** to ensure that leaders have high aspirations for all pupils in our Trust academies
- **Challenge** to test our educational thinking to understand that there are always routes to improving provision within our academies
- **Partnership and support** to enable all our academies to work jointly together, to critically analyse our work and support School Improvement

Our Trust will support learners to reach and exceed expected standards of attainment and will be a leader of educational change in the wider community.

Aims

Our learners will:

- achieve high expectations
- understand and celebrate the diversity of their community
- develop resilience and a love of learning
- take an important role in being a positive impact on their community.

Our staff will:

- dedicate themselves to achieving the best outcomes for all learners
- have a clear understanding of their roles and responsibilities and be accountable for their impact
- develop their skills and knowledge in pursuit of the highest standards
- work together to develop outstanding practice
- be committed to lifelong learning

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Our leaders will:

- deploy their resources to secure best value and high outcomes for pupils
- adopt robust ways of tracking the progress of pupils
- Support and challenge their teams to achieve sustained and sustainable improvement.
- be highly effective leaders of teaching and learning
- set high expectations for teaching and learning and expect all pupils and staff to achieve challenging targets

Our schools will:

- have an inspiring curriculum
- deliver teaching and learning that is consistently good and outstanding
- raise levels of attainment and aspiration for all, which is above the national expectations
- be supportive and create a caring environment for staff, learners and their families
- have an inclusive, high quality learning environment
- maintain safe environments where adults are dedicated to protecting the rights of pupils to a high quality education and life chances

Public Benefit

In setting each academy's objectives and planning its activities, The Board have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

The Trust has operated in accordance with its funding agreement as a non-charging, not-for-profit organisation throughout the period in question. Pupil admissions to the Trust have been conducted in accordance with each academy's admissions policy.

Strategic Report

Achievements and Performance (including key performance indicators)

See Appendix 1: Outcome for schools in Frays Trust 2017-2018

Going Concern

After making appropriate enquiries, The Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

During the year ended 31 August 2018, the total income of the Trust was £9,383k (2017: £7,867k)

Most of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of grants. The grants received from the DfE and other government bodies during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Principal revenue funding from the ESFA amounted to £7,822k (2017: £6,648k) and revenue funding from the London Borough of Hillingdon amounted to £1,377k (2017: £1,045k). Other income generated by the Trust amounted to £134k (2017: £124k)

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A high percentage of this funding is spent on wages and salaries and support costs to deliver the Academies' primary objective of the provision of education.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Academies Accounts Direction 2017 to 2018, such grants are shown in the statement of financial activities as restricted income within the fixed assets fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful economic life of the assets concerned. Capital grants received from the ESFA were £31k (2017: £26k). The Condition funding received from the ESFA for the sum of £879K has been included in the ESFA revenue grant due to the nature of works for which the grant was received. The Condition Funding (CIF) expenditure was treated as Building Repairs and Maintenance for this financial year.

Condition Improvement Funding breakdown

School	Nature of work	CIF Bid
Cowley St Laurence CE Primary School	Legionella Compliance works	£223,621.00
St Matthew's CE Primary School	Boiler & Heating system repairs & replacement	£342,972.00
Laurel Lane Primary School	Fire Precautions	£188,680.00
Laurel Lane Primary school	Asbestos Removal	£123,727.00

As at 31 August 2018 the Trust had total funds of £10,933k This comprised £11,596k (2017 : £11,578k) restricted capital fixed assets funds, a restricted pension deficit reserve in respect of the LGPS of (£2,378k) (2017: (£2,547k),£516K (2017: £584k)of restricted revenue funds and £1,199k (2017: £1,171k) of unrestricted general fund balances.

Financial and Risk Management Objectives and Policies

The Trust monitors financial performance through its governance structure which includes Board, Strategic Action & Resources Group (SARG) and Federated Governing Bodies. The Trust Board and sub-committees' financial reports are presented termly to each committee.

The Strategic Financial Resource Manager carries out additional scrutiny of financial data on a monthly basis and this is signed off by the Chief Operating Officer.

Each Federated Governing Body has a Finance & Resource Committee (F&R) which meets on a termly basis, whose remit includes the maintenance of sufficient reserves to meet projected expenditure. In view of the short term budget, the reserves reflect a healthy position. The Trust has planned more resources and development for the Central Unit but also investment into the individual academies to attain higher achievements for the future.

The Trust provides access to two pension schemes for staff: Teachers Pension Scheme (TPS) and the Local Government Pension Scheme. The TPS is a centrally managed scheme, where the government are responsible for any deficits, the LGPS is administered locally. For both TPS & LGPS there is a risk that remains for the Trust. The percentage contributions can rise following a three year valuation carried out by LGPS Actuaries.

The LGPS scheme is in deficit and to reduce this deficit the Trust has set its employer contribution this year rate at 24.9% which would be expected to fund the deficit in approximately 15 years.

Our pension liability, valued in line with FRS 102, continues to cause concern for the Trust, as it does with all other academies in the UK. Note 26 to the accounts explains these commitments more clearly and shows that at 31 August 2018 there was a potential deficit of £2,378k.

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Reserves Policy

The reserves policy considered by the Trust

- assists in strategic planning by considering how new projects or activities will be funded
- informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects
- informs the budget and risk management process by identifying any uncertainty in future income streams

The level of reserves is monitored throughout the year as part of the normal monitoring and budgetary reporting process.

As at 31 August 2018, the Trust's total reserves amounted to £10,933K Of this, £11,596 represents the fixed asset fund comprising existing fixed assets and capital monies restricted for future investment in fixed assets. There is also a negative reserve of £2,378 representing the LGPS defined benefit pension fund deficit which is planned to be met over the long term through our contributions as specified by the actuary. This leaves the Trust with free reserves of £1,715k of which £516k is restricted funds and £1,199k is our accumulated unrestricted fund. The policy of the Trust is to accumulate reserves to cover the following key areas:-

- planned capital expenditure in excess of capital funding,
- to meet the Trust's Asset Management Plans for the next 2 years
- a contingency for income protection. This will consist of the in-year deficit for the current year and any predicted in year deficit for the following year for each school in a pessimistic scenario for the medium term financial plan. The intention is that no school will have in year deficits going forward.

The Trust will endeavor to build up its reserves to enable it to meet its key needs and respond to the changing education environment. The reserves policy will be reviewed on annual basis.

Treasury Management Policy

Under the Articles of Association the Trust has the power to invest any funds not immediately required for the furtherance of its objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs.

