



# LDBS Frays Academy Trust

Annual Report and Financial Statements  
For the year ended 31 August 2015

Company Registration No. 08335073  
(England and Wales)

# **LDBS Frays Academy Trust**

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# **LDBS Frays Academy Trust**

## **Reference and Administrative Details**

### **Members:-**

The London Diocesan Board for Schools  
The Bishop of Willesden  
I Woolf (nominated by the LDBS)  
R Young (nominated by LDBS)  
A Whitlam (Chair of Directors)

### **Trustees**

A Whitlam (Chairperson)  
I Woolf  
R Young  
C Allen  
R Hughes (appointed 13/03/2015)  
J Duncan (appointed 13/03/2015)  
M Hendrie (resigned 02/02/2015)  
S Flick-Smith (resigned 29/09/2014)  
C Cole (Executive Headteacher & Accounting Officer)

### **Company Secretary**

A Norton (appointed 01/11/2014)

### **Senior Management Team**

D Head of School Cowley St Laurence  
D Head of School St. Matthew's  
D Head of School Laurel Lane  
D Deputy Head St. Matthew's  
D Strategic Finance & Resource Manager

J Tighe /T Francis  
C Richardson  
S Voisey  
D Davies  
R Ahmad

### **Principal & Registered Office**

Worcester Road  
Cowley  
Uxbridge  
UB8 3TH

### **Company Registration Number**

08335073 (England & Wales)

# **LDBS Frays Academy Trust**

## **Reference and Administrative Details (continued)**

### **Independent Auditor**

Kingston Smith LLP  
Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

### **Bankers**

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

### **Solicitors**

Winkworth Sherwood  
Minerva House  
Montague Close  
London  
SE1 9BB

# **LDBS Frays Academy Trust**

## **Trustees' Report for the year ended 31 August 2015**

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 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of LDBS Frays Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as LDBS 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 2015, the Academy Trust was made up of 3 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. The academies provide high quality education to children of primary school age in Cowley, Yiewsley and West Drayton in accordance with the Academy Trusts' objects as set out in the Articles of Association.

#### **Method of Recruitment and Appointment or Election of Trustees**

The number of Directors 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 Directors as they decide, provided they appoint at least two Directors. The Directors shall appoint one Director who is a member of the clergy in the Church of England.

# **LDBS Frays Academy Trust**

## **Trustees' Report for the period ended 31 August 2015**

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new governors and directors depends on their existing experience. 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. In house training is also arranged upon request.

All new governors and directors are given a tour of the Academy Trust 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 4: Organisational Structure for details of our governing structure, how our teaching and learning is led and our management structure.

### **Objectives and Activities**

#### **Objects and aims**

The Academy Trust's object, as set out in the Articles of Association, is specifically restricted to the following : to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum provided that in relation to any Academy which is designated as having a Church of England character such school 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 in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice and following directives issued by the London Diocesan Board for Schools.

#### **Objectives, Strategies and Activities**

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

#### **Vision**

LDBS 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 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 schools, 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.

# **LDBS Frays Academy Trust**

## **Trustees' Report for the period ended 31 August 2015**

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 school 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 Academy 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 school 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 schools
- **Responsibility and accountability** to ensure that leaders have high aspirations for all pupils in our Trust schools
- **Challenge** to test our educational thinking to understand that there are always routes to improving provision within our schools
- **Partnership and support** to enable all our schools to work jointly together, to critically analyse our work and support School Improvement

Our Academy 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

# **LDBS Frays Academy Trust**

## **Trustees' Report for the period ended 31 August 2015**

### **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 the school's objectives and planning its activities the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees of the Academy have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission.

The Academy 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 Academy have been conducted in accordance with the Academy's admissions policy.

### **Strategic Report**

#### **Achievements and Performance (including key performance indicators)**

See Appendix 1: Performance of Schools in the Academy Trust for a review of our achievements and performance at each academy.

#### **Going Concern**

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

#### **Financial Review**

Most of the Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of grants, some of which is restricted to particular purposes. The grants received from the DfE and other government bodies during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.



## **LDBS Frays Academy Trust**

### **Trustees' Report for the period ended 31 August 2015**

The Academy Trust also receives grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), 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.

During the year ended 31 August 2015, the total income of the Academy Trust was £8,004k Grant funding from the EFA and other governmental bodies total £7,851k with £117k received from other sources.

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 total excess of income over expenditure for the year was £571k.

As at 31 August 2015 the Academy Trust had total funds of £8,221k. This comprised of £7,104k of restricted funds and £1,107k of unrestricted general fund balances.

#### **Financial and Risk Management Objectives and Policies**

The Academy monitors its key performance indicators on a monthly basis, presented to the Trust on a termly basis, which include the maintenance of sufficient reserves to meet projected expenditure. In view of the short term budget, the reserves reflect a healthy position. The Academy has planned more resources and development in to the Trust to attain higher achievements for the future.

The Academy provides access to two pension schemes for staff: Teachers Pension Scheme (TPS) and the Local Government Pension. The TPS is a centrally managed scheme, where the government are responsible for any deficits. The TPS therefore poses only limited financial risk to the academy. However, the LGPS is administered locally and any deficit is the responsibility of the employer, which exposes the Academy to a degree of financial risk.

The scheme is in deficit and to reduce this deficit the Trust has set its employer contribution rate at 29.10%, which would be expected to fund the deficit in approximately 15 years.

#### **Reserves Policy**

The Trust reviews the reserve position every term and at year end as part of its medium term budget planning. The Academy Trust aims to retain sufficient reserves to enable the Academy Trust to respond to the turbulent and the changing education environment.

Our pension liability, valued in line with FRS17, continues to cause concern for the Academy 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 2015 we had a shortfall of £1,764k.

## **LDBS Frays Academy Trust**

### **Trustees' Report for the period ended 31 August 2015**

#### **Investment Policy**

Under the Articles of Association, the Academy 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 intends to consider a Treasury Management Policy that would enable plans to invest any cash flow surpluses for limited period to generate higher return on any cash balances. However, in balancing risk against return the Trust policy will be geared towards avoiding risk than to maximising return.

#### **Principal Risks and Uncertainties, and Risk Management**

The Academy Trust maintains a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Audit Committee. The register is also actively monitored on a regular and frequent basis by the Senior Leadership Team.

The Trust reports that the Academy's financial and internal controls conform to guidelines issued by the Education Funding Agency (EFA) and that improvements to the wider framework of systems dealing with business risk management strategy continue to be made and formally documented. The Trust assesses the principal risks and uncertainties as follows:-

- Staff retention: The Academy Trust is proactive in staff development and retention.
- Material decrease in income affecting provision. The budget 2015-16 is sound and the long term financial plan shows an adequate contingency.
- The Academy cash flow is healthy and long-term planning predicts it will remain so.

#### **Plans for Future Periods**

Please refer to appendix 3

#### **St Martins CE Primary School**

St Martin's CE Primary School is a brand new school and part of the Targeted Basic Need programme. With the school built for 630 pupils of statutory age, plus a Nursery of 90 part time places and 15 places in Special Resource Provision, the school will open with places for Reception and Nursery in September 2015. Each year the school will bring in a new cohort of pupils into Reception and Nursery. There is no intention of filling places in other year groups in the first year.

