

REGISTERED COMPANY NUMBER: 8011930 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013
FOR
LEAF ACADEMY**

Carter & Coley
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

LEAF ACADEMY

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FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

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LEAF ACADEMY

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

DIRECTORS

Dr Annetta Christine Minard (appointed 29/3/2012) *
Mrs Allyson Mary Carney (appointed 29/3/2012) *
Mr Brendan Oliver Booth (appointed 29/3/2012) *
Mr Edward James Taylor (appointed 29/3/2012)
Mrs Helen Janda (appointed 29/3/2012) *
Mrs Jane Melissa Potter (appointed 29/3/2012) *
Mrs Lisa Jayne Welch (appointed 29/3/2012) *
Mr Robin David Hawkins (appointed 29/3/2012)
Mrs Tina Ellen Waterman (appointed 29/3/2012) *
Mr Simon Paul Mariner (appointed 29/3/2012) (resigned
3/7/2013)

* members of the finance and business committee

COMPANY SECRETARY

Mrs Tanya Tracey Hall

REGISTERED OFFICE

Duck Lane
Bournemouth
Dorset
BH11 9JJ

**REGISTERED COMPANY
NUMBER**

8011930 (England and Wales)

AUDITORS

Carter & Coley
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

LEAF ACADEMY
REPORT OF THE DIRECTORS
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

The Directors who are also Trustees of the charity for the purposes of the Charities Act, present their report with the financial statements of the charity for the period 29 March 2012 to 31 August 2013. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

INCORPORATION

The charitable company was incorporated on 29 March 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

LeAF Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing document of the Academy Trust.

The Trustees for the charitable activities of LeAF Academy are also the directors of the Charitable Company for the purposes of company law and the two terms are used synonymously throughout the financial statements.

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.

Directors' Indemnities

There is no Director indemnity insurance in place.

Principal activities

LeAF Academy is a Multi-Academy Trust of three schools striving to offer the highest standard of education possible to our students.

The LeAF Studio School opened on 1 September 2012.

On 1st December 2012 LeAF Academy became a Multi-Academy Trust with the addition of Elm Academy and Oak Academy.

A single board of governors/ directors oversee the activities of LeAF Academy. Each academy within the trust operates as a separate entity and is funded as a separate body by the Education Funding Agency (EFA), however, knowledge and best practice is shared across the federation.

LEAF ACADEMY

REPORT OF THE DIRECTORS FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new Directors

The members of the company comprise of:

- The signatories of the memorandum;
- One person appointed by the Secretary of State (in the event that the Secretary of State appoints a person for this purpose);
- The chair of the Directors
- Any person that the members may agree unanimously in writing to appoint.

The members appoint up to 21 directors save that, there shall be no more than three employees of the company including the Executive Principal appointed as directors.

There must be a minimum of two parent governors.

The guidance provided in the 'Guide to the law for governors' is followed for the appointment and election of new governors.

Induction and training of new Directors

All new governors will be given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents which they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be undertaken informally and is tailored specifically to the individual. Where necessary induction will provide training on charity and educational legal and financial matters.

Organisational structure

A unified management structure is operated within the Academy. The Structure consists of three levels to Governors, The Senior Leadership Team and the Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. There is a clear line of delegation which is supported by a detailed Scheme of Delegation. The Executive Principal is confirmed as the Accounting Officer for each school in the federation.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The senior staff control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the senior staff are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment panels for posts in the senior leadership team always contain a governor.

Related parties

LeAF Academy does not work in conjunction with any related parties.

LEAF ACADEMY

REPORT OF THE DIRECTORS FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas and in relation to the control of finance. Systems have been introduced for the vetting of new staff and visitors and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The financial and other risks of LeAF Academy have been reviewed as part of the financial management and government evaluation. Risk management is a continuing process of identification, evaluation and management of risks to enable the academy to meet its main objective of providing a quality education to its students.

The principle risks and uncertainties are the changes in educational policy, practices and outcomes which are yet to be determined.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the charitable company is the operation of LeAF Academy Trust to provide education for students of different abilities between the ages of 0 and 19.