The Trust has selected a low risk investment of 32 days as an initial step to generate higher return on cash balances. The Investment policy states the notice period required to request funds and how interest will be distributed. However, in balancing risk against return the Trust policy is geared more towards avoiding risk than to maximising return.

Principal Risks and Uncertainties, and Risk Management

The Trust maintains a risk register identifying the major risks to which it is exposed and identifying actions and procedures to mitigate those risks. This register and actions arising from it are monitored by the Audit Committee. The register is also actively monitored on a regular and frequent basis in individual academies by their respective Senior Leadership Teams.

The Trust's reports that the financial and internal controls conform to guidelines issued by the Education & Skills Funding Agency (ESFA) and that improvements to the wider framework of systems dealing with business risk management strategy continue to be made and formally documented.

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The Trust assesses the principal risks and uncertainties as follows:-

- Staff retention: the Trust is proactive in staff development and retention and uses both staff survey feedback and exit interview data to inform improvements.
- Material decrease in income affecting provision. The budget 2018-19 meets needs with further work planned to increase efficiencies, the Trust cash flow is healthy and long-term planning predicts it will remain so.
- To ensure admission places are filled throughout the year. Continuous marketing of places and the new school (St Martins) is monitored weekly.

Plans for next academic year

Develop Leadership

- To provide high quality professional develop for leaders of learning

High Quality Teaching

- To provide professional development for staff to improve the quality of teaching and learning in our schools.

Curriculum

- To improve the provision across the schools to ensure that there are opportunities to deepen pupils' understanding through a knowledge-rich curriculum

Narrowing the Attainment Gap

- To provide the very best support for our disadvantaged pupils to enable them to make strong progress

Early Years Centre of Excellence

- To continue to develop high quality Early Years Provision

Attendance

- To improve attendance across all schools in the Trust

Governance

- To continue to improve Governance across all schools in the Trust

Marketing and Communication

- To increase pupil numbers in schools

Growth

- To continue to plan for growth of the Trust

Teaching School

- Develop capacity to provide school to school support

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Governance Statement

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all the 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 auditor, Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13th December 2018 and signed on the board's behalf by:



K Buckler

Chair of Trustees

LDBS Frays Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive 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 The Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:..

Trustee	Meetings attended	Out of a possible
A Whitlam (Chair resigned July 2018)	5	5
I Woolf	5	5
V Williams (Appointed July 2017)	3	5
C Cole (Chief Executive and accounting officer)	5	5
J Duncan	4	5
R Hughes	4	5
K Buckler (Appointed Chair July 2018)	5	5
A Brett	4	5
D Dean	2	2
Attending Officer		
J Gaffney (Chief Operating Officer)	5	5

The **Strategic Action & Resources Group (SARG)** is a sub-committee of the main Board of Trustees; its members are drawn from the Board of Trustees and representatives of Local Governing Body committees.

Its purpose is to:

- Monitor finance at a strategic level
- Add value for money
- Business plan, including a five year plan for estate management
- Oversee all regulatory matters

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Governance Statement

Committee Members	Meetings attended	Out of a possible
A Whitlam (Chair of Trustees)	4	5
C Allen (Trustee)	2	2
B Hughes (Trustee)	5	5
C Cole (Executive Headteacher/Accounting Officer)	5	5
J Duncan (Trustee)	5	5
A Brett	3	3
D Dean	1	2
V Williams	1	1
Attending Officers		
	5	5
J Gaffney (Chief Operating Officer)	5	5
R Ahmad (Strategic Finance & Resources Manager)	5	5
C Mosdell (Clerk to committee)	3	4
C Richardson	5	5
S Voisey	3	3
J Tighe	3	3
D Davies	3	3
R Learmont (Interim Head of School)		

The **Audit committee** is also a sub-committee of the main Board of Trustees, but works independently from it. The members are appointed by the Board of trustees.

Its purpose is to:

- Review the Trust Risk Register
- Review all matters of Audit & Internal Controls
- Ensure the Trust internal services meet or exceeds the standards specified in the Government Internal Audit Manual.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Audit Committee Members		
D Green (Chair appointed Nov 2017)	5	5
A Brett (Chair Resigned Nov 17)	2	2
L Kssis	4	5
I Woolf (Trustee)	5	5
Attendees		
C Cole (Accounting Officer/CEO)	5	5
J Gaffney (Chief Operating Officer)	5	5
R Ahmad (Strategic Finance & Resources Manager)	5	5

Value for Money

As accounting officer the Chief Executive has responsibility for ensuring that the 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.

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

- Ensuring the Trust works closely with its academies. The Heads of Schools and Senior leaders meet on a monthly basis to share ideas, good practice and discuss issues. This method of collaboration has had a massive effect on the educational outcomes within the Trust.
- The Trust leadership groups review expenditure within each budget heading termly, the strengthening of governance and financial oversight has improved across the trust and expenditure challenged and discussed with the best value principles in mind.
- The Strategic Finance Resource Manager/Finance Bursars strive to find best value in purchasing and use a number of establish consortia. Large building works are placed via the Academies consultants who are part of the London Diocesan Board of Schools who apply Best Value principles within a safe legal framework.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Action & Resources Group and Audit Committee.

The Risk and Control Framework

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

Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
- 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.

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The Trustees have considered the need for a specific internal audit function and have decided to not to appoint an internal auditor. However, the Trustees have appointed Kingston Smith, the external auditor, to perform additional checks.

The accountant's role as reviewer includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. All the academies within the Trust have been inspected by the auditor and reports have been made to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and Strategic Action and Resources Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Trustees on 13th December 18 and signed on its behalf by:



K Buckler

Chair of Trustees



Mr C Cole

Accounting Officer

LDBS Frays Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Frays Academy Trust I have considered my responsibility to notify the Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr C Cole 13.12.18

Accounting Officer

LDBS Frays Academy Trust

Statement of Trustees Responsibilities

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

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

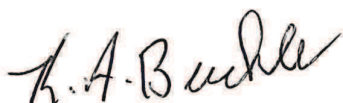
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2018 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Trustees on 13.12.18.... and signed on its behalf by:



K Buckler
Chair of Trustees

Appendix 1: Outcome for Schools in Frays Trust 2017-2018

The individual plans for each school contributed to the improvements in achievement across the schools in the Trust.

Cowley St Laurence CE Primary School

1. To improve the number of pupils reaching age related expectations in Key Stage 1.

Impact:

On average, pupils have made an additional half term's progress this year and have now caught up on previous under achievement.