## **LDBS Frays Academy Trust**

### **Trustees' Report for the period ended 31 August 2015**

#### **Achievement**

- To ensure that pupils meet national expectations
- To close the attainment gap between identified groups of pupils
- To embed the love of reading

#### **Teaching and Learning**

- To ensure that much of the teaching is outstanding and never less than consistently good
- To embed the assessment and tracking arrangements

#### **Behaviour and Safety**

- To establish high expectations of behaviour of pupil through the implementation of the school's policies
- To embed all Safeguarding procedures identified in the school's policies

#### **Leadership and Management**

- To embed the monitoring of teaching and learning to ensure that it is consistently good or better
- To set high expectations to ensure good learning
- To develop a programme of professional development
- Develop the role of Governors
- Develop high quality curriculum leadership
- Develop managers in their roles to ensure that the management systems in the school run smoothly
- To implement the school's Spiritual Development policies
- To completely resource the SRP, ready to open in September 2016

See Appendix 2: Improvement Measures of Schools in the Academy Trust

## **LDBS Frays Academy Trust**

### **Trustees' Report for the period ended 31 August 2015**

#### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor are 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 auditors, Kingston Smith LLP, are 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 10<sup>th</sup> December 2015 and signed on the board's behalf by:

*Anne Whitlam*

**Mrs A Whitlam**

**Chair of Trustees**

# LDBS Frays Academy Trust

## Governance Statement

### Scope of Responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 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 )	8	8
I Woolf	7	8
R Young	8	8
C Cole (Chief Executive and accounting officer)	8	8
C Allen	8	8
S Flick Smith (Resigned Sept 2014)	0	1
M Hendrie (Resigned Feb 2015 )	1	2
R Hughes (Appointed March 2015)	1	1
J Duncan (Appointed March 2015)	1	1
<u>Attending Officer</u>		
R Ahmad (Strategic Finance & Resources Manager)	8	8

The **Strategic Action & Resources Committee** is a sub-committee of the main board of trustees; All members are chairs of the Local Governing body committees. Its purpose is to:

- Monitor Finance at a strategic level
- Add value for money
- Business planning, which includes 5 year estate management
- All regulatory matters

Committee Members	Meetings attended	Out of a possible
A Whitlam (Chair of Directors)	4	4
M Hendrie (Chair of Strategic Action & Resources – resigned Feb 2015)	1	1
C Allen (Director)	3	4
S Flick-Smith (Director resigned Sept 2014)	0	1
C Cole ( Executive Headteacher/Accounting Officer)	4	4
J Duncan	1	1

# LDBS Frays Academy Trust

## Governance Statement

### Attending Officers

R Ahmad ( Strategic Finance & Resources Manager)	4	4
S Illsley (Clerk to committee)	4	4
C Richardson	2	2
S Vosiey	2	2
J Tighe	1	2
T Francis	1	1

The **Audit committee** is also a sub-committee of the main 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
<u>Trustee</u>		
I Woolf (Director/Chair of Audit committee)	1	1
R Antcliffe ( Co- opted Member)	1	1
S Flick-Smith (Director)( Resigned Sept 2014) 2015)	0	1
<u>Attendees</u>		
C Cole ( Accounting Officer/CEO)	1	1
R Ahmad (Strategic Finance & Resources Manager)	1	1

### Value for Money

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

The Accounting Officer considers how the Trust use of it's 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 academy trust has delivered improved value for money during the year by:-

- Ensuring the Academy works closely with it's partner schools. The Head 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.

# **LDBS Frays Academy Trust**

## **Governance Statement**

- The Academy leadership Group 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 consortiums. 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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LDBS Frays Academy Trust for the year to 31 August 2015 and up to the date of approval of the annual report and financial statements.

## **Capacity to Handle Risk**

The Board of Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Strategic Action & Resource's Group & Audit Committee.

# **LDBS Frays Academy Trust**

## **Governance Statement**

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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.

The Board of Trustees has considered the need for a specific internal audit function and has decided to not to appoint an internal auditor. However, the directors 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 academy trust's financial systems. All the schools within the Trust have been inspected by the auditor and reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

### **Review of Effectiveness**

As accounting officer the Chief Executive 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 academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 10<sup>th</sup> December 2015 and signed on its behalf by:

*Anne Whitlam*

**Mrs A Whitlam**

Chair of Trustees

*Mr C Cole*

**Mr C Cole**

Accounting Officer



## **LDBS Frays Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

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

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

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 EFA.

*Mr C Cole*

**Mr C Cole**

Accounting Officer

*10 December 2015*

# **LDBS Frays Academy Trust**

## **Statement of Trustees' Responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 10<sup>th</sup> December 2015 and signed on its behalf by:

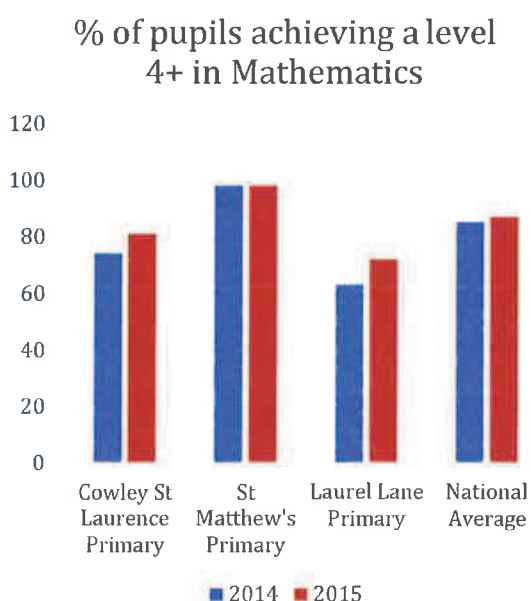
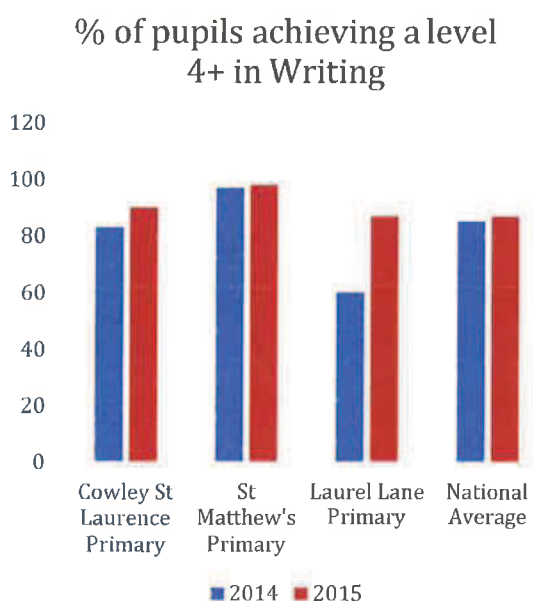
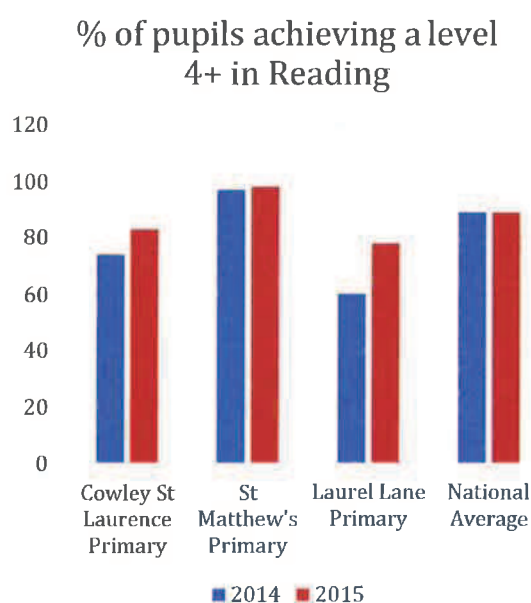
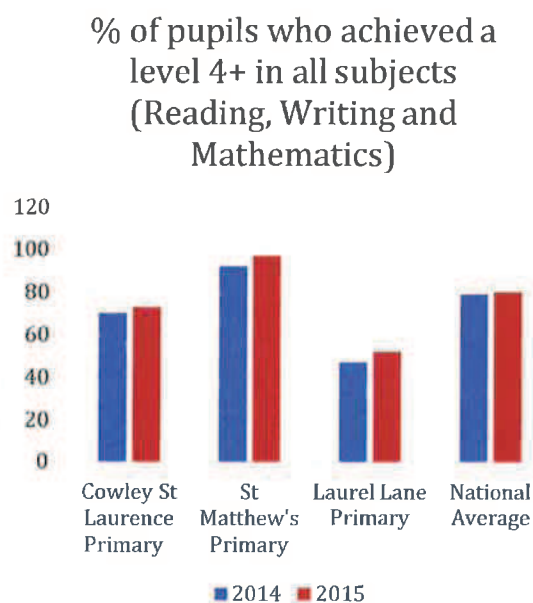
*Anne Whitlam*