The main objectives of the academy during the year ended 31st August 2013 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Significant activities

The academy's main objective is encompassed in its mission statement which is "Ambitious for all our community". To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs;
- a careers advisory service to help students obtain employment or move on to higher education.

LEAF ACADEMY

REPORT OF THE DIRECTORS FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

OBJECTIVES AND ACTIVITIES

Public benefit

LeAF Academy Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. Governors confirm that the primary objective of the Trust is to provide a good service to the general public. The management of and future planning of the Trust consistently considers how this objective will be met.

ACHIEVEMENT AND PERFORMANCE

Going concern

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

Key financial performance indicators

The Multi-Academy Trust is working towards ensuring that each of its schools has at least a 'Good' Ofsted judgement and that examination results in each of its schools show strong evidence of progress as measured against national performance.

There were 1,360 pupils on role for the year.

Over 75% of the Trust's expenditure is represented by staff costs.

FINANCIAL REVIEW

Reserves policy

The Directors review the reserve levels of LeAF Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to two weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. LeAF Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,115,431 which exceeds the minimum level set.

Investment policy and objectives

LeAF Academy deposits any funds that are not immediately required into a deposit account provided by the companies' bank. Funds in excess of £1,000 are transferred at the close of business each day. The Directors ensure that no risks are taken with the capital investment and they have due regard to the bank's rating.

FUTURE DEVELOPMENTS

LeAF Academy will continue striving to improve the levels of performance of its pupils in all of its schools focusing upon ensuring that as many pupils as practically possible achieve the government benchmark standards at KS2, KS3 and KS4 and at Post 16 after two years of study. It will do this within the context of operating within its financial means.

LEAF ACADEMY

REPORT OF THE DIRECTORS
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

So far as each Director is aware, there is no relevant audit information of which the charitable company's auditors are unaware;

Each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Carter & Coley, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mrs Tina Ellen Waterman - Director

Date: 18 December 2013

LEAF ACADEMY

GOVERNANCE STATEMENT FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that LeAF Academy 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 mis-statement or loss.

The governing body has delegated the day-to-day responsibility to the Academy Executive Principal, as the 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 in in the funding agreement between LeAF Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

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

Director	Meetings attended	Out of a possible
Dr Annetta Christine Minard	5	5
Mrs Allyson Mary Carney	5	5
Mrs Helen Janda	5	5
Mr Edward James Taylor	5	5
Mrs Tina Ellen Waterman	5	5
Mrs Jane Melissa Potter	2	5
Mrs Lisa Jayne Welch	4	5
Mr Brendan Oliver Booth	3	5
Mr Robin David Hawkins	-	5
Mr Simon Paul Mariner	-	5

Sub-committees:

Finance & Business
Audit

Curriculum, Attainment & Ethos

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. It is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

LEAF ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

Capacity to Handle Risk

The governing body has reviewed the key risks to which the federation is exposed together with the operating, financial and compliance controls which have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the federation's significant risks which has been in place for the period ending 31 August 2013 and up to date approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The Risk and Control Framework

The Academy'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 governing body;
- Regular reviews by the Finance and Business committee of reports which indicate financial performance against the setting targets to measure financial and other performance;
- Clearly defined purchasing (as set purchase or capital investment) guidelines;
- Identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Mrs Jane Potter, a Director, as responsible officer (RO).

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the Responsible Officer reports to the board of Directors on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities.

Review of Effectiveness

As accounting officer, the Executive Principal 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 Responsible Officer
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

LEAF ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

Approved by order of the members of the board of Directors on 18 December 2013 and signed on its behalf by:

T. E. Waterman

.....
Mrs Tina Ellen Waterman - Director

A. Minard

.....
Dr A C Minard - Accounting Officer

LEAF ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

As accounting officer of LeAF Academy I have considered my responsibility to notify the charitable company board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the charitable company board of Directors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.