2. To improve the quality of teaching and learning

Impact:

Quality of teaching and learning has continued to improve in the school with largest amount of outstanding teaching seen in the school to date. The staffing team are very settled and the programme of professional development over the year has had a very positive impact on the quality of teaching and learning.

3. To improve the quality of teaching of RE

Impact:

The new scheme of work is now embedded across the whole school and additional professional development has been provided to support this. Progress in books shows that pupils are making at least good progress.

4. To develop leadership capacity for further improvement

Impact:

Leaders have made a significant impact on quality of teaching and learning across the school. They have ensured that progress of pupils is stronger and more consistent. Although attainment by the end of Y6 was lower than the national average, pupils have progress above the national average.

5. To improve attendance

Impact:

There was a significant improvement on attendance across the year achieving 96.2% in comparison to 94.6% in the previous year. Persistent absence has also been reduced from 14% to 6.5%.

Laurel Lane Primary School

1. To increase number of pupils reaching national expectations

Impact:

Unvalidated results at the age Key Stage 2 put the school below national expectations for attainment. With applications approved for disapplied pupils, attainment will be at least in line with national averages. Progress rates are strong and significantly above the national average for Maths.

2. To narrow the attainment gap between disadvantaged pupils and their peers

Impact:

Results at the end of Key Stage 2 demonstrate that there was a significant improvement of the attainment of SEND pupils with progress rates in Maths significantly above the national average. Attainment of SEND pupils was also above the national averages for this group.

Similarly, attainment of pupils entitled to the Pupil Premium Grant also improved on last year with progress rates significantly above in Reading and Maths.

3. To improve the quality of teaching and learning

Impact:

Teaching and learning has continued to improve in the school. Where this has not been as strong it has been result of staffing difficulties and long term supply.

4. To continue to develop the Early Years as a centre of excellence

Impact:

Pupils have made good progress in the setting and 69% of pupils achieved a Good Level of Development by the end of Reception, in line with the national average.

5. To develop subject leadership and management

Impact:

A recent School Improvement report was strong in its evaluations of strengths leadership and management in the school. Outcomes at the end of Y6 were strong in July 2018.

6. To improve attendance

Impact:

Attendance was at 95.2%, 1% above last year's attendance. Persistent absence has also halved and is now below the national average.

St Matthew's Primary School

1. To improve the attainment of Key Stage One pupils, reaching above the National

Impact:

Pupils made strong progress in Y2 last year and over time (since Reception) they have made expected progress. However, progress rates in Y1 have been much weaker this year and has also resulted in weaker outcomes in the Phonics Screening Test, where 63% of pupils passed the test.

2. To improve the quality of teaching and learning

Impact:

The quality of teaching and learning was weakened at the end of the year due to a range of factors around staff movement. There is now a concerted effort to improve the quality of teaching and learning in the school.

3. To improve the quality of teaching of RE

Impact:

The new scheme of work in RE is now embedded within curriculum planning and staff have received appropriate professional development to support its implementation. The school has recently achieved Silver Level through the RE Quality Mark.

4. To develop leadership capacity for further improvement

Impact:

Five middle leaders took part in the National Professional Qualification for Middle Leadership. However, there have been a number of staffing changes in the school and this has led to changes in leadership. Leaders are now receiving appropriate support to ensure that there is capacity to improve within the school.

5. To improve attendance

Impact:

Attendance improved from 96.3% (2017) to 97% (2018).

St Martin's Primary

1. To develop the leadership and management

Leadership and Management was judged to be a strength in the recent OfSTED report. The development of core curriculum leaders was enhanced by the support from similar leaders in other schools in the Trust. The development of leadership and management of SEND has meant that pupils in the Oasis are now making good progress. The outstanding judgement in the Early Years was as a direct result of the leadership of the Early Years.

2. To improve the quality of teaching and learning

Impact:

Pupils are now making good progress across the school as a result of effective and consistently good teaching. Regular professional development, support and monitoring has been effective in improving outcomes across the school and enabling pupils to achieve well by the end of Key Stage 1.

The quality of teaching and learning is strong in the Early Years. There has been a big focus to improve the outdoor learning environment and this is now a strength.

3. To develop Christian Distinctiveness and RE

Impact:

The school received a Section 48, SIAMS inspection in March 2018 and was judged as '*The distinctiveness and effectiveness of St Martin's as a Church of England school are good*'.

4. To develop the curriculum

Impact:

Although core areas of the curriculum are now well developed and there are strong plans to develop the curriculum into Y3 for next year, there is work to improve the wider areas of the curriculum. In particular, leaders have identified Art and DT as areas that are undeveloped.

5. To develop provision for SEND pupils

Impact:

Whilst pupils are now making good progress in the provision, there is still work to do to ensure that all provisions are fit for purpose and that training is effective in developing the new workforce in the Oasis.

6. To improve attendance

Impact:

Attendance was recognised by OfSTED as a key area for development under Leadership and Management and last year remained below the national average at 94.3%.

Section 3: Trust improvement

The Trust's Strategic Plan for 2016-17 set key targets for each of our schools to achieve, which were linked clearly to the plan.

Evaluation of impact of targets in the Trust's Strategic Plan 2016-17

Strand 1: Leadership Development

- Leadership capacity has improved in the Trust during last academic year
- Strong outcomes evident across the Trust
- New Head in post in Cowley St Laurence through succession planning and internal recruitment
- New Deputy appointed at St Matthew's through succession planning and who is currently developing very well through her role as acting Head
- Appointment of a new Key Stage 2 leader at St Matthew's and appointment of a 'shadow' Phase Leader at Laurel Lane, also for Key Stage 2

Strand 2: High Quality Teaching

By the end of the last academic year 100% of teaching and learning was judged to be good or better with 40% outstanding. Number of pupils achieving age related expectations improves at the end of KS1, including numbers of pupils achieving a greater depth.

Strand 3: Narrow the Attainment Gap

End of Key Stage 2

Pupils entitled to Pupil Premium Grant:

- Attainment improved in 2018 in Reading
- Whilst attainment in 2018 in Writing broadly remained similar to the last year, progress rates dropped
- Rates of attainment and progress in Maths improved, with progress above the national averages

SEND pupils:

- Progress rates were stronger for SEND pupils in Maths and stronger for those pupils with EHC plans
- Attainment in Reading and Grammar, Punctuation and Spelling improved last year, with Writing remaining broadly in line with previous year but with Maths lower than last year

Strand 4: Early Years as 'Centres of Excellence'

Quality of teaching and learning has improved in the Early Years over time where it was judged as 100% good or better and 50% is outstanding by July 2018.