**Mrs A Whitlam**

Chair of Trustees

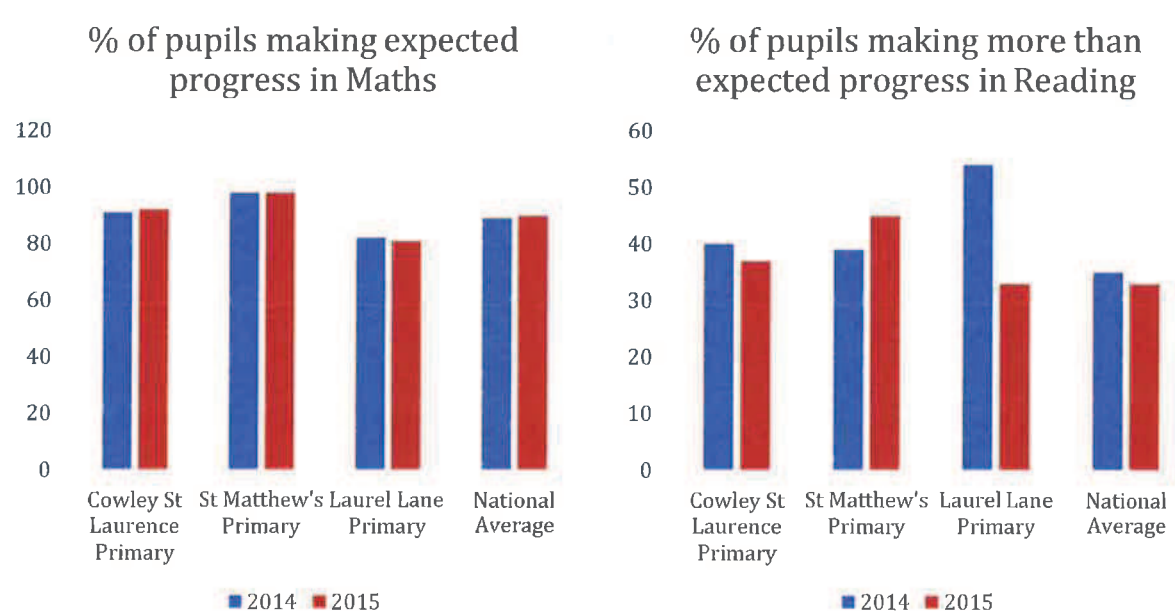
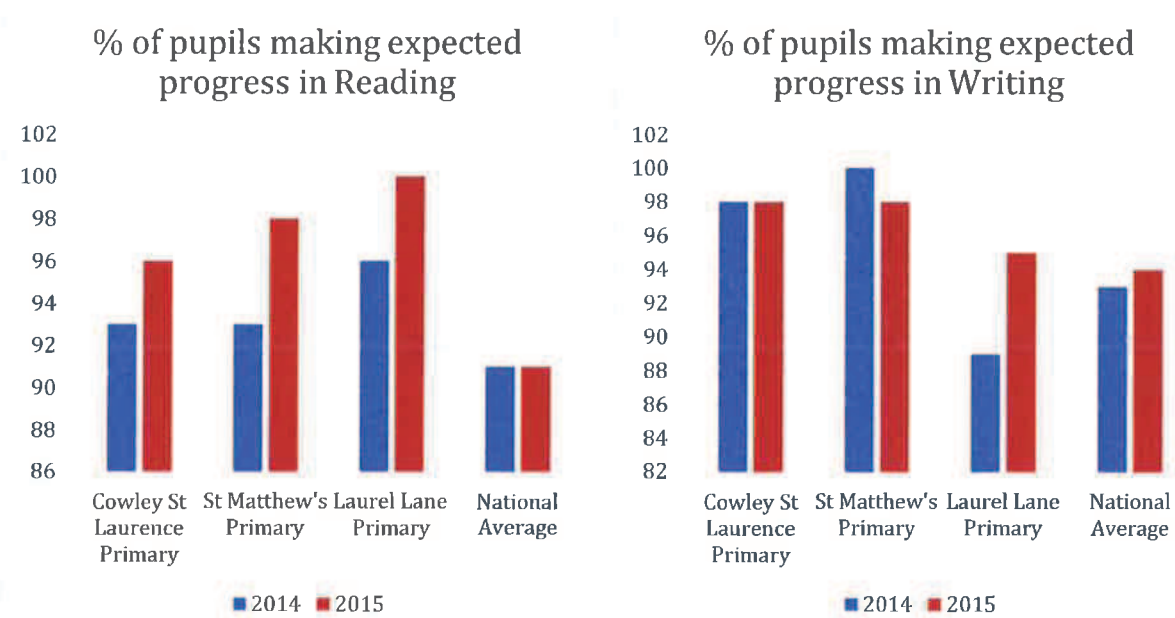
## Appendix 1: Performance of Schools in the LDBS Frays Academy Trust

There was an increase across all schools in the Trust in the number of pupils reaching level 4+ (expected attainment) and level 5+ (above expected attainment) in Reading, Writing and Maths in comparison to 2014, as the graphs show below.

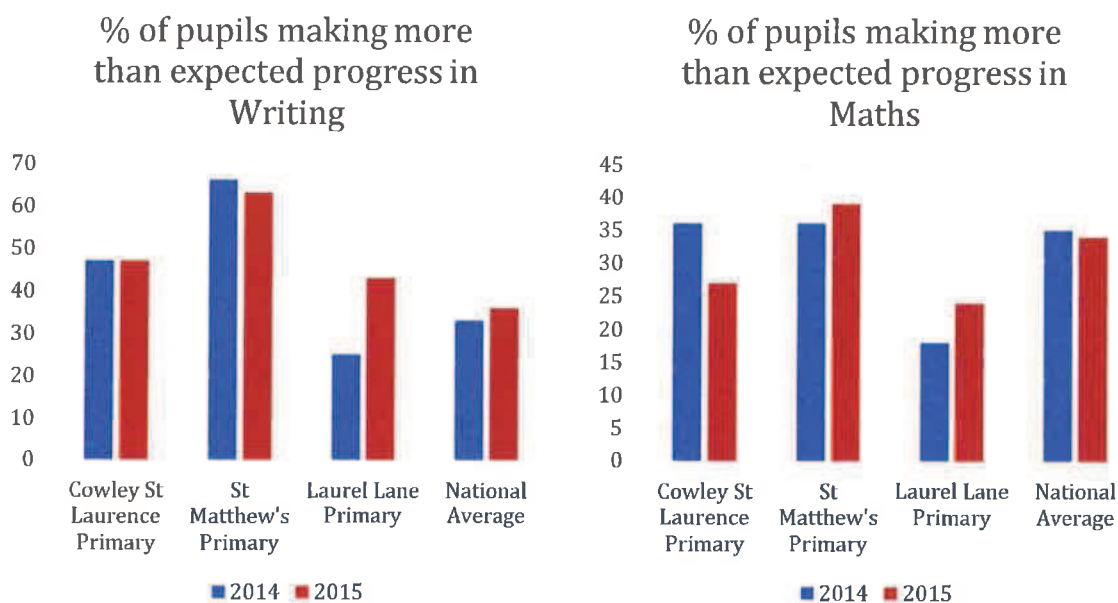


**Progress pupils make from key stage 1 to key stage 2**

Most of our schools are now performing above the national average and where this is not the case, they have improved from 2014, as the graphs below demonstrate.