A. Minard

.....
Dr A C Minard - Accounting Officer

Date: 18 December 2013

LEAF ACADEMY

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

ON BEHALF OF THE BOARD:



.....
Mrs Tina Ellen Waterman - Director

Date: 18 December 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEAF ACADEMY

We have audited the financial statements of LeAF Academy for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors Responsibilities, the Directors (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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

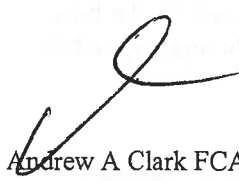
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAF ACADEMY**

Matters on which we are required to report by exception

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

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



Andrew A Clark FCA (Senior Statutory Auditor)
for and on behalf of Carter & Coley
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

Date: 18 December 2013

Note:

The maintenance and integrity of the LeAF Academy website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEAF ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LeAF Academy during the period 29 March 2012 to 31 August 2013 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 LeAF Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LeAF Academy and 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 LeAF Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of LeAF Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of LeAF Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 29 March 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 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.

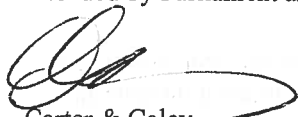
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
LEAF ACADEMY AND THE EDUCATION FUNDING AGENCY

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 29 March 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Carter & Coley
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

Date: 18 December 2013

LEAF ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	2	3,215	-	3,215
Voluntary income - Transfer from Local Authority on conversion	22	917,384	17,010,389	17,927,773
Activities for generating funds	3	213,513	-	213,513
Investment income	4	4,642	-	4,642
Incoming resources from charitable activities				
Academy's educational operations	5	<u>294,699</u>	<u>11,083,914</u>	<u>11,378,613</u>
Total incoming resources		1,433,453	28,094,303	29,527,756
RESOURCES EXPENDED				
Costs of generating funds				
Costs of generating voluntary income	7	179,145	-	179,145
Charitable activities				
Academy's educational operations	8	-	7,500,477	7,500,477
Governance costs	9	<u>-</u>	<u>26,995</u>	<u>26,995</u>
Total resources expended	6	179,145	7,527,472	7,706,617
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS				
		1,254,308	20,566,831	21,821,139
Gross transfers between funds	17	<u>(138,877)</u>	<u>138,877</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		1,115,431	20,705,708	21,821,139
Other recognised gains/losses				
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(406,000)</u>	<u>(406,000)</u>
Net movement in funds		<u>1,115,431</u>	<u>20,299,708</u>	<u>21,415,139</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,115,431</u>	<u>20,299,708</u>	<u>21,415,139</u>

The notes form part of these financial statements

LEAF ACADEMY

**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

CONTINUING OPERATIONS

All of the LeAF Academy's activities derive from acquisitions in the current period.

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

The notes form part of these financial statements

LEAF ACADEMY
BALANCE SHEET
AT 31 AUGUST 2013

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
FIXED ASSETS				
Tangible assets	12	-	20,195,284	20,195,284
CURRENT ASSETS				
Stocks	13	7,392	-	7,392
Debtors	14	52,660	556,115	608,775
Cash at bank and in hand		<u>1,113,216</u>	<u>1,918,712</u>	<u>3,031,928</u>
		1,173,268	2,474,827	3,648,095
CREDITORS				
Amounts falling due within one year	15	(57,837)	(807,403)	(865,240)
NET CURRENT ASSETS				
		<u>1,115,431</u>	<u>1,667,424</u>	<u>2,782,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,115,431	21,862,708	22,978,139
PENSION LIABILITY				
	18	-	(1,563,000)	(1,563,000)
NET ASSETS				
		<u>1,115,431</u>	<u>20,299,708</u>	<u>21,415,139</u>
FUNDS				
17				
Unrestricted funds:				
General fund				1,115,431
Restricted funds:				
Restricted fixed asset fund				20,195,284
Pension fund				(1,563,000)
Restricted general fund				784,813
Capital fund				<u>882,611</u>
				<u>20,299,708</u>
TOTAL FUNDS				
				<u>21,415,139</u>

The notes form part of these financial statements

LEAF ACADEMY

BALANCE SHEET - CONTINUED
AT 31 AUGUST 2013

The financial statements were approved by the Board of Directors on 18 December 2013 and were signed on its behalf by:

A. Minard

Dr Annetta Christine Minard -Director

T. Waterman

Mrs Tina Ellen Waterman - Director

The notes form part of these financial statements

LEAF ACADEMY
CASH FLOW STATEMENT
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