Strand 5: Christian Distinctiveness

- St Martin's has had a successful SIAMS inspection
- Pupils are making good progress in RE in schools in the Trust, as evidenced through the Teaching and Learning Reviews

Strand 6: Attendance

School	2017	2018	Evaluation (comparison against last year)
Laurel Lane	94.3%	95.2%	+0.9%
St Matthew's	96.3%	97%	+0.7%
St Martin's	95.6%	94.3%	-1.3%
Cowley St Laurence	94.7%	96.2%	+1.5%

Three out of four schools have improved their attendance through support and challenge by the Trust. St Martin's Primary now has capacity to improve attendance with improved processes and procedures to raise the importance of good attendance in school.

Strand 7: Governance

Governor training took place on a termly basis focused on:

- Understanding data
- Safeguarding
- Governor Effectiveness

Governance was recognised as a strength in OfSTED reports at St Martin's Primary Schools during the year.

Strand 8: Trust values

This strategy has improved retention rates of teachers since the previous year with 16% of staff are leaving the Trust at the end of the academic year. A Trust survey will be undertaken during the next academic year (2018 -19) to provide stronger basis for an evaluation

Strand 9: Marketing and Communication

This strategy has had some impact in increasing pupil numbers at Laurel Lane Primary School. There was some fluctuation in pupil numbers in other schools across the Trust.

Strand 10: Preparing the Trust for 'Growth'

- The Trust is ready for growth and prepared to allow a new school to join
- Clear offer available for joiner schools that add value for new schools.

Strand 11: Health and Safety

- Health and safety training takes place on a regular cycle
- Reports are now presented to local governing bodies
- Information is reported to SARG at each meeting, updating Directors with training that has taken place. Reporting also includes the level of accidents and incidents across the Trust

Strand 12: Teaching School

- A leader is temporary in post leading the Teaching School
- 2 teachers have begun initial teacher training through the Teaching School
- Keep Hatch Primary School, who has been supported by Frays throughout the year has strong Key Stage 2 outcomes this year. There is clear evidence that support from the Trust has made a positive impact and this is also detailed in the school's recent Section 8 OfSTED monitoring visit
- NPQML was implemented this year as part of the teaching school alliance with 20 middle leaders taking part

Section 4: Safeguarding

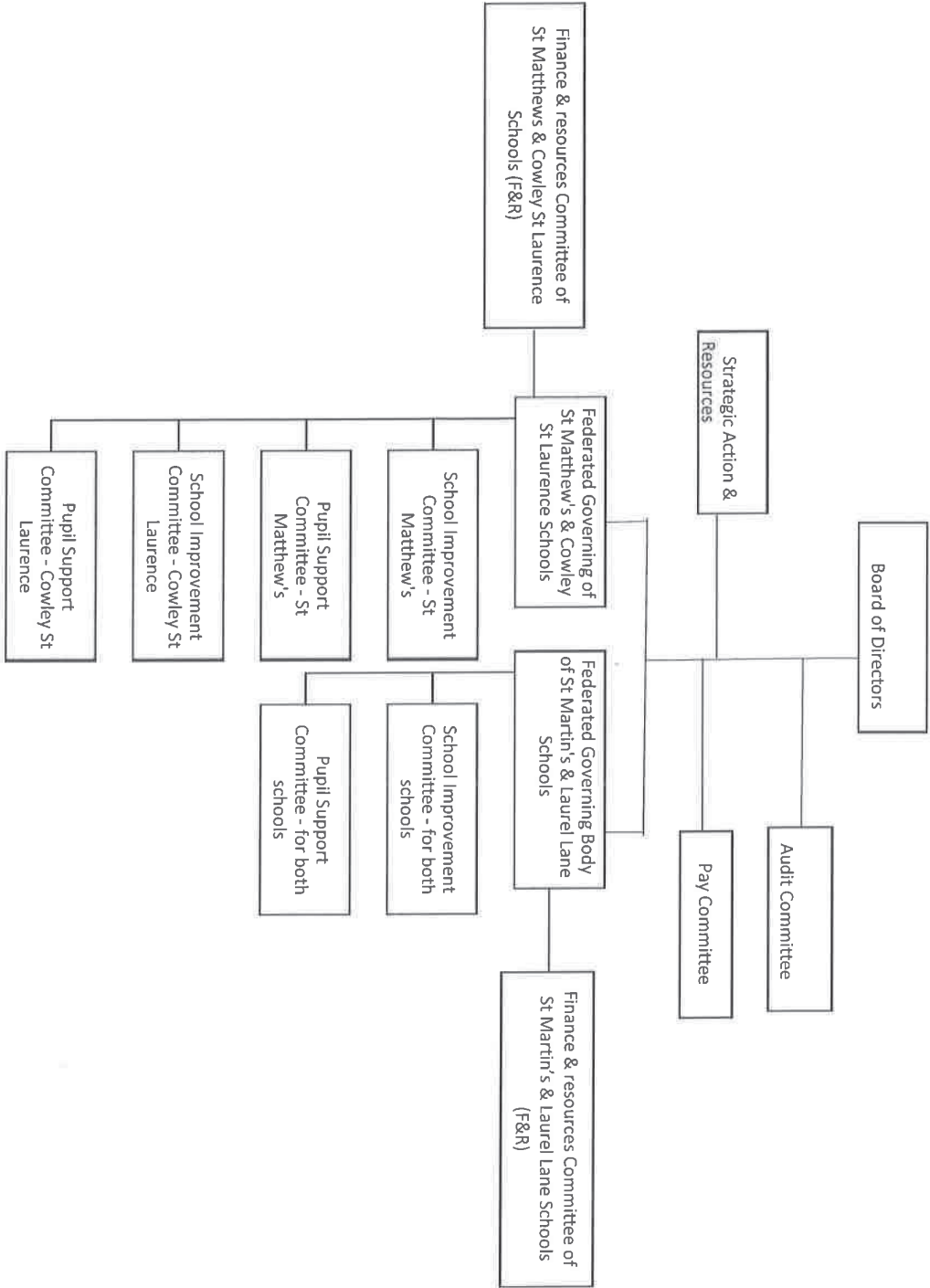
The Trust has continued to ensure high priority has been placed on safeguarding of children. In response to this, the following has been either introduced implemented during the year:

- Safeguarding Policy has been revised to take account of the changes introduced
- All Governors in the Trust have completed training on Safeguarding
- All Governors have signed to state they have read part one of the 'Keeping Children Safe in Education' 2016 statutory guidance.
- Each school's Single Central Record has been updated to reflect best practice and has been checked on a termly basis for compliance
- Each Governing Body monitors the implementation of the Safeguarding Policy on a termly basis. A full Safeguarding audit and report is put together on a termly basis, which is submitted to the Board of Directors.