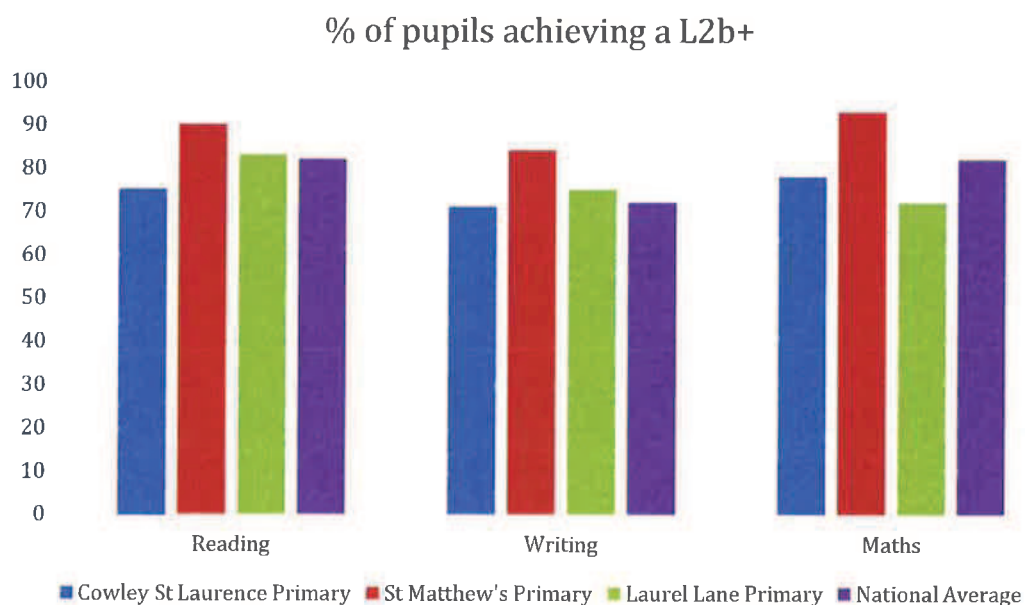


## LDBS Frays Academy Trust



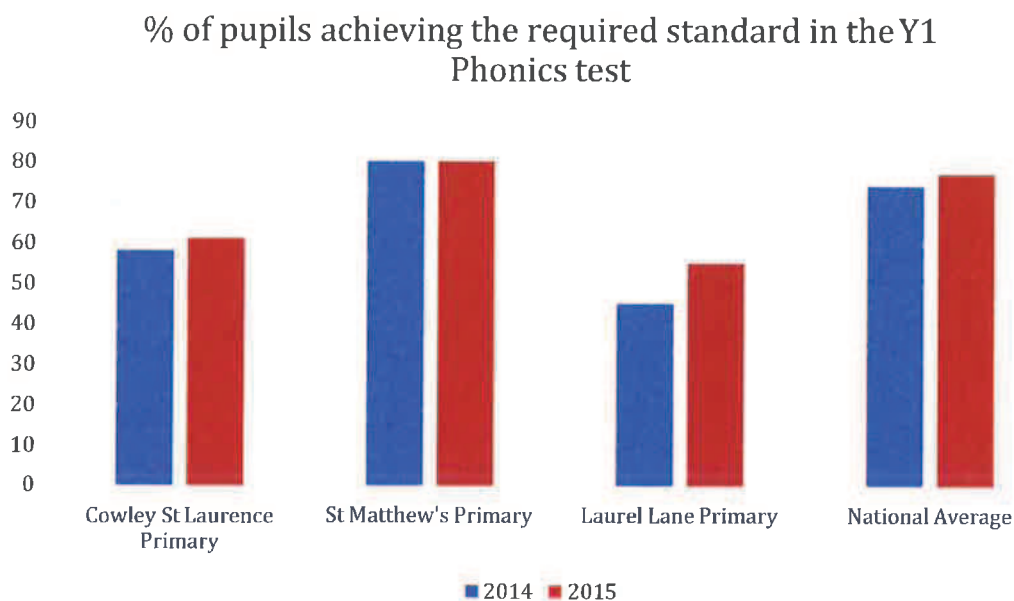
### Key Stage 1

The % of pupils achieving a L2b+ (expected attainment) at the end of Year 2 has increased across schools in the Trust since 2014 and is now closer to the national average. The graphs below show clear evidence of this.

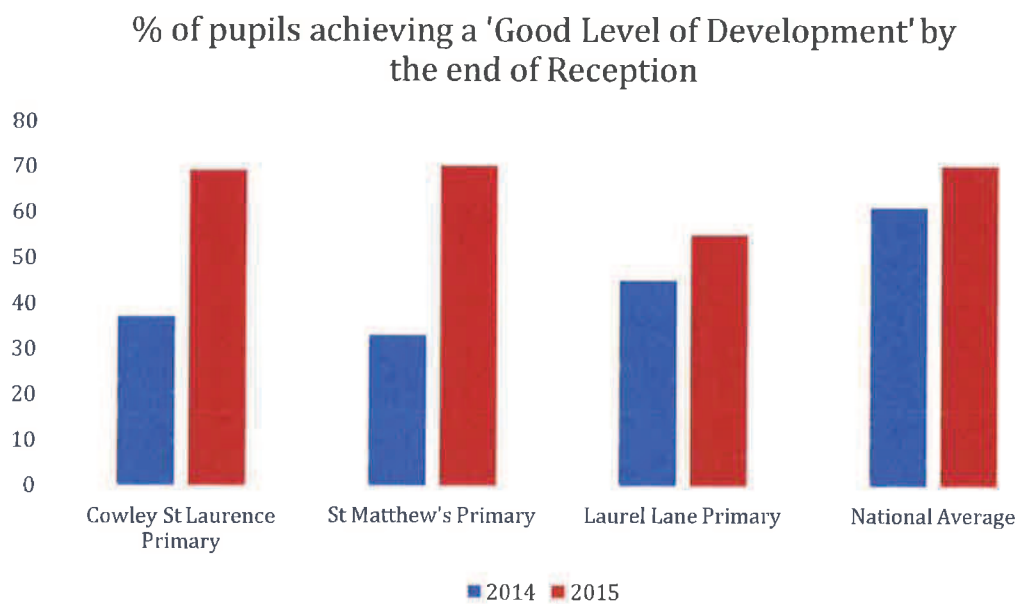


## LDBS Frays Academy Trust

An increased number of pupils are now achieving the required standard in the Phonics test:



There has also been an increase in the number of pupils achieving a 'Good Level of Development' by the end of Reception:



## **Appendix 2: Improvement Measures of Schools in the Academy Trust**

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

### **Cowley St Laurence CE Primary School**

The school set the following targets for the school improvement plan:

#### **Ensuring children make better progress by:**

- Monitoring the progress of all groups of children and individuals closely to ensure all potential is met
- Ensuring that children with a Special Educational Need or Disability progress and learn as well as their peers
- Focus on improving children's writing, giving them skills for the future.

#### **Impact:**

- Pupils with a Special Educational Need who left the school in Y6 in July 2015 made significant more progress than pupils from the Y6 cohort who left in 2014. This higher achievement was more significant in Writing. The improvements were seen in other year groups in the school where the attainment gap between their peers is narrowing. However, this is not yet a consistent picture across the school as there are some year groups where the attainment gap is not yet narrowing.
- Writing at the end of Y6 was inline with national averages. The progress that pupils made in Writing was above the national averages.

#### **Improving teaching and learning by:**

- Supporting and encouraging even more good teachers to become outstanding

#### **Impact:**

- As a result of the improvements in teaching and learning, teaching was far more consistently good by the end of the summer term 2015 than it had been before. Not enough teaching is yet outstanding.

## **LDBS Frays Academy Trust**

### **Improving behaviour and safety by:**

- Sharing our behavior successes with parents and the community
- Continuing to improve pupil's attendance across the school

#### Impact:

- A SIAMS Section 48 inspection report in November 2014 recognised:  
'The school places great emphasis on the well-being of its pupils, providing them with a supportive and inclusive environment within which they can flourish and grow'.
- Attendance is continuing to improve in the school and has risen to 95.07% from 94.63% from the previous year

### **Improving leadership and management by:**

- Further developing skills to assess progress in children's books  
Improving the way we track and assess children's learning in Religious Education

#### Impact:

- Pupils made better progress across the school in 2014-15 as a result of the support that teachers received from leaders
- New leaders are in place and already supporting teachers to help improve their practice
- Strategies for improving assessment in Religious Education are too early to show an impact

## **St Matthew's CE Primary School**

### **Ensuring children make better progress:**

- To raise the achievement of Reading across the school
- To reduce the attainment gap of FSM and SEN pupils
- To raise the achievement of pupils in Mathematics in Key Stage Two

#### Impact:

- The progress that pupils made in Reading at the end of Y6 was higher in 2015 than it was in 2014
- Pupils with a Special Educational Need and those pupils who are entitled to Free School Meals achieved at least inline with all pupils nationally
- The progress that pupils made in Mathematics at the end of Y6 was higher in 2015 than it was in 2014



## **LDBS Frays Academy Trust**

### **Improving Teaching and Learning**

- To develop a greater proportion of teachers graded as 'outstanding'
- To improve the presentation of pupils' work throughout the school
- To improve the teaching of spelling

#### Impact:

- As a result of the professional development offered in the school, a significant proportion of teaching and learning was judged to be outstanding, with none that was less than good
- Achievement data across the school was judged as outstanding across the school in 2014-15

### **Improving Leadership and Management**

- To ensure succession planning is in place for Leadership roles

#### Impact:

- New senior leaders have been inducted into new roles and are already making a significant impact on the quality of teaching and learning

## **Laurel Lane Primary School**

### **Ensuring our children make better progress:**

- To raise the achievement of Reading across the school
- To ensure pupils on the Free School Meals and Special Educational Needs and Disability registers make as much progress as their peers
- To raise the achievement of pupils in Mathematics in Key Stage Two

#### Impact:

- The % of pupils achieving Reading at a L4+ at the end of key stage 2 improved in 2015 from 60% to 78%.
- 23 Pupils made progress at least in line with the national averages for expected progress and more than expected progress
- Pupils on the Free School Meals and Special Educational Needs and Disability registers made less progress than their peers at the end of Y6 in 2015. This is area for improvement in 2015-16
- Some improvements were made in the achievement of Mathematics at the end of Key Stage 2 but these were not sufficient enough to enable pupils to make good progress and to reach national expectations.