	Notes	£
Net cash inflow from operating activities	23	1,410,193
Cash transferred on conversion to an academy	22	917,384
Returns on investments and servicing of finance	24	4,642
Capital expenditure and financial investment	24	699,709
Increase in cash in the period		<u>3,031,928</u>

Reconciliation of net cash flow to movement in net debt	25	
Increase in cash in the period		<u>3,031,928</u>
Change in net debt resulting from cash flows		<u>3,031,928</u>
Movement in net debt in the period		3,031,928
Net debt at 29 March		<u>-</u>
Net debt at 31 August		<u>3,031,928</u>

All of the cash flows are derived from acquisitions in the current period.

The notes form part of these financial statements

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets the Companies Act 2006, the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities and the Academies Accounts Directions issued by the EFA.

Going concern

The Directors 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 Directors 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 included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

Donations

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

Other income

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

Donated services and gifts in kind

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

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost 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 Directors' meetings and reimbursed expenses.

Allocation and apportionment of costs

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.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

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.

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.

Depreciation is provided to write off the cost of the asset over its estimated useful life at the following rates:

Freehold land	Nil
Freehold buildings	2% on cost
Furniture and equipment	15% on cost
General equipment	15% on cost
Motor vehicles	10% on cost
ICT	33% on cost

Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Directors.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

Academy staff are members of one of two defined benefit schemes.

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Scheme (SERPS), and the assets are held separately from those of the Academy.

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 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 model. The TPS is a multi employer scheme and the Academy is unable to identify its share of underlying net 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 are 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 Director 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.

Payments in respect of other post-retirement benefits are charged to the Statement of Financial Activities so as to spread the cost over the service lives of employees to which the benefits relate.

Conversion to an academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and operation of the school for nil consideration and has been accounted for under the acquisition accounting method.

LEAF ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

1. ACCOUNTING POLICIES - continued

Conversion to an academy

The assets and liabilities transferred on conversion from Oakmead College of technology and Elmrise Primary school to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for LeAF Academy. The amounts have been recognised under the appropriate balance sheet categories, with corresponding amounts recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds, restricted general funds and restricted fixed asset funds.

2. VOLUNTARY INCOME

Donations	£ <u>3,215</u>
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3. ACTIVITIES FOR GENERATING FUNDS

Nursery income	£ 50,047
School uniform income	9,051
HR outsourcing	18,873
Hire of facilities	44,284
Catering income	50,647
Other income	8,390
Trip income	<u>32,221</u>
	<u>213,513</u>

4. INVESTMENT INCOME

Deposit account interest	£ <u>4,642</u>
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5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £
Grants	294,699	11,071,164	11,365,863
Insurance claims	-	12,750	12,750
	<u>294,699</u>	<u>11,083,914</u>	<u>11,378,613</u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	Total funds £
DfE/EFA revenue grant			
General Annual Grant(GAG)	-	7,317,169	7,317,169
Start up grant	293,699	-	293,699
Other DfE/EFA grants	-	350,930	350,930
	<u>293,699</u>	<u>7,668,099</u>	<u>7,961,798</u>
DfE/EFA capital grant			
Capital grants	-	3,167,017	3,167,017
Other government grant			
Other Government grants	1,000	226,048	227,048
Other non government grants			
Other non government grants	-	10,000	10,000
	<u>294,699</u>	<u>11,071,164</u>	<u>11,365,863</u>

6. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure		Total £
		Premises £	Other costs £	
Costs of generating funds				
Costs of generating voluntary income	82,889	-	96,256	179,145
Charitable activities				
Academy's educational operations				
Direct costs	5,035,510	-	574,673	5,610,183
Allocated support costs	672,486	620,629	597,179	1,890,294
	<u>5,790,885</u>	<u>620,629</u>	<u>1,268,108</u>	<u>7,679,622</u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

6. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	£
Auditors' remuneration	7,250
Auditors' remuneration for non-audit work	7,500
Depreciation - owned assets	428,413
Hire of plant and machinery	<u>21,082</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	£
Staff costs	82,889
CRB and DBS	993
Catering expenses	17,501
Uniform expenses	18,256
Show expenses	508
Trip expenditure	37,470
Nursery expenses	3,179
Hire of facilities	<u>18,349</u>
	<u>179,145</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Total funds £
Direct costs			
Teaching and educational support staff	-	5,035,510	5,035,510
Educational supplies	-	426,314	426,314
Examination fees	-	127,201	127,201
Staff development	-	<u>21,158</u>	<u>21,158</u>
	-	5,610,183	5,610,183
Allocated support costs			
Support staff costs	-	672,486	672,486
Depreciation	-	428,413	428,413
Technology costs	-	54,618	54,618
HR and professional fees	-	56,673	56,673
Maintenance of premises and equipment	-	294,789	294,789
Cleaning	-	23,414	23,414
Carried forward	-	1,530,393	1,530,393

LEAF ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Allocated support costs			
Brought forward	-	1,530,393	1,530,393
Rent and rates	-	21,465	21,465
Energy costs	-	83,549	83,549
Insurance	-	59,409	59,409
Other support costs	-	136,396	136,396
Hire of equipment	-	21,082	21,082
LPGS investment returns	-	38,000	38,000
	-	1,890,294	1,890,294
	-	7,500,477	7,500,477

9. GOVERNANCE COSTS

	£
Auditors' remuneration	7,250
Auditors' remuneration for non-audit work	7,500
Legal and professional	12,245
	26,995

10. DIRECTORS' REMUNERATION AND BENEFITS

Principal and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors/Trustees. Other Directors did not receive any payments, other than expenses, from the academy in respect of their role as Directors. The value of Directors' remuneration (in bands of £5,000) was as follows:

Dr A Minnard	£105,000 - £110,000
Mrs A Carney	£25,000 - £30,000
Mrs H Janda	£35,000 - £40,000

Directors' expenses

Directors received reimbursement of travel and subsistence and other expenses paid on behalf of the school of £880 during the period.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

11. STAFF COSTS

	£
Wages and salaries	4,785,695
Social security costs	342,654
Other pension costs	<u>618,379</u>
	5,746,728
Supply teacher costs	15,496
Compensation payments	24,750
Benefits in kind	<u>3,911</u>
	<u><u>5,790,885</u></u>

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

Leadership	15
Teachers	69
Teaching assistants	42
Nursery	8
Support staff	66
Administration	<u>17</u>
	<u><u>217</u></u>

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

£60,001 - £70,000	1
£100,001 - £110,000	<u>1</u>
	<u><u>2</u></u>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013 pension contributions for these staff amounted to £24,683.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

12. TANGIBLE FIXED ASSETS

	Freehold property £	General equipment £	Furniture and equipment £
COST			
Transfer on conversion	16,016,000	250,000	1,750,000
Additions	<u>2,451,269</u>	<u>3,617</u>	<u>12,289</u>
At 31 August 2013	<u>18,467,269</u>	<u>253,617</u>	<u>1,762,289</u>
DEPRECIATION			
Charge for year	<u>190,080</u>	<u>26,956</u>	<u>187,500</u>
NET BOOK VALUE			
At 31 August 2013	<u>18,277,189</u>	<u>226,661</u>	<u>1,574,789</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
Transfer on conversion	36,377	79,012	18,131,389
Additions	<u>-</u>	<u>25,133</u>	<u>2,492,308</u>
At 31 August 2013	<u>36,377</u>	<u>104,145</u>	<u>20,623,697</u>
DEPRECIATION			
Charge for year	<u>2,728</u>	<u>21,149</u>	<u>428,413</u>
NET BOOK VALUE			
At 31 August 2013	<u>33,649</u>	<u>82,996</u>	<u>20,195,284</u>

The freehold properties were valued using depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the EFA.