Section 5: Performance Management in the Trust

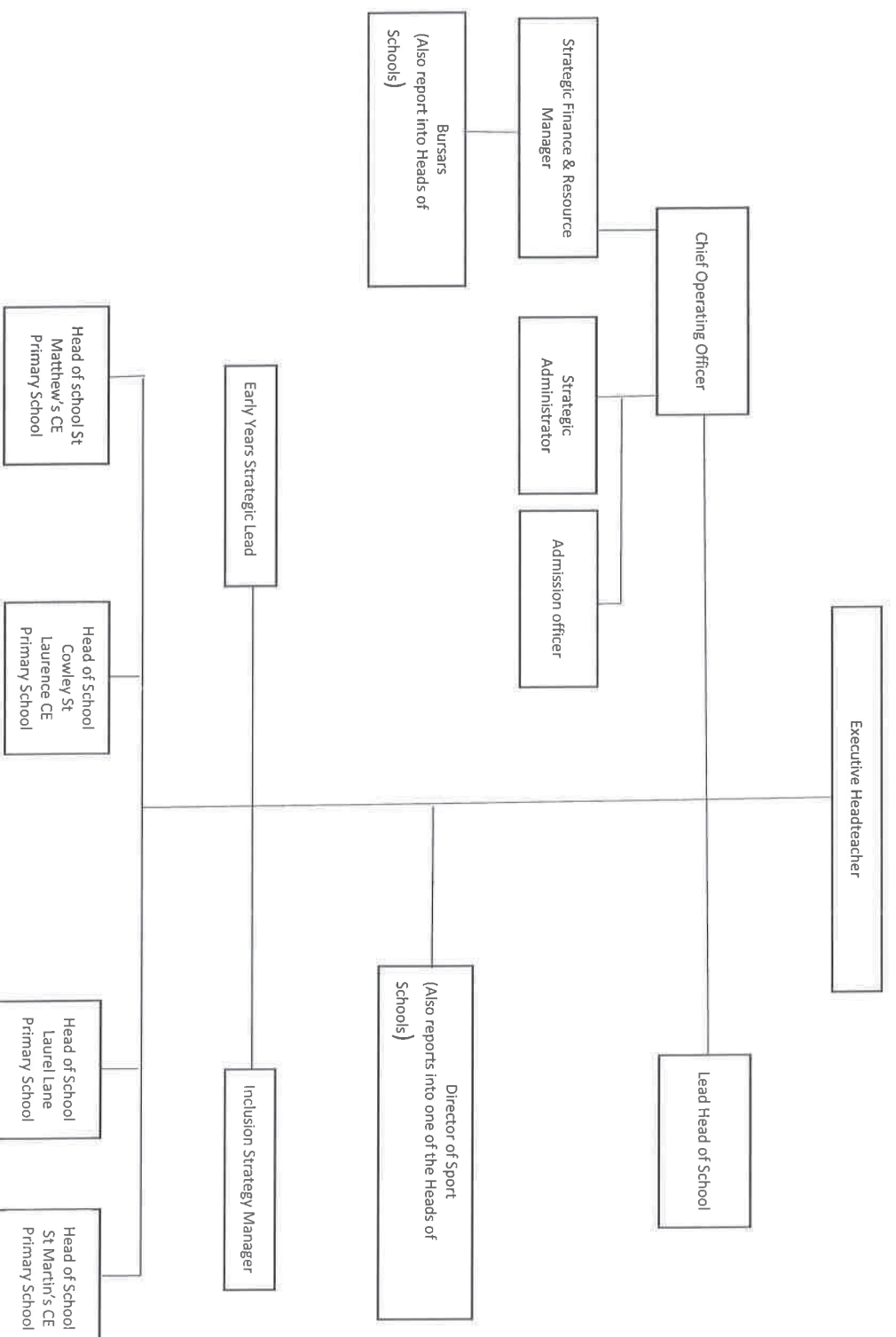
The Trust's policies on Pay and Appraisal detail very clearly the process for setting performance management targets, the review of those targets and the pay aligned to the performance reviews. Line managers are responsible for the review of performance and pay of individual staff and the Board of Directors are responsible for review of performance of the Executive Headteacher. A Pay Committee has been established across the Trust to receive reports from senior leaders in order to scrutinise reasons for pay progression and consider supporting evidence. Schools HR Co-operative provide advice, guidance and support to the Trust when setting salaries. The Trust continue to operate from the School Teachers Pay and Conditions.

Appendix 2: Organisational Structure Governance Arrangements



Appendix 2: Organisational Structure

Leadership Structure—Management Structure



Independent Auditor's Report on the Financial Statements to the Members of LDBS Frays Academy Trust

Opinion

We have audited the financial statements of LDBS Frays Academy Trust ('the academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

This report is made solely to the academy trust'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 academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditor's Report on the Financial Statements to the Members of
LDBS Frays Academy Trust
(continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page [x], the trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report on the Financial Statements to the Members of
LDBS Frays Academy Trust
(continued)

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Shivani Kothari

Date: 17th December 2018

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

The Shipping Building
The Old Vinyl Factory
Blythe Road
Hayes

Independent Reporting Accountant's Assurance Report on Regularity to LDBS Frays Academy Trust

In accordance with the terms of our engagement letter dated 30 June 2017 and further to the requirements of the Education Funding and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LDBS Frays Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LDBS Frays Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LDBS Frays Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Frays Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of LDBS Frays Academy Trust 's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of LDBS Frays Academy Trust 's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2018 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

Independent Reporting Accountant's Assurance Report on Regularity to
LDBS Frays Academy Trust

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 17th December 2018

The Shipping Building
The Old Vinyl Factory
Blythe Road
Hayes

LDBS Frays Academy Trust
Statement of Financial Activities for the year ended 31 August 2018
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	2	18	-	31	49	49
Charitable activities:						
Funding for the academy trust's educational operations	3	-	9,258	-	9,258	7,805
Teaching schools		-	60	-	60	-
Other trading activities	4	15	-	-	15	12
Investments	5	1	-	-	1	1
Total		34	9,318	31	9,383	7,867
Expenditure on:						
Raising funds	6	6	-	-	6	9
Charitable activities:						
Academy trust educational operations	7	-	9,388	335	9,723	8,548
Teaching schools			25	-	25	-
Total		6	9,413	335	9,754	8,557
Net income / (expenditure)		28	(95)	(304)	(371)	(690)
Transfers between funds	16	-	(322)	322	-	-
Other recognised gains/(losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16, 26	-	518	-	518	614
Net movement in funds		28	101	18	147	(76)
Reconciliation of funds						
Total funds brought forward		1,171	(1,963)	11,578	10,786	10,862
Total funds carried forward		1,199	(1,862)	11,596	10,933	10,786

All of the academy's activities derive from continuing operations during the above two financial periods.