## **LDBS Frays Academy Trust**

### **Improving Teaching and Learning**

- Supporting and encouraging even more good teachers to become outstanding
- To improve the presentation of pupils' work throughout the school
- To improve the teaching of spelling

#### Impact

- A greater proportion of teaching and learning was judged good by July 2015 and with a small increase in the amount of outstanding teaching
- Presentation of pupils' work had improved since July 2014 but this is still an area for development
- The teaching of spelling remains an area for development

### **Improving Leadership and Management**

- To improve the skills and abilities of current leaders to take on new leadership opportunities within the school

#### Impact

The leadership capacity of the school has grown and the new leaders are beginning to make a positive impact on teaching and learning.

## **Appendix 3: Improvement Targets for 2015-16**

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Each school has identified the following targets for improvement during this academic year:

### **Laurel Lane Primary School**

**Ensuring our children make better progress by:**

- improving the achievement of Mathematics across the school
- raising achievement in Writing across the school.
- raising achievement of more able pupils
- narrowing the gap for pupils with special educational needs and disabilities (SEND)
- raising achievement of children in the Early Years

**Improving Teaching and Learning so that it is consistently good and develop some outstanding elements by:**

- improving the use of assessment
- improving the quality of teaching and assessment of reading
- improving the quality of marking in the broader curriculum
- all adults showing consistently high expectations for all pupils in all subjects
- developing an Early Years Centre of excellence

**Improving Behaviour and Safety by:**

- raising attendance to 95% or better
- pupils having a thirst for knowledge
- Pupils' attitudes to learning are of an equally high standard across all subjects

**Improving Leadership and Management by:**

- improving leadership skills and capacity for further improvement
- developing the leadership of Phase Leaders
- developing curriculum leadership
- continuing to strengthen governance

### **St Matthew's CE Primary School**

**Ensuring children make better progress:**

- To improve the quality of teaching and the curriculum to ensure pupils make rapid progress
- To reduce the attainment gap of disadvantaged pupils and their peers

## **LDBS Frays Academy Trust**

### **Improving Teaching and Learning**

- To continue to improve teaching and learning across the school so that it is never less than good and a high proportion is outstanding
- To implement our new assessment system to measure pupils' progress against the new curriculum expectations
- To improve the presentation of pupils' work throughout the school
- To improve the teaching of phonics

### **Improving Leadership and Management**

- To develop leadership skills and capacity for further improvement
- To develop the Early Years as a 'Centre of Excellence'

## **Cowley St Laurence CE Primary School**

### **Ensuring children make better progress**

- Raise mathematics achievement
- Raise attainment in writing in year groups outside of statutory testing
- Raise achievement in phonics and spelling across the school
- Ensure that vulnerable learning groups achieve outcomes close to or inline with their peers

### **Improving teaching and learning**

- To develop the Early Years provision to ensure high standards
- To improve the professional development of staff to improve the quality of teaching and learning

### **Improving leadership and management**

- To develop leadership skills and capacity for further improvement
- To strengthen governance