13. STOCKS

Stocks	<u>£</u> <u>7,392</u>
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LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
VAT	407,116
Prepayments and accrued income	<u>201,659</u>
	<u>608,775</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	654,982
Social security and other taxes	130,291
Other creditors	1,615
Accruals and deferred income	<u>78,352</u>
	<u>865,240</u>

16. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Other operating leases £
Expiring:	
Within one year	34,332
Between one and five years	<u>89,746</u>
	<u>124,078</u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

17. MOVEMENT IN FUNDS

	Net movement in funds £	Transfers between funds £	At 31/8/13 £
Unrestricted funds			
General fund	1,254,308	(138,877)	1,115,431
Restricted funds			
Restricted fixed asset fund	17,702,976	2,492,308	20,195,284
Pension fund	(1,563,000)	-	(1,563,000)
Restricted general fund	828,838	(44,025)	784,813
Capital fund	<u>3,192,017</u>	<u>(2,309,406)</u>	<u>882,611</u>
	20,160,831	138,877	20,299,708
TOTAL FUNDS	<u>21,415,139</u>	<u>-</u>	<u>21,415,139</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,433,453	(179,145)	-	1,254,308
Restricted funds				
Restricted fixed asset fund	18,131,389	(428,413)	-	17,702,976
Pension fund	(1,121,000)	(36,000)	(406,000)	(1,563,000)
Restricted general fund	7,891,897	(7,063,059)	-	828,838
Capital fund	<u>3,192,017</u>	<u>-</u>	<u>-</u>	<u>3,192,017</u>
	28,094,303	(7,527,472)	(406,000)	20,160,831
TOTAL FUNDS	<u>29,527,756</u>	<u>(7,706,617)</u>	<u>(406,000)</u>	<u>21,415,139</u>

LEAF ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

17. MOVEMENT IN FUNDS - continued

Included in the Capital Fund is £15,000 received for the provision of cycle shelters and £867,611 re the Studio School build.

Under the funding agreements with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2013.

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

Studio School	134,501
Oak Academy	433,803
Elm Academy	<u>216,509</u>
	<u><u>784,813</u></u>

Analysis of academies by cost

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

	Teaching and education support staff costs	Other support staff costs	Educational supplies	Other costs (excl dep'n)	Total
Studio School	1,082,970	55,029	94,987	174,657	1,407,643
Oak Academy	3,122,147	528,640	457,781	514,267	4,622,835
Elm Academy	<u>832,392</u>	<u>88,814</u>	<u>22,098</u>	<u>89,276</u>	<u>1,032,580</u>
Academy Trust	<u><u>5,037,509</u></u>	<u><u>672,483</u></u>	<u><u>574,866</u></u>	<u><u>778,200</u></u>	<u><u>7,063,058</u></u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. 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) for non-teaching staff, which is managed by Dorset County Council. 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 2004 and of the LGPS 31 March 2010.

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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Director-administered funds. The total contribution made for the year ended 31 August 2013 was £285,000, of which employer's contributions totalled £212,000 and employees' contributions totalled £73,000. The proposed contribution rates from April 2014 are 17.4 per cent for employers and 5.5 - 7.5 per cent for employees, depending on level of remuneration.

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans £
Present value of funded obligations	(2,642,000)
Fair value of plan assets	<u>1,079,000</u>
	<u>(1,563,000)</u>
Deficit	<u>(1,563,000)</u>
Liability	<u>(1,563,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans £
Current service cost	196,000
Interest cost	68,000
Expected return	(30,000)
Deficit adopted on conversion	<u>1,135,000</u>
	<u>1,369,000</u>
Actual return on plan assets	<u>88,000</u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans £
Current service cost	(196,000)
Contributions by scheme participants	(73,000)
Interest cost	(68,000)
Actuarial losses/(gains)	(464,000)
Deficit transferred on conversion to academy	<u>(1,841,000)</u>
	<u>(2,642,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans £
Contributions by employer	212,000
Contributions by scheme participants	73,000
Expected return	30,000
Actuarial gains/(losses)	58,000
Assets on date of conversion to academy	<u>706,000</u>
	<u>1,079,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans
Equities	62%
Gilts	20%
Target Return Portfolio	5%
Property	8%
Cash	5%

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

Discount rate	4.7%
Expected return on scheme assets	5.2%
Future salary increases	4.9%
Future pension increases	2.9%
Inflation (CPI)	2.9%
Inflation (RPI)	3.7%
Commutation of benefits to lump sums	50%

The assumed life expectations from age 65 are:

Retiring Today	
Males	20.1 Years
Females	24.1 Years
Retiring in 20 years	
Males	22.1 Years
Females	26.0 Years

It is further assumed that active members will retire one year later than they are first able to do so without reduction.