LDBS Frays Academy Trust
Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		11,264		11,421
Current assets					
Debtors	13	454		284	
Cash at bank and in hand		<u>2,552</u>		<u>1,963</u>	
		3,006		2,247	
Liabilities					
Creditors : Amounts falling due within one year	15	<u>(959)</u>		<u>(335)</u>	
Net current assets/(liabilities)			<u>2,047</u>		<u>1,912</u>
Total assets less current liabilities			13,311		13,333
Defined benefit pension scheme liability	26		(2,378)		(2,547)
Total net assets			<u>10,933</u>		<u>10,786</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	11,596		11,578	
General fund	16	516		584	
Pension reserve	16	<u>(2,378)</u>		<u>(2,547)</u>	
Total restricted funds			9,734		9,615
Unrestricted income funds	16		1,199		1,171
Total funds			<u>10,933</u>		<u>10,786</u>

The financial statements on pages 30 to 52 were approved by the trustees, and authorised for issue on and are signed on their behalf by:



Ken Buckler 13.12.18

Chair of trustees

Company registration no: 08335073

LDBS Frays Academy Trust
Statement of Cash Flow for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	735	(561)
Cash flows from investing activities	22	(146)	(176)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		589	(737)
Cash and cash equivalents at 1 September 2017		1,963	2,700
Cash and cash equivalents at 31 August 2018		2,552	1,963

LDBS Frays Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102))', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

LDBS Frays Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pound.

Going Concern

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

Income

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

• Grants

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

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

Capital grants are recognised 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.

• Sponsorship Income

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

• 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.

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies (continued)

• **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 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".

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 a 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 the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Expenditure on Raising Funds**

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

• **Charitable Activities**

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

All resources expended are inclusive of VAT where it is irrecoverable.

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets 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:

Long leasehold buildings	50 years
Property improvements	50 years
Fixtures, fittings and equipment	5 -10 years
Computer equipment	3 years

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

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

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies (continued)

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 the 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 and services it must provide.

Provisions

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

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

Leased Assets

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

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LDBS Frays Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Church Academy

The Trust occupies land (including buildings) at Cowley St Laurence CofE Primary School and St Matthew's CofE Primary School which are owned by The London Diocesan Board for Schools (LDBS). The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Trust occupies the land and buildings under a mere licence. This continuing permission of the Trustees of the LDBS is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Trust for the time being, but does not vest any rights over the land in the Trust. The Trustees of LDBS have given an undertaking to the Secretary of State that they will not give the Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Trust is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the Trust will not be recognised on the balance sheet of the trust.

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

2 Donations and capital grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000
Capital Grants	-	-	31	31
Other donations	18	-	-	18
2017/18 Total	18	-	31	49
2016/17 Total	23	-	26	49

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	6,056	6,056	5,896
Other DfE/ESFA grants	-	1,706	1,706	752
Teaching school		60	60	-
	-	7,822	7,822	6,648
Other Government grants				
Local authority grants	-	1,377	1,377	1,045
	-	1,377	1,377	1,045
Other Income from the academy trust's educational operations	-	119	119	112
2017/18 Total	-	9,318	9,318	7,805

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	3	-	3	3
Other Income	12	-	12	9
2017/18 Total	15	-	15	12

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Unrestricted Funds				
Interest on short term deposits	-	1	1	1
2017/18 Total	-	1	1	1

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other £000		
Expenditure on raising funds:					
Direct costs	-	-	6	6	9
Academy's educational operations:					
Direct costs	5,730	-	330	6,060	5,778
Allocated support costs	1,265	1,612	786	3,663	2,770
Teaching schools	25	-	-	25	-
	7,020	1,612	1,122	9,754	8,557

Net income / (expenditure) for the period includes:

	2018 £000	2017 £000
Operating leases rentals	15	17
Depreciation	335	405
Fees payable to auditor for:		
Audit	13	12
Non-audit services:		
Accountancy	4	3
Non-statutory audit and assurance work	9	6
Other accountancy and advisory work	5	3

7 Charitable Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	-	6,085	-	6,085	5,778
Support costs - educational operations		3,328	335	3,663	2,770
2017/18 Total	-	9,413	335	9,748	8,548

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

Analysis of support costs	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	1,265	1,265	1,112
Depreciation	334	334	405
Technology costs	160	160	129
Premises costs	383	383	501
Major repairs	895	895	-
Other support costs	585	585	577
Governance costs	41	41	46
Total support costs	3,663	3,663	2,770

8 Staff

a. Staff costs

Staff costs during the period were:	2018 £000	2017 £000
Wages and salaries	4,730	4,719
Social security costs	419	413
Operating costs of defined benefit pension scheme	1,075	952
Apprenticeship levy	8	4
	6,232	6,088
Staff training	49	32
Supply staff costs	715	431
Severance payments	24	-
	7,020	6,551

b. Non statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £24,000 (2017: £nil). The payment was made in September 2018.

c. Staff numbers

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

	2018 Headcount No.	2018 FTE No.	2017 Headcount No.	2017 FTE No.
Teachers	66	59	59	52
Administration and support	157	116	161	102
Management	3	3	3	3
	226	178	223	157

d. Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	5	5

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £541,348 (2017: £600,622).

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

Mr C.Cole (principal and trustee)	
Remuneration	£145,000 - £150,000 (2017 : £140,000 - £145,000)
Employer's pension contributions	£20,000 - £25,000 (2017 : £20,000 - £25,000)

The number of trustees for whom retirement benefits are accruing under the Teachers' Pension Scheme amounted to 1 (2017: 1)
Company pension contributions to the Teachers' Pension Scheme in respect of trustees amounted to £24,692 (2017: £23,870).