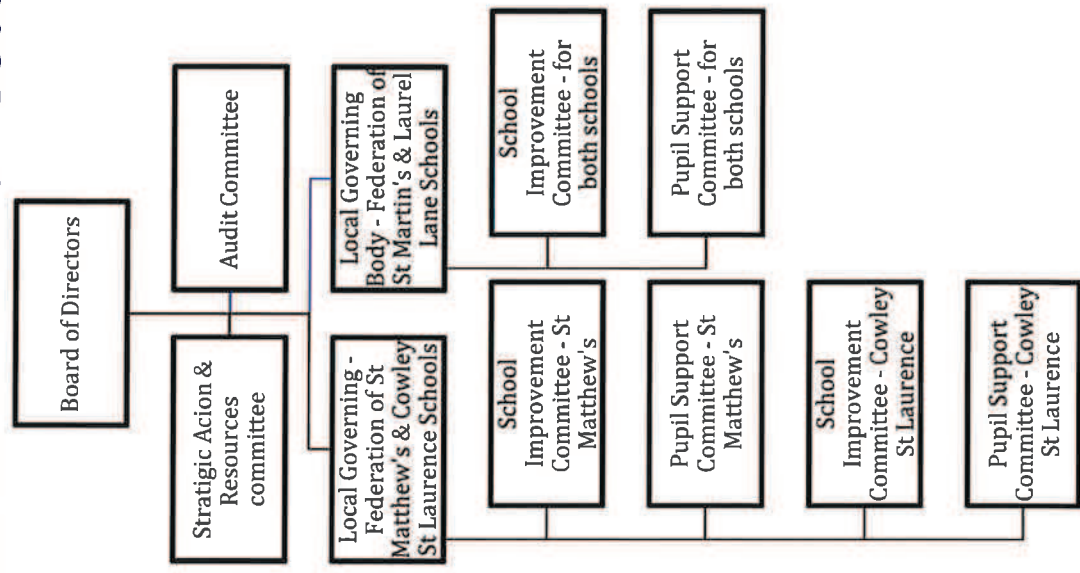
### **Improving behaviour and safety**

- To develop highly successful learners

### **Spiritual development**

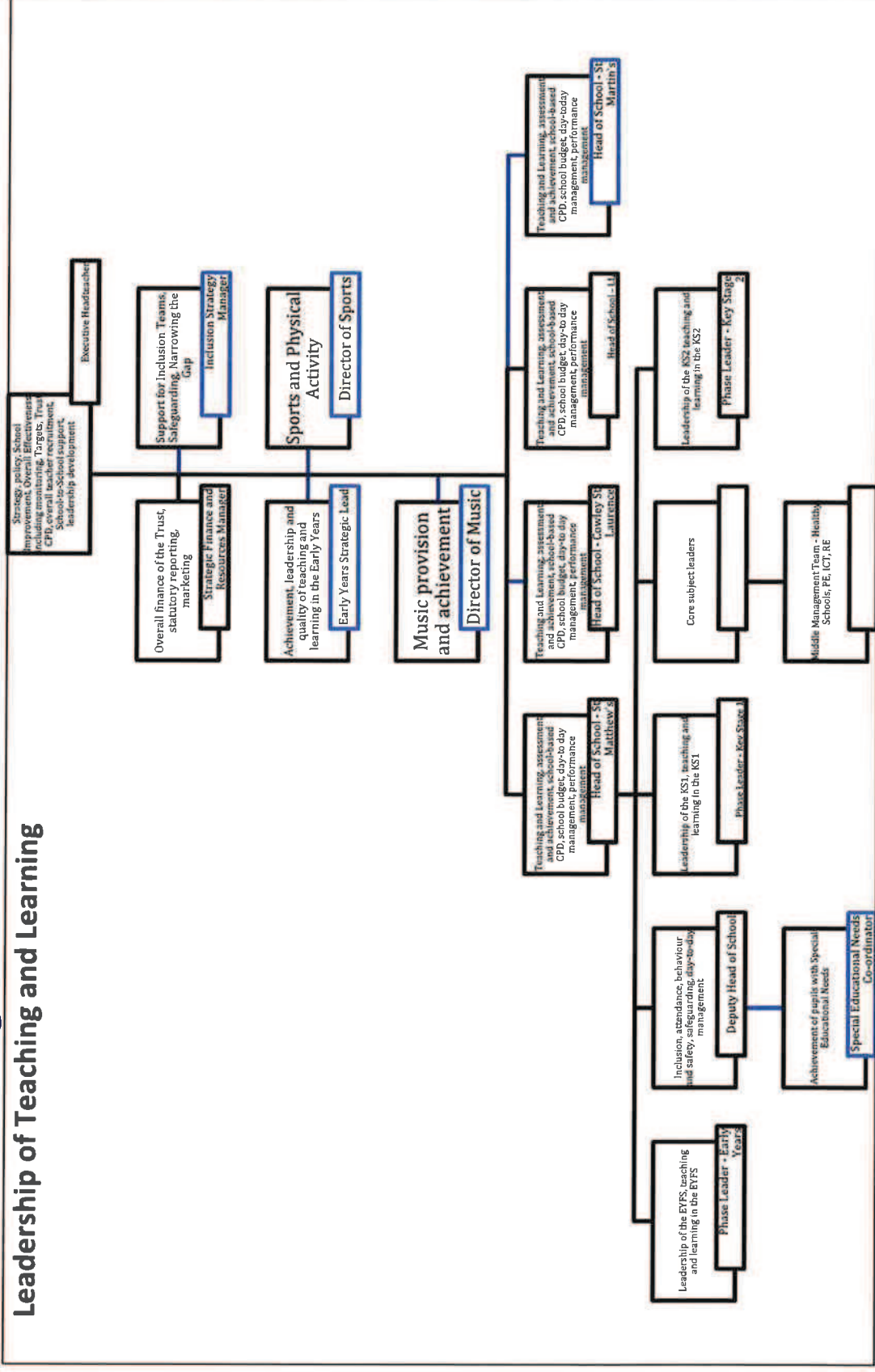
- To achieve the RE Quality Mark

## Appendix 4: Organisational Structure –Governance Arrangements



# Appendix 4: Organisational Structure

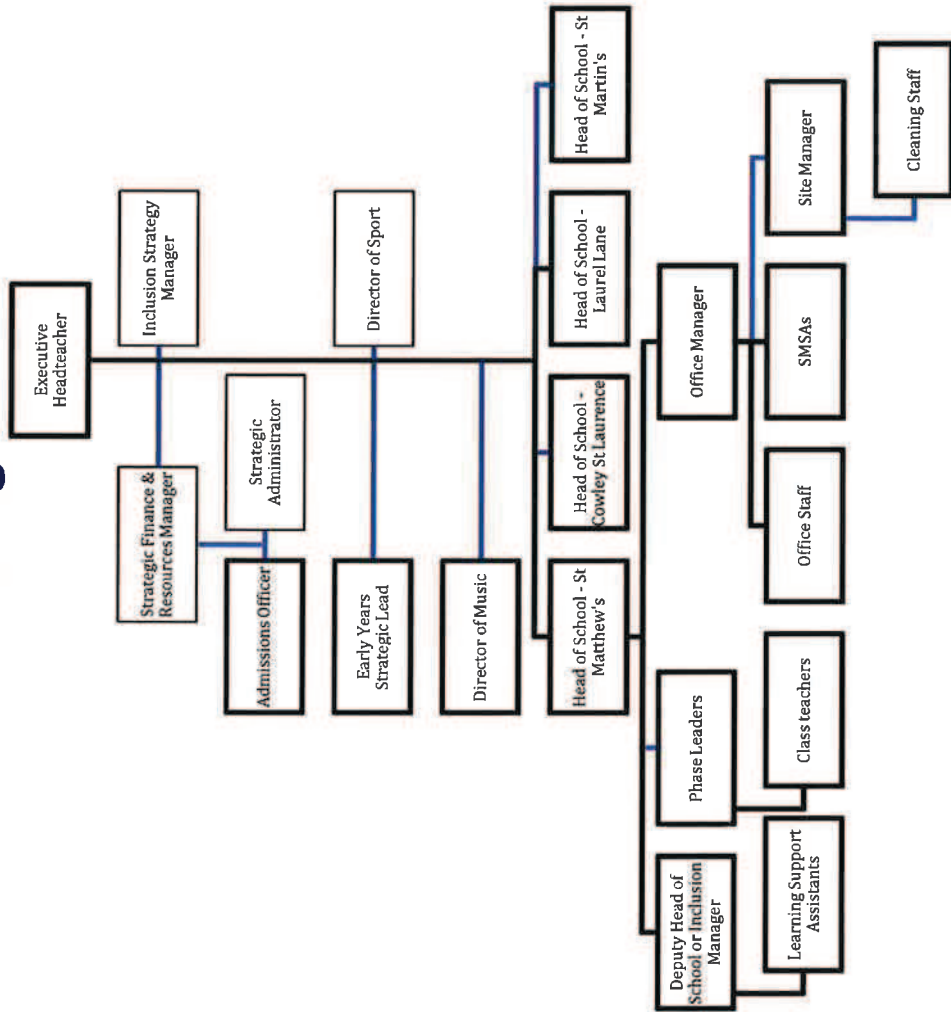
## Leadership of Teaching and Learning



## LDBS Frays Academy Trust

Please note that all schools have a similar structure to support and improve teaching and learning, apart from in St Martin's, a school which has just opened with 2 classes.

# Organisational Structure –Management Structure



# **LDBS Frays Academy Trust**

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

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We have audited the financial statements of LDBS Frays Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.



# **LDBS Frays Academy Trust**

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

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### **Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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.

Kingston Smith LLP

Date: 16 December 2015

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

Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

# **LDBS Frays Academy Trust**

## **Independent Reporting Accountant's Report on Regularity to LDBS Frays Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 6 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 the EFA 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LDBS Frays Academy Trust and the EFA, for our work, or for the conclusion we have formed.

### **Respective responsibilities of LDBS Frays Academy Trust's accounting officer and the reporting auditor**

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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

# **LDBS Frays Academy Trust**

## **Independent Reporting Accountant's Report on Regularity to LDBS Frays Academy Trust and the Education Funding Agency (continued)**

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### **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 2014 to 31 August 2015 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*

Date: 16 December 2015

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

Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

# LDBS Frays Academy Trust

## Statement of Financial Activities

For the year ended 31 August 2015

(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 2015 £000	Total 2014 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	21	-	-	21	16
Activities for generating funds	3	28	-	-	28	176
Investment income	4	2	-	-	2	2
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	7,015	938	7,953	7,088
<b>Total incoming resources</b>		<b>51</b>	<b>7,015</b>	<b>938</b>	<b>8,004</b>	<b>7,282</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		4	-	-	4	-
Fundraising trading		11	-	-	11	71
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	6,482	855	7,337	6,304
Governance costs	8	-	58	-	58	42
<b>Total resources expended</b>	<b>6</b>	<b>15</b>	<b>6,540</b>	<b>855</b>	<b>7,410</b>	<b>6,417</b>
<b>Net incoming resources before transfers</b>		<b>36</b>	<b>475</b>	<b>83</b>	<b>594</b>	<b>865</b>
Gross transfers between funds	16	-	(286)	286	-	-
<b>Net income for the period</b>		<b>36</b>	<b>189</b>	<b>369</b>	<b>594</b>	<b>865</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	15, 25	-	(23)	-	(23)	(300)
<b>Net movement in funds</b>		<b>36</b>	<b>166</b>	<b>369</b>	<b>571</b>	<b>565</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	16	1,071	(1,047)	7,616	7,640	7,075
<b>Total funds carried forward at 31 August 2015</b>		<b>1,107</b>	<b>(881)</b>	<b>7,985</b>	<b>8,211</b>	<b>7,640</b>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# LDBS Frays Academy Trust

Balance Sheet  
As at 31 August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	13		7,396		7,566
<b>Current assets</b>					
Debtors	14	690		418	
Cash at bank and in hand		<u>2,488</u>		<u>1,990</u>	
		3,178		2,408	
<b>Liabilities</b>					
Creditors : amounts falling due within one year	15	<u>(599)</u>		<u>(660)</u>	
<b>Net current assets</b>			<u>2,579</u>		<u>1,748</u>
<b>Total assets less current liabilities</b>			9,975		9,314
Pension scheme liability	26		(1,764)		(1,674)
<b>Net assets including pension liability</b>			<u>8,211</u>		<u>7,640</u>
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>					
Fixed asset fund	16	7,985		7,616	
General fund	16	883		627	
Pension reserve	16	<u>(1,764)</u>		<u>(1,674)</u>	
<b>Total restricted funds</b>			7,104		6,569
<b>Unrestricted income funds</b>					
General fund	16	<u>1,107</u>		<u>1,071</u>	
<b>Total unrestricted funds</b>			1,107		1,071
<b>Total funds</b>			<u>8,211</u>		<u>7,640</u>

The financial statements on pages 38 to 56 were approved by the trustees, and authorised for issue on 10/12/15 and are signed on their behalf by:

Anne Whitlam

Mrs A. Whitlam

Chair of trustees

Company registration no: 08335073

# LDBS Frays Academy Trust

## Cash Flow Statement

For the year ended 31 August 2015

	Notes	2015 £000	2014 £000
<b>Net cash inflow from operating activities</b>	<b>20</b>	<b>197</b>	<b>1,497</b>
Returns on investments and servicing of finance	21	2	-
Capital expenditure	22	299	(865)
<b>Increase in cash in the period</b>	<b>23</b>	<b>498</b>	<b>632</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		1,990	1,358
<b>Net funds at 31 August 2015</b>		<b>2,488</b>	<b>1,990</b>

# LDBS Frays Academy Trust

## Notes to the Financial Statements For the year ended 31 August 2015

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### 1 Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 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 one year from the date of approval of the financial statements.