Sensitivity

A change of 0.1% in the assumed discount rate would cause the present value of the total obligation to change by approximately £83,000 and the projected service cost by £14,000.

A change of 1 year in the assumed mortality age would cause the present value of the total obligation to change by approximately £98,000 and the projected service cost by £15,000.

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

We have adopted the following expected returns.

	Expected return at 31 August 2013	Expected return at date of conversion
Equities	6.5%	5.8%
Gilts	3.5%	2.8%
Target Return Portfolio	2.5%	2.5%
Property	4.5%	3.8%
Cash	0.5%	0.5%
Total	5.2%	4.6%

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

18. PENSION AND SIMILAR OBLIGATIONS - continued

Amounts for the current period are as follows:

	£
Defined benefit pension plans	
Defined benefit obligation	(2,642,000)
Fair value of scheme assets	1,079,000
Deficit	(1,563,000)
Experience adjustments on scheme assets	58,000

19. CAPITAL COMMITMENTS

	£
Contracted but not provided for in the financial statements	<u>302,787</u>

20. RELATED PARTY DISCLOSURES

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions take place with organisations in which a Director may have 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.

LEAF ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

21. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the period:

- teaching staff
- human resources
- financial services
- ICT
- site management
- data management
- building services

The trust charges for these services on the basis of time spent.

The actual amounts charged by Oak Academy during the period were as follows:

To Studio School	294,000
To Elm Academy	<u>56,000</u>
	<u><u>350,000</u></u>

22. CONVERSION TO AN ACADEMY

On 1 December 2012 Oakmead Technology College and Elmrise Primary School both converted to academy status under the Academies Act 2010 and all of the operations and assets and liabilities were transferred to LeAF Academy from Bournemouth Borough Council for £Nil consideration.

The transfer has been accounted for using acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total
Oak Academy				
Tangible fixed assets				
Freehold land and buildings			13,752,000	13,752,000
Other			1,615,389	1,615,389
Budget surplus on LA funds	845,359			845,359
LGPS pension deficit		(869,000)		(869,000)
		<u>(869,000)</u>		<u>(869,000)</u>
Net assets	<u>845,359</u>	<u>(869,000)</u>	<u>15,367,389</u>	<u>15,343,748</u>

LEAF ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013**

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total
Elm Academy				
Tangible fixed assets				
Freehold land and buildings			2,264,000	2,264,000
Other			500,000	500,000
Budget surplus on LA funds	72,025			72,025
LGPS pension deficit		(252,000)		(252,000)
	<u>72,025</u>	<u>(252,000)</u>	<u>2,764,000</u>	<u>2,584,025</u>

The above net assets include £917,384 that was transferred as cash.

23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£
Net incoming resources	21,821,139
Depreciation charges	428,413
Capital grants	(3,192,017)
Transfer from Local Authority on conversion	(17,927,773)
Interest received	(4,642)
Increase in stocks	(7,392)
Increase in debtors	(608,775)
Increase in creditors	865,240
Difference between pension charge and cash contributions	<u>36,000</u>
Net cash inflow from operating activities	<u><u>1,410,193</u></u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest received	<u>4,642</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>4,642</u></u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(2,492,308)
Capital grants	<u>3,192,017</u>
Net cash inflow for capital expenditure and financial investment	<u><u>699,709</u></u>

LEAF ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 29 MARCH 2012 TO 31 AUGUST 2013

£

25. ANALYSIS OF CHANGES IN NET DEBT

	At 29/3/12 £	Cash flow £	At 31/8/13 £
Net cash:			
Cash at bank and in hand	-	3,031,928	3,031,928
	<hr/>	<hr/>	<hr/>
Total	<u>-</u>	<u>3,031,928</u>	<u>3,031,928</u>