During the year ended 31 August 2018, expenses were reimbursed to 1 trustee for travel expenses £741.60 (2017 :£nil) .

10 Disclosure of central services

The Trust's central services are as follows:

- Trust management & finance function
- Legal and professional services
- Audit and Accountancy

The Trust charges Schools an equal fee based on the expected amount required for running each school, with the exception of St Martin's CofE Primary School which was allowed an agreed flat cost of £74,300 (2017: £25,000) due to being a new school not at full capacity, and this was signed off by the Local Authority.

The trust has provided these services centrally with each academy making a flat contribution to recoup central costs as follows

	2018 £000	2017 £000
Cowley St Laurence	202	145
St Matthew's CofE Primary School	202	145
Laurel Lane Primary School	202	145
St Martin's CofE Primary School	74	25
	<u>680</u>	<u>460</u>

11 Trustees' and Officers' Insurance

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

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

12 Tangible fixed assets

	Leasehold Land and Buildings £000	Property Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 September 2017	10,124	1,074	1,206	863	13,267
Additions	16	-	27	135	178
At 31 August 2018	<u>10,140</u>	<u>1,074</u>	<u>1,233</u>	<u>998</u>	<u>13,445</u>
Depreciation					
At 1 September 2017	234	32	832	748	1,846
Charged in year	102	10	131	92	335
At 31 August 2018	<u>336</u>	<u>42</u>	<u>963</u>	<u>840</u>	<u>2,181</u>
Net book values					
At 31 August 2018	<u>9,804</u>	<u>1,032</u>	<u>270</u>	<u>158</u>	<u>11,264</u>
At 31 August 2017	<u>9,890</u>	<u>1,042</u>	<u>374</u>	<u>115</u>	<u>11,421</u>

The land and buildings occupied by Cowley St Laurence CofE Primary School and St Matthew's CofE Primary School were made available for the use by the London Diocesan Board for Schools to the Trust in a written agreement between the London Diocesan Board for Schools, the Secretary of State for Education and the Academy Trust

13 Debtors

	2018 £000	2017 £000
Trade debtors	3	3
VAT recoverable	138	68
Prepayments and accrued income	313	213
	<u>454</u>	<u>284</u>

14 Financial instruments

	2018 £000	2017 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>228</u>	<u>155</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>728</u>	<u>144</u>

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

15 Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	303	87
Other taxation and social security	103	106
Accruals and deferred income	553	142
	959	335

Deferred income

	2018 £000	2017 £000
Deferred Income at 1 September 2017	85	68
Resources deferred in the year	128	85
Amounts released from previous years	(85)	(68)
Deferred Income at 31 August 2018	128	85

At the year end the Trust was holding funds received in advance in respect of Universal Infant Free School Meals funding for the academic year September 2018 to August 2019 (2017: September 2017 to August 2018) amounting to £93k (2017: £85k) and Teaching Schools Alliance income amounting to £35k.

16 Funds

	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	584	6,056	(5,802)	(322)	516
Other DfE grants	-	1,706	(1,706)	-	-
Local Authority Grant	-	1,377	(1,377)	-	-
Other Income	-	179	(179)	-	-
Pension reserve	(2,547)	-	(349)	518	(2,378)
	(1,963)	9,318	(9,413)	196	(1,862)
Restricted fixed asset funds					
DfE/ESFA capital grants	-	31	-	171	202
Local authority capital grants	157	-	-	(27)	130
Fixed assets purchased with capital grants	1,053	-	-	152	1,205
Capital expenditure from GAG	727	-	-	26	753
Transfer from Local Authority on conversion	9,641	-	(335)	-	9,306
	11,578	31	(335)	322	11,596
Total restricted funds	9,615	9,349	(9,748)	518	9,734
Total unrestricted funds	1,171	34	(6)	-	1,199
Total funds	10,786	9,383	(9,754)	518	10,933

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

General annual grant

This includes all monies received from the ESFA to carry out the objectives of the Trust. It includes the School Budget Share.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Other grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the development and building of the academy and other tangible fixed assets, and the annual charges for depreciation of these assets.

Unrestricted funds

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

Transfers between funds

Transfers from the General Annual Grant fund to the fixed asset fund relate to fixed assets purchased from these funds.

Transfers from the General Annual Grant fund to the pension reserve relate to the payments made from GAG funds towards reducing the LGPS defined benefit pension scheme liability.

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

16 Funds (continued)

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

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	766	4,851	(4,550)	(483)	584
Other DfE/ESFA grants	-	752	(752)	-	-
Local authority	-	1,045	(1,045)	-	-
Other Income	-	1,157	(1,157)	-	-
Pension reserve	(2,956)	-	(639)	1,048	(2,547)
	(2,190)	7,805	(8,143)	565	(1,963)
Restricted fixed asset funds					
DfE/ESFA capital grants	74	26	-	(100)	-
Local authority capital grants	209	-	-	(52)	157
Fixed asset purchased with capital grants	901	-	-	152	1,053
Capital expenditure from GAG	678	-	-	49	727
Transfer on conversion	10,046	-	(405)	-	9,641
	11,908	26	(405)	49	11,578
Total restricted funds	9,718	7,831	(8,548)	614	9,615
Total unrestricted funds	1,144	36	(9)	-	1,171
Total funds	10,862	7,867	(8,557)	614	10,786

A current year and prior year combined 24 months position is as follows:

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	766	10,907	(10,352)	(805)	516
Other DfE grants	-	2,458	(2,458)	-	-
Local Authority Grant	-	2,422	(2,422)	-	-
Pension reserve	-	1,336	(1,336)	-	-
Other Income	(2,956)	-	(988)	1,566	(2,378)
	(2,190)	17,123	(17,556)	761	(1,862)
Restricted fixed asset funds					
DfE/ESFA capital grants	74	57	-	71	202
Local authority capital grants	209	-	-	(79)	130
Fixed asset purchased with capital grants	901	-	-	304	1,205
Capital expenditure from GAG	678	-	-	75	753
Transfer on conversion	10,046	-	(740)	-	9,306
	11,908	57	(740)	371	11,596
Total restricted funds	9,718	17,180	(18,296)	1,132	9,734
Total unrestricted funds	1,144	70	(15)	-	1,199
Total funds	10,862	17,250	(18,311)	1,132	10,933