#### Incoming Resources

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

##### Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

##### Sponsorship Income

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

##### Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

##### Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

##### Donated Goods, Facilities and Services

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

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

---

## 1 Statement of Accounting Policies (continued)

### Resources Expended

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

#### Costs of Generating Funds

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

#### Charitable Activities

These are costs incurred on the academy trust's educational operations.

#### Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 (continued)  
For the year ended 31 August 2015

---

## 1 Statement of Accounting Policies (continued)

### Leased Assets

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

### Taxation

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

### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 the funders where the asset acquired or created is held for a specific purpose.

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

### Church Academy

The academy 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. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The academy trust occupies the land and buildings under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church'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 academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the trust.

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Donations	21	-	21	11
Other	-	-	-	5
	<u>21</u>	<u>-</u>	<u>21</u>	<u>16</u>

## 3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	12	-	12	23
Catering income	-	-	-	85
Club income	-	-	-	8
Receipts from insurance claims	-	-	-	46
Other income	16	-	16	14
	<u>28</u>	<u>-</u>	<u>28</u>	<u>176</u>

## 4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Interest on short term deposits	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

## 5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	5,512	5,512	5,471
Start Up Grants	-	25	25	-
Capital Grants	-	353	353	469
Other DfE/EFA grants	-	665	665	510
	<u>-</u>	<u>6,555</u>	<u>6,555</u>	<u>6,450</u>
<b>Other Government grants</b>				
Local authority grants				
Capital grants	-	585	585	-
Other local authority grants	-	711	711	583
Special educational projects	-	-	-	-
	<u>-</u>	<u>1,296</u>	<u>1,296</u>	<u>583</u>
<b>Other income</b>				
	<u>-</u>	<u>102</u>	<u>102</u>	<u>55</u>
	<u>-</u>	<u>7,953</u>	<u>7,953</u>	<u>7,088</u>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	-	-	4	4	-
Costs of activities for generating funds	-	-	11	11	71
Academy's educational operations					
Direct costs	4,193	-	372	4,565	4,377
Allocated support costs	854	1,205	713	2,772	1,927
	<u>5,047</u>	<u>1,205</u>	<u>1,085</u>	<u>7,337</u>	<u>6,304</u>
Governance costs including allocated support costs	-	-	58	58	42
	<u>5,047</u>	<u>1,205</u>	<u>1,158</u>	<u>7,410</u>	<u>6,417</u>

### Incoming/outgoing resources for the period include:

	Total 2015 £000	Total 2014 £000
Operating leases:		
Other	14	25
Depreciation	529	448
Fees payable to auditor:		
Audit		
Audit of the financial statements	10	8
Audit fees in respect of prior years	4	-
Non-audit services:		
Accountancy	4	2
Non-statutory audit and assurance work	4	5
March 2015 comparison audit	12	-
Other accountancy and advisory work	5	3

## 7 Charitable Activities - Academy's Educational Operations

	Total 2015 £000	Total 2014 £000
<b>Direct costs</b>		
Teaching and educational support staff costs	4,193	4,053
Technology costs	25	64
Educational supplies	174	137
Staff development	26	19
Educational consultancy	34	-
Other direct costs	<u>113</u>	<u>104</u>
	<u>4,565</u>	<u>4,377</u>
<b>Allocated support costs</b>		
Support staff costs	854	736
Depreciation	529	448
Technology costs	62	26
Recruitment and support	27	19
Maintenance of premises and equipment	653	199
Cleaning	18	20
Rent & rates	23	18
Energy costs	89	77
Insurance	69	40
Security	-	-
Transport	55	56
Catering	154	50
Pension finance costs	35	49
Other support costs	<u>204</u>	<u>189</u>
	<u>2,772</u>	<u>1,927</u>
	<u>7,337</u>	<u>6,304</u>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees	-	19	19	24
Auditor's remuneration				
Audit of financial statements	-	10	10	8
Non-audit services	-	29	29	10
Trustees' reimbursed expenses	-	-	-	-
	<u>-</u>	<u>58</u>	<u>58</u>	<u>42</u>

## 9 Staff Costs

### a. Staff costs

Staff costs during the period were:

	Total 2015 £000	Total 2014 £000
Wages and salaries	3,799	3,506
Social security costs	254	232
Operating costs of defined benefit pension schemes	599	499
	<u>4,652</u>	<u>4,237</u>
Supply staff costs	395	522
Staff restructuring costs	-	30
	<u>5,047</u>	<u>4,789</u>

### b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: £29,686).

### c. Staff numbers

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

	2015 No.	2014 No.
<b>Charitable Activities</b>		
Teachers	59	56
Administration and support	96	95
Management	5	4
	<u>160</u>	<u>155</u>

### d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>3</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions amounted to £36,031 (2014: £27,604).

## 10 Central Services

The academy trust's central services are as follows:

Trust management & finance function  
Legal and professional services  
Audit and accountancy

Up to the 31 January 2014 the costs relating to these services are recharged equally to each academy as they were incurred. From 1 February 2014, the trust has provided these services centrally with each academy making a flat contribution to recoup central costs as follows:

	2015 £000	2014 £000
Cowley St Laurence CofE Primary School	98	60
St Matthew's CofE Primary School	98	60
Laurel Lane Primary School	98	60
	<u>294</u>	<u>180</u>

# LDBS Frays Academy Trust

## Notes to the Financial Statements (continued) For the year ended 31 August 2015

### 11 Related Party Transactions - Trustees' Remuneration & 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr C.Cole (executive head teacher and trustee): £130,001 - £135,000 (2014: £125,001 - £130,000)

The number of trustees for whom retirement benefits are accruing under the Teachers' Pension Scheme amounted to 1 (2014: 1)  
Company pension contributions to the Teachers' Pension Scheme in respect of trustees amounted to £18,634 (2014: £18,014)

During the year ended 31 August 2015, no expenses were reimbursed to trustees (2014: Nil).

### 12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £4,466 (2014: £3,445).

The cost of this insurance is included in the total insurance cost.

### 13 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Property Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>					
At 1 September 2014	6,243	478	992	518	8,231
Additions	-	-	147	212	359
At 31 August 2015	6,243	478	1,139	730	8,590
<b>Depreciation</b>					
At 1 September 2014	174	3	255	233	665
Charged in period	125	10	184	210	529
At 31 August 2015	299	13	439	443	1,194
<b>Net book values</b>					
At 31 August 2015	5,944	465	700	287	7,396
At 31 August 2014	6,069	475	737	285	7,566

On conversion to an academy trust, the land and buildings occupied by Laurel Lane Primary School were assigned to the academy trust under a 125 year lease. For the purposes of these financial statements the buildings were recognised at their insurance valuation and no value was attributed to the land due to its restriction in use to educational purposes. Other assets transferred to the academy trust conversion were recognised at insurance reinstatement cost as an approximation for fair value.

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 Academy Trust in a written agreement between the London Diocesan Board for Schools, the Secretary of State for Education and the Academy Trust dated 1 February 2013.

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 14 Debtors

	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Trade debtors	8	17
VAT recoverable	114	111
Prepayments and accrued income	568	290
	<b>690</b>	<b>418</b>

## 15 Creditors: Amounts falling due within one year

	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Trade creditors	260	263
Taxation and social security	79	71
Accruals and deferred income	260	326
	<b>599</b>	<b>660</b>

## Deferred income

	<b>Total 2015 £000</b>
Deferred Income at 1 September 2014	-
Resources deferred in the year	65
Deferred Income at 31 August 2015	<b>65</b>

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 2015 to August 2016.