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Cowley St Laurence CofE Primary School	312	333
St Matthew's CofE Primary School	489	579
Laurel Lane Primary School	519	631
St Martin's CofE Primary School	189	74
Central services	206	138
Total before fixed assets and pension reserve	1,715	1,755
Restricted fixed asset fund	11,596	11,578
Pension reserve	(2,378)	(2,547)
Total	10,933	10,786

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	2018 Total £000	2017 Total £000
Cowley St Laurence CofE Primary School	1,493	319	36	557	2,405	2,427
St Matthew's CofE Primary School	1,403	284	28	707	2,422	2,395
Laurel Lane Primary School	1,488	276	48	654	2,466	2,127
St Martin's CofE Primary School	979	166	31	264	1,440	963
Central Services	392	220	-	68	680	240
Trust	5,755	1,265	143	2,250	9,413	8,152

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

17 Analysis of net assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,264	11,264
Current assets	1,199	1,475	332	3,006
Current liabilities	-	(959)	-	(959)
Pension scheme liability	-	(2,378)	-	(2,378)
Total net assets	1,199	(1,862)	11,596	10,933
			-	

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,421	11,421
Current assets	1,171	919	157	2,247
Current liabilities	-	(335)	-	(335)
Pension scheme liability	-	(2,547)	-	(2,547)
Total net assets	1,171	(1,963)	11,578	10,786

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

18 Capital Commitments

There are no capital commitments provided in the financial statements.

19 Commitments under operating leases

Operating Leases

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

	2018 £000	2017 £000
Other		
Amounts due within one year	9	15
Amounts due between two and five years	21	2
	30	17

20 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

	2018 £	2017 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(371)	(690)
Adjusted for:		
Depreciation	335	405
Loss on disposal	-	2
Capital grants from DfE/ESFA and other capital income	(31)	(26)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	282	143
Defined benefit pension scheme finance cost	67	62
(Increase)/Decrease in debtors	(170)	35
(Decrease)/increase in creditors	624	(491)
Net Cash provided by / (used in) Operating Activities	735	(561)

21 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

22 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(178)	(203)
Capital grants from DfE Group	31	26
Net Cash provided by / (used in) investing Activities	(146)	(176)

23 Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash in hand and at bank	2,552	1,963
Total cash and cash equivalents	2,552	1,963

LDBS Frays Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

24 Contingent Liabilities

There are no contingent liabilities to disclose in the accounts.

25 Members' Liability

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

26 Pension and Similar Obligations

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

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

Teachers' Pension Scheme

Introduction

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

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

26 Pension and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

The Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £346,000 (2017: £353,000) and at the year-end £nil (2017: £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS in September 2018 to allow the Department for Education to finalise this pension scheme actuarial valuation. Early indications are that the amount employers pay towards the scheme will need to increase from April 2019 because of proposed changes to the discount rate used in the valuation.

There are also early indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £564,000 (2017: £528,000), of which employer's contributions totalled £455,000 (2017: £434,000) and employees' contributions totalled £109,000 (2017: £94,000). The agreed contribution rates for future years are 24.9 per cent for employers and 9.6 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

26 Pension and Similar Obligations (continued)

Principal Actuarial Assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.80%	2.80%
Rate of increase for pensions in payment/inflation	2.40%	2.40%
Discount rate for scheme liabilities	2.50%	2.50%

Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
0.5% increase in the salary increase rate	112	119
0.5% increase in the pension increase rate	614	521
0.5% decrease in real discount rate	734	650

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.6 years	22.6 years
Females	24.6 years	24.6 years
<i>Retiring in 20 years</i>		
Males	24.0 years	24.0 years
Females	26.5 years	26.5 years

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	1,816	1,431
Gilts		
Corporate bonds	703	554
Property	351	277
Cash and other liquid assets	59	46
Total market value of assets	2,929	2,308

The income return on scheme assets was £64,000 (2017: £59,000)

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

26 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(737)	(577)
Interest cost	(131)	(121)
Interest income	64	59
Total operating charge	(804)	(639)

Changes in the fair value of defined benefit obligations were as follows:

	2018 £000	2017 £000
At 1 September 2017	4,855	5,539
Current service cost	737	577
Interest cost	131	121
Employee contributions	109	94
Actuarial (gain)/loss	(480)	(1,447)
Benefits paid	(45)	(29)
At 31 August 2018	5,307	4,855

Changes in the fair value of Trust's share of scheme assets:

	2018 £000	2017 £000
At 1 September 2017	2,308	2,583
Investment income	64	59
Actuarial gain/(loss)	38	(833)
Employer contributions	455	434
Employee contributions	109	94
Benefits paid	(45)	(29)
At 31 August 2018	2,929	2,308

LDBS Frays Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

27 Related Party Transactions

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

Mr I. Woolf is an employee of the London Diocesan Board for Schools. The Trust incurred expenses of £2,080 (2017: £2,000) from this organisation for the provision of central support services such as human resources and legal advice.

Mr I. Woolf is also a director of Grow Education Partners Limited, a company that provided project management and survey services in the period to the Trust totalling £225 (2017: £175).

Mr C. Cole is the Chair of the IEB at Minet Junior School, during the year the trust charged £650 (2017: £1,650) to Minet Junior School in respect of recharges of employee costs. Also, support work provided to other schools was charged at £23,650 (2017: £9,400) at an agreed charging tariff.

Rev. R.C. Young is the vicar at St Matthew's Church which occupies common premises to St Matthew's C E Primary School, during the current and preceding period the school had access to the church for use as a place of worship. The trust was not charged for this service.

LDBS Frays Academy Trust
Notes to the Financial Statements for the Year Ended 31 August 2018

28 Comparative Statement of Financial Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
Income and endowments from:	23	-	26	49
Donations and capital grants				
Charitable activities:				
Funding for the Trust's educational operations		7,805	-	7,805
Other trading activities	12			12
Investment income	1			1
Total	36	7,805	26	7,867
Expenditure on:				
Raising funds	9	-	-	9
Charitable activities:				
Academy trust educational operations	-	8,143	405	8,548
Total	9	8,143	405	8,557
Net income / (expenditure)	27	(338)	(379)	(690)
Transfers between funds	-	(49)	49	-
Other recognised gains/(losses):				
Actuarial (losses) / gains on defined benefit pension schemes		614	-	614
Net movement in funds	27	227	(330)	(76)
Reconciliation of funds				
Total funds brought forward at 1 September 2016	1,144	(2,190)	11,908	10,862
Total funds carried forward 31 August 2017	1,171	(1,963)	11,578	10,786