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 16 Funds

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2015 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	627	5,512	(4,666)	(590)	883
Start up grants	-	25	(25)	-	-
Other DfE/EFA grants	-	665	(665)	-	-
Other restricted funds	-	813	(813)	-	-
Pension reserve	(1,674)	-	(371)	281	(1,764)
	<u>(1,047)</u>	<u>7,015</u>	<u>(6,540)</u>	<u>(309)</u>	<u>(881)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	50	353	(326)	(73)	4
Local authority capital grants	-	585	-	-	585
Fixed assets purchased with capital grants	439	-	(25)	73	487
Capital expenditure from GAG	446	-	(92)	286	640
Transfer from Local Authority on conversion	6,681	-	(412)	-	6,269
	<u>7,616</u>	<u>938</u>	<u>(855)</u>	<u>286</u>	<u>7,985</u>
<b>Total restricted funds</b>	<u><b>6,569</b></u>	<u><b>7,953</b></u>	<u><b>(7,395)</b></u>	<u><b>(23)</b></u>	<u><b>7,104</b></u>
<b>Unrestricted funds</b>					
Unrestricted funds	1,071	51	(15)	-	1,107
<b>Total unrestricted funds</b>	<u><b>1,071</b></u>	<u><b>51</b></u>	<u><b>(15)</b></u>	<u><b>-</b></u>	<u><b>1,107</b></u>
<b>Total funds</b>	<u><b>7,640</b></u>	<u><b>8,004</b></u>	<u><b>(7,410)</b></u>	<u><b>(23)</b></u>	<u><b>8,211</b></u>

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

### General annual grant

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

### Pension reserve

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

### Other restricted general funds

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 academy 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.

### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Cowley St Laurence CoE Primary School	391
St Matthew's CoE Primary School	663
Laurel Lane Primary School	901
Central Services	35
<b>Total before fixed assets and pension reserve</b>	<u><b>1,990</b></u>
Restricted fixed asset fund	7,985
Pension reserve	<u>(1,764)</u>
<b>Total</b>	<u><b>8,211</b></u>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding restricted fixed asset expenditure) £000	Total £000
Cowley St Laurence CofE Primary School	1,415	218	36	343	2,012
St Matthew's CofE Primary School	1,359	234	70	546	2,209
Laurel Lane Primary School	1,241	242	68	396	1,947
Central services	178	96	-	113	387
<b>Academy Trust</b>	<b>4,193</b>	<b>790</b>	<b>174</b>	<b>1,398</b>	<b>6,555</b>

## 17 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,396	7,396
Current assets	1,107	1,482	589	3,178
Current liabilities	-	(599)	-	(599)
Pension scheme liability	-	(1,764)	-	(1,764)
<b>Total net assets</b>	<b>1,107</b>	<b>(881)</b>	<b>7,985</b>	<b>8,211</b>

## 18 Capital Commitments

Contracted for, but not provided in the financial statements

2015 £000	2014 £000
-	-

## 19 Financial Commitments

### Operating Leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
<b>Other</b>		
Expiring within one year	-	6
Expiring within two and five years inclusive	15	8
	<b>15</b>	<b>14</b>



# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 20 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015 £000	2014 £000
Net income	594	865
Depreciation (note 13)	529	448
Capital grants from DfE and other capital income	(938)	-
Interest receivable	(2)	-
FRS 17 pension cost less contributions payable (note 26)	32	(31)
FRS 17 pension finance income (note 26)	35	49
Increase in debtors	8	(145)
Decrease in creditors	(61)	311
<b>Net cash inflow from Operating Activities</b>	<b>197</b>	<b>1,497</b>

## 21 Returns on Investments and Servicing of Finance

Interest received	2	-
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>2</b>	<b>-</b>

## 22 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets	(359)	(865)
Capital grants from DfE/EFA	353	-
Capital funding received from sponsors and others	305	-
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b>299</b>	<b>(865)</b>

## 23 Analysis of Changes in Net Funds

	As at 1 September 2014 £000	Cash Flows £000	As at August 2015 £000
Cash in hand and at bank	1,990	498	2,488
	<b>1,990</b>	<b>498</b>	<b>2,488</b>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

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## 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'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) non-teaching staff, which is managed by London Borough of Hillingdon. Both are defined-benefit schemes.

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

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

As described in the note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the prior period. The obligation in respect of employees transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

### 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.

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

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## 26 Pension and Similar Obligations (continued)

### Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £262,000 (2014: £204,000).

A copy of the valuation report and supporting documentation is available on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £373,000, of which employer's contributions totalled £304,000 and employees' contributions totalled £69,000. The agreed contribution rates for future years are 24.8 per cent for employers and between 5.5 and 12.5 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 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 (continued)  
For the year ended 31 August 2015

## 26 Pension and Similar Obligations (continued)

### Local Government Pension Scheme (continued)

#### Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.57%	3.50%
Rate of increase for pensions in payment/inflation	2.67%	2.70%
Discount rate for scheme liabilities	3.77%	3.70%
Inflation assumption (CPI)		
Commutation of pensions to lump sums	3.77%	5.50%

#### Sensitivity Analysis

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

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumptions at 31 August 2015:-		
0.5% decrease in Real Discount Rate	13.67%	1,624
1 year increase in member life expectancy	3.00%	107
0.5% increase in the Salary Increase Rate	7.67%	258
0.5% increase in the Pension Increase Rate	6.00%	208

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 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.7 years	22.7 years
Females	24.7 years	24.7 years
<i>Retiring in 20 years</i>		
Males	24.3 years	24.3 years
Females	26.9 years	26.9 years

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

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
Equities		1,031	6.4%	907
Bonds		410	3.5%	321
Property		232	4.5%	126
Cash		107	3.3%	42
<b>Total market value of assets</b>	<b>3.8%*</b>	<b>1,780</b>		<b>1,396</b>
Present value of scheme liabilities				
- Funded		(3,544)		(3,070)
<b>Deficit in the scheme</b>		<b>(1,764)</b>		<b>(1,674)</b>

\* The expected rates of return at 31 August 2015 are set equal to the discount rate, as per the forthcoming FRS102 disclosure requirements.

The overall expected rate of return on the major categories of scheme assets was determined using the information provided by the Administering Authority and allowing for index returns where necessary.

The actual return on scheme assets was £35,000 (2014: £23,000).

#### Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	(336)	(264)
Total operating charge	(336)	(264)

#### Analysis of pension finance income/(costs)

	2015 £000	2014 £000
Expected return on pension scheme assets	85	60
Interest on pension liabilities	(120)	(109)
<b>Pension finance costs</b>	<b>(35)</b>	<b>(49)</b>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

## 26 Pension and Similar Obligations (continued)

### Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £345,000 (2014: £322,000 loss).

Movements in the present value of defined benefit obligations were as follows:

	2015 £000	2014 £000
<b>At 1 September</b>	3,070	2,222
Transferred on conversion	-	-
Current service cost	336	264
Interest cost	120	109
Employee contributions	69	62
Actuarial (gain)/loss	(18)	435
Estimated benefits paid net of transfer in	(33)	(22)
<b>At 31 August</b>	<b>3,544</b>	<b>3,070</b>

Movements in the fair value of academy's share of scheme assets:

	2015 £000	2014 £000
<b>At 1 September</b>	1,396	866
Transferred on conversion	-	-
Expected return on assets	85	60
Actuarial (gain)/loss	(41)	135
Employer contributions	304	295
Employee contributions	69	62
Estimated benefits paid net of transfers in and including unfunded	(33)	(22)
<b>At 31 August</b>	<b>1,780</b>	<b>1,396</b>

The estimated value of employer contributions for the year ended 31 August 2016 is £322,000

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000
Present value of defined benefit obligations	(3,544)	(3,070)	(2,222)
Fair value of share of scheme assets	1,780	1,396	866
<b>Deficit in the scheme</b>	<b>(1,764)</b>	<b>(1,674)</b>	<b>(1,356)</b>
<b>Experience adjustments on share of scheme assets</b>	<b>(41)</b>	<b>135</b>	<b>3</b>
<b>Experience adjustments on scheme liabilities:</b>	<b>-</b>	<b>(303)</b>	<b>-</b>

# LDBS Frays Academy Trust

Notes to the Financial Statements (continued)  
For the year ended 31 August 2015

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## 27 Post Balance Sheet Events

On 1 September 2015 a new Primary School, St Martins CofE Primary School was opened by the trust, this school was constructed by the local authority, the London Borough of Hillingdon and on 1 September 2015 assets with an approximate value of £9.3m were transferred from the local authority to the trust.

## 28 Related Party Transactions

Owing to the nature of the academy trust's 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 transaction took place in the period of account.

Mr I. Woolf is an employee of the London Diocesan Board for Schools. The academy trust incurred expenses of £750 (2014: £4,312) 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 academy trust totalling £5,653 (2014: £350).

Mr C. Cole is the Chair of the IEB at Minet Junior School, during the year the trust charged £3,575 (2014: £nil) to Minet Junior School in respect of recharges of employee costs.

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.